



1. Evaluation Procedure

This document is the report of the *ad hoc* committee established by the Eighteenth Conference of the Parties of the Inter-American Institute (IAI) for evaluation of proposals submitted by Parties to the Agreement Establishing the IAI in order to host the IAI's Directorate and its staff.

The letter IAIEC-003/1, dated September 23, 2011 from the EC Chair to all Party Representatives contained material regarding the procedure and evaluation criteria that were to be adhered to by proposing Parties and by the *ad hoc* committee established by CoP-18 to assist with proposal preparation and with their evaluation. As requested by CoP-18, the Executive Council prepared Terms of Reference for the *ad hoc* committee. Those Terms of Reference are included herein by reference.

The IAI received proposals from Argentina, Brazil, and Uruguay. No additional proposals or communications were received.

1.1. Proposal Preparation Assistance:

No questions were submitted by Parties to the *ad hoc* committee.

1.2. Available Documents:

Copies of the Agreement Establishing the IAI, the current Host Country Agreement, IT requirements, and a draft Host Country Agreement were available to the Parties.

1.3. Language of Proposal:

Proposals could be submitted in any of the Inter-American Institute's official languages. An 'unofficial' English translation was requested to facilitate the work of the *ad hoc* committee.

Argentina and Uruguay submitted unofficial English versions along with the official Spanish versions, and MCTI/Brazil submitted only a Portuguese version. An English version was submitted by MRE/Brazil after the deadline.

1.4. Proposal Length:

Full proposals were not to exceed twelve pages.

All proponents adhered to this requirement, *for the body of the proposal*. However, several appendices were added to the Brazilian and Uruguayan proposals, and the Argentine proposal was only nine pages long.

1.5. Post-submittal Modification of Proposals:

No modifications were made by any submitting Party.

1.6. Submission Deadline, Procedure and Distribution:

The submission deadline was November 15, 2011. Paper copies were to be sent in addition to the electronic copy. Paper copies were received from MCTI/Brazil and MRE/MVOTMA/Uruguay, but no paper copy was received from MinCyT/Argentina. An additional copy of the Brazilian proposal, including a translation to English for portions of the document, was submitted by MRE/Brazil one day after deadline.

Electronic copies of all proposals were sent to the Party Representatives within the two weeks allotted after the deadline.

1.7. Cover Letter:

Submitted proposals were to be accompanied by a cover letter clearly indicating the source Ministry or Ministries for the proposal, a principal point of contact, and an indication of the level of commitment and interest that the Institute could expect from the appropriate Ministries.

The cover letter from Argentina originated from the *Ministry of Science, Technology and Productive Innovation (MINCyT)*, and was signed by Ing. Agueda Menvielle, the National Director for International Relations.

The cover letter from Uruguay originated from both the Ministry of Foreign Relations (MRE) and the Ministry of Housing, Territorial Regulation, and Environment (MVOTMA), and was signed by both Ministers, Min. Luís Almagro (MRE) and Min. Graciela Muslera (MVOTMA).

The Brazilian proposal had no cover letter.

1.8. Evaluation Procedure:

Member Parties of the Committee were originally as follows: Brazil, Canada, Colombia, the Dominican Republic, Paraguay, and the USA. Member Parties agreed to withdraw from participation if they submitted a proposal. In this case, Guatemala joined the *ad hoc* committee after Brazil's submission. The IAI Director served on this *ad hoc* committee *ex-officio*.

Guatemala did not respond to any communications, by email or by telephone, and did not participate after substituting for Brazil on the *ad hoc* committee.

All proposals were evaluated independently by committee members, and comments were collated by criterion to form the basis for this report. The committee agreed on the content by consensus.

1.9. Points of Clarification:

No points of clarification were requested from the Parties by the *ad hoc* committee due to scheduling problems.

2. Evaluation Criteria

Submitted proposals were to contain information regarding the following items (the listing of questions in *italics* were examples):

Criterion 1. Experience in Hosting International Treaty Organizations

The Parties were to give examples of their hosting International Treaty Organizations (ITOs). Hosting these types of organizations has certain implications for operations under the national regulations of the Host Country, in terms of exemptions, exceptions, and regulations applicable only to ITOs.

Argentina

Not addressed

Brazil

Brazil has been the Host Country to the IAI since 1996, and the Directorate is located on the campus of the National Institute for Space Research (INPE), in São José dos Campos, São Paulo. INPE also hosts the Regional Centre for Space Science and Technology Education for Latin America and the Caribbean, affiliated to the UN, by Agreement between the governments of Brazil and Mexico. The Centre conducted activities for education and training on space themes for Latin American and Caribbean professionals.

The proposal addresses only those organizations hosted by INPE, and the legal status of these organizations is not explained.

Uruguay

Uruguay is Host Country for the headquarters of the MERCOSUR Administrative Secretariat, the General Secretariat of the Latin American Integration Association (LAIA), the General Secretariat of the Postal Union of the Americas, Spain and Portugal (UPAEP), and an Office of the Secretary General of the Organization of American States (OAS). In addition, FAO, ILO/CINTERFOR, UNIDO, PAHO/WHO, UNESCO, UNFPA, UN Women, UNOPS, UNV, a commission (ECLAC) and an associated organization (IOM), and the World Bank and IMF all have offices in the country.

Criterion 2. History with the IAI

The Parties were to describe their involvement with the Institute. The IAI desires not only the participation of the national scientific communities, but also that of the political structures, in order to ensure that the IAI's policies and strategies reflect the common interests of the Parties.

Argentina

Argentina ratified the Agreement for the Establishment of the Inter-American Institute for Global Change Research in 1993, and has had continuous participation in both the scientific and political activities of the Institute. Argentina has hosted three IAI Executive Council (EC) and three IAI CoP meetings. Through an Agreement between the IAI and the University of Buenos Aires' Faculty of Natural and Exact Sciences, Argentina hosts the IAI publications editing staff, as well as printing the Newsletter. Through IAI FY2009, Argentina had contributed USD\$502,600 to the IAI's Core Budget, and had benefited \$3,342,105 from the Program Budget, as well as \$326,752 from Capacity Building funds.

Argentine scientists have had a leading role in IAI programs: 46 researchers are participating in 12 of the 13 ongoing projects, doing interdisciplinary work. Argentina leads the largest number of IAI-funded projects.

Brazil

Brazil ratified the Agreement for the Establishment of the Inter-American Institute for Global Change Research in 1993, and has had continuous participation in both the scientific and political activities of the Institute. In 1994, CoP-1 elected Brazil as the first Host Country for the Directorate. INPE, the leading Brazilian research institution on global environmental change research, has hosted the IAI Directorate since 1996 and has worked closely with the scientific agenda of the IAI.

Historically, INPE has been the principal executor of Brazilian actions with respect to the IAI Agreement, and has the mission most concordant with the IAI's Scientific Agenda. Brazilian researchers have participated in every IAI competition, and are active in the IAI's Scientific Advisory Committee (SAC). Other than the United States, Brazil has been the largest recipient of research funds from the IAI.

Uruguay

Uruguay ratified the Agreement for the Establishment of the Inter-American Institute for Global Change Research in 1993, and has had continuous participation in the scientific activities of the Institute. Uruguay was one of three countries that offered to host the IAI at CoP-1 after it was established, and provided the first IAI Director, Dr. Armando Rabuffetti. Uruguay has participated actively in the workshops, seminars and projects funded by the IAI, both by nominating participants, and by providing facilities for their execution, and the experts to lead the events.

The proposal contained an extensive description of many domestic and regional programs related to climate change and its associated areas of research.

Criterion 3. Facilities and Equipment

A description of the proposed location of the Directorate was required of the Parties, and of the equipment offered, as well as the security offered to the staff, premises, and properties.

Is there access to international airports, Embassies, and the national scientific research community and their facilities? Is there access (physical or electronic) to scientific journals and databases? Is there appropriate local communications infrastructure, and facilities for holding meetings of varying sizes? Can these facilities be used for training? Can the Institute expect an initial set of equipment (telephones, furniture, etc.)? What is the schedule for occupancy of the space? Is there space for storage? How will these spaces be managed if shared? What other organizations are in the vicinity?

Argentina

The Institute would be located on a property of the Government in the City of Buenos Aires, at the current headquarters of the National Directorate of International Relations – (DNRI, in Spanish). This area contains many embassies and other organisms dedicated to science and technology such as CONICET and the National Agency for the Promotion of Science and Technology (Agencia Nacional de Promoción Científica Tecnológica), and is easily accessible by subway and bus routes. The Argentine Government would provide approximately 75 square meters of furnished space with all public services needs such as electricity, water, gas, sewer, garbage collection, cleaning, and so on. A shared meeting room would be available. Twelve dual-core processor workstations, two laser printers, and a photocopy machine would be available, along with webhosting, servers, Ethernet and WiFi networks. There is no information on network administration or control.

The IAI would have access to the Electronic Library of Science and Technology where complete articles from over 11,000 scientific and technical journals and over 9,000 books are available. There would be a security and surveillance system, but there is no information on whether the IAI would control this.

The offer of 75m² represents one quarter of the current space. After discounting the space currently taken by servers and IT facilities (17m²), this would provide less than 5m² per person at current staffing levels, not discounting space required for storage. Given the level and regularity of communications and negotiations conducted by all work groups of the IAI a single office without sound divisions would be a difficult situation.

Brazil

The IAI Directorate is currently located at INPE in São José dos Campos, about 91km from São Paulo, and 344km from Rio de Janeiro. The nearest international airport is in São Paulo.

The IAI would be able to keep the infrastructure currently in place. The facilities offered are the same as those under the current Host Country Agreement. These facilities have been adequate for the IAI Directorate's operations. The proposal contains a list of the furniture and equipment currently assigned for use by the IAI. The IAI is in the same building as INPE's Office of International Cooperation. INPE has many meeting and lecture halls, which are made available for common use.

Access to INPE's online document system (SID) is reoffered, along with INPE's bibliographic collection, currently composed of 80,939 books, theses, reports and maps, as well as 151,690 issues of journals. Further, access to the national CAPES electronic system is offered, which has full-text access to over 29,000 journals.

Uruguay

The IAI Directorate would be located in Montevideo, the capital city, at the Technology Park of the Laboratorio Tecnológico del Uruguay (Technology Laboratory of Uruguay, LATU). This neighborhood is located ten minutes from the international airport, and about twenty minutes from the downtown area.

The IAI offices would be housed in 200m² (2,153sq.ft) of floor space that would be subdivided according to the Institute's requirements. Architectural plans for the offices are included. The plans show an office for the Director and his Secretary, space for eight staff, and a meeting room. Each one of these spaces has an exterior window and air conditioning. The offices would be equipped with office furniture (desks, file cabinets and any other items that may be needed), electronic equipment (full-function printer, individual and conference telephones, projector, etc.). There is a shared conference hall available that seats 1,800 people.

Negotiation and agreement between the Uruguayan government and LATU for these facilities is still pending.

Criterion 4. Inviolability, Privileges, and Immunities

A description of the juridical personality accorded to the Institute, and the level of inviolability, privileges and immunities that would be accorded to the Institute premises, documents, communications, and to the staff was required of proposing Parties.

How will these privileges and immunities be communicated to the authorities for the hosting facility, and the municipal authorities? How will the rank of the staff affect the accorded privileges and immunities? Do the regional and local governments recognize the authority of the federal entity granting these privileges and immunities? How does this compare with other international organizations in the country?

Argentina

All issues of operations, inviolability, privileges, and immunities are left for future negotiations or clarification. For the IAI as well as its personnel, privileges and immunities would probably only be conceded to high rank IAI officers and governmental delegates. The proposal suggests that the IAI subscribe to the Sole National Registry of Foreign Requests (Registro Nacional Único de Requirentes Extranjeros, RENURE, in Spanish), which would facilitate transactions for Temporary Residency and Work permits that are available for three-year extendable terms.

Brazil

Brazil recognizes that the IAI is an international organization and if it established its headquarters in the country, it would enjoy the same privileges, immunities and inviolability of its offices as other international organizations. The proposal states that a renegotiation of the terms of the Host Country Agreement (HCA) that deal with inviolability, privileges, and immunities has been authorized by MRE/CGPI. The proposal refers to an annexed draft Host Country Agreement and a legal opinion (both in Portuguese only). The offerings for inviolability, privileges, and immunities are laid out clearly in these annexes.

The proposed language for the Host Country Agreement includes an explicit acknowledgement of the IAI as an international organization. This amendment may address problems with various Brazilian entities like the Federal Revenue Service, that have not recognized the legal status of the IAI as an international organization, let alone an international *treaty* organization.

Assistance in dealing with local authorities is not addressed. This is a critical point, as the IAI has had many difficulties with State and Federal Tax authorities, which do not recognize the privileges and immunities conceded by the Ministry of Foreign Affairs.

While the current and draft Agreements state that the IAI should enjoy the same privileges and immunities as other international organizations in Brazil, the Brazilian or permanent resident staff at the IAI are, and would be, treated differently from their counterparts at the UNEP, OAS, and Latin American Integration Association (Aladi) offices. According to public documents regarding those organizations obtained from the Secretariat of the Federal Revenue in the Ministry of Finance, Brazilians and permanent resident foreigners at these organizations are granted tax exemption from payments originating from their organizations.

It should be noted that under the current Agreement, Brazilian citizens or permanent resident foreigners enjoy immunity regarding spoken or written words carried out during their official

duties, and this extends after their IAI employment. Under the proposed new Agreement, these categories would not enjoy these immunities. This represents a withdrawal of current privileges and immunities.

Uruguay

Uruguay acknowledges that the IAI is a legal entity and if it established its headquarters in the country, it would enjoy the same privileges, immunities and inviolability of its offices as other international organizations, including its staff, documents, and communications.

The proposal provides a copy of national decree regulating privileges and immunities of diplomatic missions, but details of equivalence of staff may have to be clarified and or negotiated. Particularly, terms covered by "reciprocity" will need to be clarified. The final version of the Host Country Agreement would need to state that the IAI would be treated according to decree 99.86 which stipulates that: "*Las organizaciones internacionales que deseen acogerse a los privilegios reconocidos en este Capítulo N° III, deberán presentarse directamente al Ministerio de Relaciones Exteriores.*"

The proposal does not refer to the *Agreement Establishing the IAI* as a basis for the Host Country Agreement. This would have to be rectified to establish the IAI's juridical personality as an International Treaty Organization.

Assistance in dealing with local authorities is addressed by stating that MRE will have sole control over conditions imposed upon the IAI, and that no local, municipal, or regional authority will have jurisdiction.

Under the proposed Agreement, Uruguayan citizens or foreign permanent resident would enjoy immunity regarding spoken or written words carried out during their official duties, and this extends after their IAI employment.

Criterion 5. Tax Status of the Institute

Parties were required to describe the taxes that would be levied against the Institute, or any immunities granted.

What capital and transaction-based costs can the Institute expect from taxation at the federal, state and local levels? What Institute equipment purchases (computers, cars, etc.) will be tax or duty exempt? How will an Institute endowment be treated? Can the Institute expect federal assistance in dealing with local authorities? How does this compare with other international organizations in the country?

Argentina

Not addressed

Brazil

No change from the current Host Country Agreement is offered. As with any other international organizations with headquarters or offices in Brazil, assets, income or other assets of the IAI would be exempt from all direct taxes. Articles imported under such exemptions cannot be sold in Brazil, except under conditions to be agreed with the Brazilian government. Under the current and proposed future arrangements, the IAI is required to pay taxes as well as contributions into the Brazilian Social Security System for all Brazilian employees. The IAI must also contribute union and employer dues for all Brazilian nationals who are employees of the IAI. These taxes and contributions currently exceed Brazil's annual contribution to the Core Budget of the IAI.

Union dues payments have caused problems for staff leaving the IAI, as the local union does not recognize the IAI as an international treaty organization, requiring the IAI to recur to union offices in other cities.

Uruguay

The IAI, as an international treaty organization, is specifically exempted from taxes and contributions levied against salaries and emoluments.

Social Security payments for all Uruguayan employees, permanent residents, and those employees not covered by other social security systems in their home countries are **obligatory**. Payment levels are not discussed.

Criterion 6. Tax Status of the Personnel

Parties were required to describe the taxes that would be levied against the Institute's personnel in local or international posts, or any immunities granted.

What are the income, capital, and transaction taxes that can be expected? What staff equipment purchases (computers, cars, etc.) will be tax or duty exempt? Can the staff expect assistance in dealing with local authorities? What are the conditions regulating family members' employment and taxation? How does this compare with staff at other international organizations in the country?

Argentina

Not addressed

Brazil

IAI staff who are not Brazilian or foreign permanent residents would have the right to import their furniture and goods for personal use free of duties and taxes. This right would extend up to six months from their date of arrival in Brazil. The current agreement does not stipulate for how long this right is to last.

IAI staff who are not Brazilian or foreign permanent residents would also have other privileges and immunities granted to personnel of comparable rank of international organizations, including immunity and tax exemption on salaries and emoluments paid by the IAI.

Brazilian nationals or permanent resident foreigners are not tax-exempt, even if in an international position. Currently the Receita Federal (the federal tax authority) does not recognize the IAI's salary withholding (and has disallowed credit for all payments to the Receita made since 2009), and is insisting that the Brazilian IAI employees owe these back taxes plus interest and penalties.

Assistance with local authorities is not addressed. IAI employees have had many difficulties with State and local Federal Tax authorities, which do not recognize the privileges and immunities conceded by the Federal authorities.

Non-Brazilian spouses of IAI employees in international positions may not work, unless an exemption is granted by MRE.

Uruguay

Non-Uruguayan and non-permanent residents on the IAI Staff are conceded the same privileges and immunities as other international treaty organizations. As with other international organizations with headquarters in Uruguay, the income received by international staff, their capital goods, transactions and purchases of equipment (computers, cars, etc.) are completely free of taxes; the regulations applicable to the administrative officers are the same ones that apply to the administrative officers of diplomatic missions, with the exception of Uruguayan nationals. Uruguayan nationals are still subject to tax, except for those payments that originate from the IAI.

Spouses and family members of IAI Officers may work. This implies waiving their immunity with regard to employment disputes and waiving exemption from payment of Uruguayan taxes.

Uruguayan nationals or permanent resident foreigners are not allowed to import or export personal goods tax-free upon first entry to and last departure from Uruguay

Criterion 7. Free Entry and Exit of Personnel and Equipment

Parties were required to provide a description of the status of the Institute's property, purchases, as well as the staffs' property, purchases, and persons before customs and immigration.

What are the differences for first entry, subsequent exits and entries, and last exit? What customs and immigration status will the Institute staff have? How does this compare with other international organizations in the country?

Argentina

Not addressed

Brazil

The Director and staff of the IAI, members of their families who live with them, members of the Executive Council and the Scientific Advisory Committee referred to in the IAI Agreement, and all other non-Brazilian individuals who provide services to the IAI would be entitled to free entry, exit and movement within Brazil.

The Director and staff of the IAI and members of their families who live with them would have the right to import and export their personal belongings, and would have exemption from customs duties and other taxes.

The Ministry of Foreign Affairs would provide official identity documents to the Director and staff members indicating their status as international civil servants serving an international organization. Visas, licenses and work permits for foreigners carrying out services for the IAI would be issued without cost, and as soon as possible.

Uruguay

The Director and staff of the IAI, members of their families who live with them, members of the Executive Council and the Scientific Advisory Committee referred to in the IAI Agreement, and all other non-Uruguayan individuals who provide services to the IAI would be entitled to free entry, exit and movement within Uruguay.

The Director and staff of the IAI and members of their families who live with them would have the right to import and export their personal belongings, and have complete exemption from customs duties and other taxes, with the exceptions established in Article 34 of the Vienna Convention on Diplomatic Relations.

Visas, licenses and work permits for foreigners carrying out services for the IAI would be issued without cost, and as soon as possible.

Criterion 8. Visas for Meetings in Host Country

The Directorate will necessarily host meetings of the political and scientific bodies of the Institute, as well as events involving scientists and students from Member States. Details on the visa requirements for individuals involved in such meetings was requested of the Parties.

What visa procedures will be made available in order to guarantee the accessibility of these events to all Member States' citizens?

Argentina

Only Cuban nationals need a visa for entry into Argentina.

Brazil

Members of the Executive Council, Scientific Advisory Committee, and Directorate personnel would have rights of free movement within Brazil. This right would also be extended to non-Brazilian contractors.

Visas, licenses and work permits for foreigners carrying out services for the IAI would be issued without cost, and as soon as possible..

Uruguay

Only Cuban nationals need a visa for entry into Uruguay.

Members of the Executive Council, Scientific Advisory Committee, and Directorate personnel would have rights of free movement within Uruguay. This right would also be extended to non-Uruguayan contractors.

Visas, licenses and work permits for foreigners carrying out services for the IAI would be issued without cost, and as soon as possible.

Criterion 9. Staff Support

Parties were required to provide a description of any local staff that would be offered to the Institute. This staff would be expected to operate, within their position descriptions, in one or several of the official languages of the IAI: English, French, Portuguese, and Spanish.

What is the skill set that each position carries? What are the language abilities of these individuals? What are the fiscal responsibilities of the Host Country and the Institute for each person in this category? Through what mechanism will these staff be selected and hired? Who will have review authority?

Argentina

The National Directorate of International Relations would provide the services of a receptionist and private and technical support personnel for specific tasks. It is not clear which members of this staff would be shared with other organizations.

Brazil

One of the most difficult issues in the operations of the IAI Directorate during the past eight years has been the hiring of support staff by INPE under the current Host Country Agreement. Much of INPE, along with the IAI, has been paralyzed by repeated failures of contracts that were to provide support staff. The proposed agreement language includes language referring to “administrative *and/or* financial support” [emphasis added], which could resolve some of the current issues by allowing the IAI to directly hire staff paid for with Brazilian funds. However, there are several changes in the structure and language of the proposed new agreement that merit attention:

Brazil offers to provide an administrative support structure to the IAI, “*as described in the Host Country Agreement.*” The language referring to the administrative support structure in the current Agreement has been removed, and appears **only as an Annex to the proposal**, and **not** in the proposed new Host Country Agreement.

In addition, the language committing Brazil to providing this support has been changed from the imperative ‘shall put’ (*porá*) to the conditional ‘may put’ (*poderá colocar*). The legal opinion, or *Parecer*, that accompanied the proposal as an Annex also makes clear that the “fulfillment of such an obligation will be provided by contracting for a defined period to attend to a *temporary need of exceptional public interest* [emphasis added]:”

“o cumprimento da obrigação assumida pelo Brasil perante o IAI, no tocante à disponibilização de “três secretárias trilingües (português/espanhol/inglês ou francês) e um auxiliar de escritório” deverá ser cumprido sob a forma de contratação por tempo determinado para atender a necessidade temporária de excepcional interesse público, com fulcro no art. 2º, inciso IV, alínea “h” da Lei nº 8.745, de 9 de dezembro de 1993;”

The proposal does not clarify the intent of these changes, nor describe how a “temporary need of exceptional public interest” is to be established.

Uruguay

Uruguay would provide national staff to support the basic operation of the Institute's headquarters: a trilingual (Spanish, English, Portuguese) assistant and an administrator with experience in administration and international financial transactions, both of them on a full-time basis and a workload of 40 hours per week. The selection and hiring of these national staff members would be carried out as required by local law.

If necessary, the IAI may request support from the ANII (Agencia Nacional de Investigación e Innovación) for the administration of its funds. The ANII is internationally accredited as an

administrator of funds, as it is the implementing entity for the Adaptation Fund of the Kyoto Protocol. The commission for third-party administration is 5%.

Criterion 10a. Communications Infrastructure

A description of a) the infrastructure for the Directorate itself, and b) the procedure for communications with the Host Government was requested.

Are there adequate telephone, fax, and Internet connections? What are the typical bandwidths offered? What are the conditions for encryption? How will these costs be handled? How committed is the hosting Ministry? With what level of government will the Director communicate regarding Host Country specific issues? What attention will be given to problems? How does this compare with other international organizations in the country?

Argentina

Argentina would provide five telephone lines, a fax, email, 100Mbps Internet access, Domain Name Service (DNS), twelve desktop computers, a wireless connection, the use of four computer file servers run by the Ministry, as well as web hosting services.

There is no discussion of security or privacy considerations for IAI communications.

Brazil

Brazil renews its offer of the current infrastructure used by the IAI. Each office has telephone connections. Connectivity to the Internet is through a Cat5 Ethernet system, and there is wireless connectivity in certain sections of the office.

Current service for the Internet and the local network has been deteriorating over the last year. When testing speed connections to several US servers, downloads have been at speeds of no more than 0.20Mbps and uploads at 1Mbps. These values are not good, and IAI connectivity is continuously impaired. Most connections are with external servers, rather than over the internal INPE network. The IAI Data and Information Service is run in collaboration with Oakridge National Laboratory, in the USA.

All IAI communications services are subject to INPE security standards, and are under the management of the INPE Network Security Group (GSR). The IAI is required to follow INPE's network rules and restrictions. On several occasions, the DNS look-up was blocked for requesting data from "suspicious" sites like the Geneva Risk Forum (this block was subsequently lifted).

The IAI premises suffer from many power outages, many of which last for more than an hour. Although the UPS devices provide temporary power, Internet connectivity is lost when the UPS is exhausted. As a result, it is not uncommon for IAI servers to be "off the air" during weekends.

Uruguay

Uruguay would offer the IAI offices with fifteen telephone lines, and access to the Internet via Cat6 connections to the advanced academic networks linked with the SeCIU of the Universidad de la República, and with ultra-high speed and capacity networks like CLARA and Internet 2. The internal IAI wired and wireless networks would be isolated from the external network, providing security and privacy. The proposal states that Uruguay has the highest Internet penetration of Latin America, as well as the most reliable electric power supply.

It should be noted that the proposal refers to Annex V in this section, but Annex V is actually a copy of Decree 99, which covers Privileges and Immunities. The rest of the Annexes refer to other issues.

2.1. Criterion 10b. Communications with the Host

Argentina

Not addressed, but perhaps implicit:

Brazil

The *proposal* lays out clear channels of communication to the INPE Director, the Secretary for Policy and Programs of MCTI and the Minister of CTI him/herself, as well as the division of responsibilities for topics of communication. The main point of contact is given as the Ministry of Science, Technology, and Innovation (MCTI). The IAI Director is to contact the INPE Director regarding issues specifically concerned with the Directorate operations on the INPE campus. In addition, the IAI Director is to contact the Secretary for Policy and Programs for Research and Development (SEPED) at MCTI as well as with the Minister for any issues concerning scientific programs and policies, and the Host Country Agreement, including questions of support for the activities of the IAI included in that Agreement.

However, the draft Agreement is more vague, stating, “The host country, **through its competent organs**, shall accord full facilities for the performance of the functions of the IAI...”

Uruguay

Communications with the host are directly with the Ministry of Foreign Affairs, and not with any regional or municipal authorities. The point of contact is clearly indicated in the cover letter, which was presented by the Ministry of Foreign Affairs (MRE) in collaboration with the Ministry of Housing, Territorial Regulation, and Environment (MVOTMA).

Criterion 11. Currency Regulations and Negotiable Instruments

The Parties were required to provide a description of the permissions granted to operate accounts in US dollars, and the conditions for currency exchanges. These are necessary for the receipt of country contributions, disbursement of research funds, and for certain expenses that require payment in US dollars. It would be desirable to have the greatest flexibility, and the minimum cost for currency exchanges.

How will funds be securely transferred, whether in cash for local payments, or electronically? Will incoming dues and contributions from other Parties and organizations be taxed or in any way reduced from the amount contributed? Will the Institute be free to elect with what financial entity it keeps its accounts?

Argentina

Not addressed

Brazil

The Brazilian proposal states that “As with other international organizations located in Brazil, the IAI will hold and use funds, gold or negotiable instruments of any kind and maintain and operate accounts in any currency and convert any currency held by it into another, and transfer its funds, gold or currency from one country to another or within the host country, to any individual or entity. The IAI can freely choose the financial institution to maintain its resources.”

The IAI does operate in US dollars and has held US dollar accounts in Brazil but functionality of the accounts is limited. It does not allow deposits in Brazil, only wire transfers (in US dollars) from abroad. This account is the main source of funds for IAI, and the funds can be retrieved in US dollars in cash (subject to availability) or transferred to an account in Reais. The IAI is still restricted by local conditions in which bank and branch to use, as funds in US dollars are not easily or regularly available at any bank. The IAI maintains additional US dollar and Real accounts with the state Banco do Brasil because Brazil deposits contributions in the US dollar account at Banco do Brasil and taxes are only payable in Reais and through Banco do Brasil. One problem still arises with the IAI's Brazilian credit card, which would normally be used on travel and to manage meetings and training events. This card must be denominated in Reais, and Brazil levies a 6.8% tax on all foreign transactions. The IAI is not (yet) exempt, and as a result avoids using the credit card.

Uruguay

Uruguay does not impose restrictions or taxes on capital movements. The Uruguayan peso is not a mandatory currency and people are free to possess and exchange foreign currency. The controls and requirements for opening and operating bank accounts comply with the international recommendations for preventing money laundering and the funding of terrorist activities. Operations in Uruguay are untested for IAI, but many other ITOs operate successfully with similar host country agreements.

Criterion 12. Dispute Resolution

A description of the proposed process for dispute resolution between the Institute and the Host Country: *what processes are available (mediation/negotiation/representation)? Will international, or local laws apply? What organization would have ultimate authority?*

Argentina

Any dispute, controversy or claim arising between the parties from the interpretation or application of the Agreement (to be drafted), unless settled by direct negotiation, would be resolved by arbitration in accordance with the Arbitration Rules of the Commission of the United Nations Convention on International Trade Law (UNCITRAL). The Parties would be required to comply with the arbitration award as the final adjudication of any dispute.

Brazil

Any dispute arising between the parties would be subject to a settlement procedure agreed to by the Government and the IAI, in accordance with international law. Where agreed to disputes would be resolved by direct negotiation, mediation or arbitration.

Uruguay

Any controversy regarding the application or interpretation of the Agreement between the IAI and the Government of Uruguay would be dealt with following an agreed process between the parties in accordance with international law.

Criterion 13. Schedule

A description of the expected process and calendar for the ratification of the different legal processes involved in the above criteria: *will the Institute be expected to operate in the Host Country before the legal procedures implementing the above conditions are concluded?*

Argentina

Not addressed

Brazil

Not addressed explicitly, but the draft agreement states that the agreement would enter into force the day after Brazil and the IAI exchange written assurances that they have completed their internal requirements. This, combined with the ongoing validity of the current Agreement, provides the IAI with coverage.

Uruguay

The proposal includes a suggested timetable making the IAI operational by August 2012, subject to successful conclusion of the Host Country Agreement negotiations and other agreements between MVOTMA, LATU, and MRE.

Criterion 14. Other Advantages and or Facilities

The Parties were invited to describe any additional educational, research, cultural or medical facilities in the host city that might enrich the lives of Institute staff, or attend to extraordinary needs. This would make the IAI an attractive location for prospective employees.

What are the local conditions for education of the staff's children? What does the host city offer for culture and off-hours entertainment? What medical facilities are available?

Argentina

The City of Buenos Aires is the main educational center of the country, and is an important center of scientific and intellectual activity. There are many bilingual or trilingual schools of different nationalities, such as Escuela Italiana Cristoforo Colombo, Lycée Franco-Argentine, and Holters Schule, among others. The city also has excellent public and private health services. The IAI Directorate would be close to many embassies and consulates, as well as to the Ministry of Foreign Relations.

Argentina has an overall score higher than the Latin American average in the UN's Human Development Index.

Brazil

Advantages described in the proposal for the city of São Jose dos Campos include many parks, three shopping centers, two theaters, several restaurants offering different cuisines, and several bars. São José dos Campos is also within driving reach (100km) of many attractions in São Paulo, and has a bilingual school (English-Portuguese).

Uruguay

The proposal describes Uruguay's current economic prosperity, political stability, and strong legal system as assets. The proposal also mentions several international schools, as well as cultural and diplomatic activities in the Capital.

Uruguay has an overall score higher than the Latin American average in the UN's Human Development Index, high Internet penetration, and a reliable electric network.

3. Proposal from Argentina

Spanish, unofficial English translation included

Spanish (9), English (10)

None

Deadline met

Unknown

Yes

Ministry of Science, Technology, and Innovative Production (MCTeIP)

Agueda Menvielle (? , no explicit mention)

Mention of country commitment to cooperation with and support of global change research

4. Proposal from Brazil

Portuguese only

Portuguese (12) + Parecer (5) + Minuta da renegociação (9) = 26 pages

None

Two identical proposals submitted: INPE version met deadline, MRE version did not.

Unknown

None

Ministry of Science and Technology (MCT) & and Ministry of Foreign Relations (MRE)? Inferred: no cover letter.

No cover letter.

Unknown, no cover letter

5. Proposal from Uruguay

Spanish & English

English (11) + Spanish () + Annex I, Uruguayan CRN involvement (2) + Appendix II, draft HCA (8) + Appendix III, images & plan of LATU site (2) + Appendix IV, office plan (1) + Appendix V, Decree 99/986 on P&I (16) = 40 pages

none

Deadline met.

Unknown, diplomatic pouch received by NSF w/ printed copy.

Yes

Ministry of Foreign Relations (MRE), and Ministry of Housing, Territorial Regulation, and Environment (MVOTMA)

Jorge Ruchs, National Director for the Environment.

Signed by both Ministers (MRE & MVOTMA). Description of the Government's efforts in areas of global change.

6. Desired Clarifications (Argentine proposal)

- Many of the aspects contained in the other applications are not covered by the proposal from this country.
- Important legal aspects (inviolability, fiscal regulations, etc.) are not mentioned.
- The proposal does not identify experience in hosting other International Organizations.

7. Desired Clarifications (Brazilian proposal)

- The proposal, as well as the documents regarding privileges and immunities were not available in Spanish or English.

8. Desired Clarifications (Uruguay)

- Information is scattered through all documents submitted, however, most aspects are covered adequately.

Annexes mentioned in the proposal available on the IAI Wiki do not correspond to the references. Annex 6 is mentioned, however the content referred to actually appears as Annex 5.