

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH



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Core Budget Request

Fiscal Year 2012-2013

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INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH

CORE BUDGET REQUEST FOR
FISCAL YEAR 2012/2013
and
PRELIMINARY REQUEST 2013-2015

For review and approval by the EC/CoP
Arlington, VA, U.S.A. - June 26th to 29th, 2012

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Overview

This document contains the Directorate's operational budget for the 2012/2013 fiscal year. The budget considers all the funds needed to maintain the current level of service and operations, including the monitoring and synthesis of CRN II and SGP-HD Programs, implementation of CRN III, training activities and additional programs according to current plans. It maintains operational expenses at a minimum despite an increase in activities related to the science program synthesis and future planning, and accounts for the proposed change of the host country for the IAI Directorate.

The IAI Core Budget supports the Directorate's operations; it represents approximately a quarter of the total budget administered by the IAI. The remainder is program funds which support activities coordinated and executed by the Directorate.

The major IAI Directorate activities during fiscal year 2012/2013 include:

Scientific activities

Management and Monitoring of the CRN II, CRN III, SGP-HD, and SGP-CRA Programs

Projects under CRN-II (Collaborative Research Network II) will be completing their final year and is finalizing its synthesis phase. The Directorate will continue the close involvement in shaping the networking and coordination of all projects. All projects will be monitored according to the management manual, and a scientific evaluation of the CRN II projects based on the progress/status was initiated at the end of CRN II project year 3. The Small Grants Program for the Human Dimensions (SGP-HD) second annual report is being compiled and a renewal of the program was finalized to coincide with the end of CRN II.

The funding for CRN III (2012-2016) has been approved and is now available for disbursement; the projects will be selected by the CoP in 2012, based on the recommendations of the Scientific Advisory Committee. An additional program, the Collaborative Research in the Americas (SGP-CRA) is set to run between 2012 and 2014.

The directorate is editing a book and several policy briefs to be released in 2012. A further grant application to the MacArthur foundation was approved to fund field research based on the priority-setting of the assessment in a three-year program funded at US\$500,000.

The Assistant Director for Science Programs, hired in 2009 has not performed adequately and has left the IAI. The position will remain unfilled

until the directorate move is resolved. Contractual costs were incurred in 2011/12, and additional costs will arise in the hiring of a new Assistant Director. The months of vacancy will compensate for these extra costs.

IAI observer status at the UNFCCC and participation in SBSTA.

The Directorate continues its participation at the UNFCCC SBSTA (United Nations Framework Convention on Climate Change, and its Subsidiary Body for Scientific and Technological Advice). The Directorate is providing a brief on carbon sequestration and ocean science in preparation for the May 2012 SBSTA meeting in Bonn, Germany.

Outreach and Communication

After attempts to reduce cost and provide only an electronic form of the IAI Newsletter a full paper version is again being produced, supplemented with more targeted electronic articles and science briefs.

As the CRN II synthesis finalizes, publications and web content are being developed - several of these are available on the IAI website. A specialist has been hired on **CRN and core funds** for 12 months to help develop policy linkages for the IAI science output, and orchestrate the 20-year anniversary of the IAI with a science synthesis and planning event to coincide with the 20th CoP.

Data Information System

The IAI Data Information System (DIS) permits data access and synthesis across projects, disciplines and regions and in this way generates an information technology tool that complements the international science mandate.

The Directorate is working with several of the CRNs and also with organizations involved in the IDRC project to facilitate a smooth metadata flow and mirroring of geographic information.

Finance and Administration

The Financial and Administrative Office of IAI continues to improve and streamline everyday activities, financial reporting, project monitoring, while maintaining internal controls, and satisfactory external audit results.

The budget for 2012/2013 includes the contracting of an additional position to improve management reporting and analysis, particularly of the science and capacity building programs, and assist the development of accounting records, for those activities across member countries.

Besides the analysis of financial reports and requests received from the grantees, Finance and Administration is responsible for the assessment and monitoring of the financial and administrative capabilities of prospective and current grantees as well as for the control of all contracts issued by the Directorate.

On-going activities include budget development, strategic planning, as well as management reporting and analysis.

Budget Request for Fiscal Year 2012-2013

The budget was developed in detail around six main categories: Salaries & Benefits, Travel, Equipment, Operational Costs, Dissemination & Outreach, and Director's Fund. These categories comprise all individual expense accounts and provide a clear perspective of the planned expenses for Fiscal Year 2012/2013.

The proposed budget amount maintains the operational budget of the Institute at the same level since additional costs of the new directorate structure are offset by expected savings in post adjustments for cost of living and for local payments in in Uruguayan Peso rather than Brazilian Real. The budget will not require changes in the total contribution amount. The proposed budget level allows IAI to continue with an improved level of activities and services and compensation for additional liabilities that have in the past not been included in the budget (see below).

The proposed budget estimates the full cost for the following fiscal year, which according to plans and the final date for the Directorate's move to its new location, contains the cost for 6 months of operations in Brazil and 6 months of operations in Uruguay (office move finalized in January 2013); these values are subject to change based on the actual date of the move.

The moving expenses for the staff are not expected to generate additional costs for the Institute, as those expenses will be offset by the sale of the IAI car (valued at US\$45,000) and therefore, additional costs have not been added to the budget.

Also included in the budget are the savings for the Assistant Director's position (vacant since October 2011), which will be partially offset by the relocation cost of a new international staff member in January 2013.

Core budget comparison

For the summary of the budget, please refer to Table I:

Table I: Budget Comparison 2012/2013 - 2011/2012
Summary by major category

Amounts in US\$	Fiscal Year 2012-2013	Fiscal Year 2011-2012	Difference
Salaries & Benefits	944,813	960,521	(15,708)
Travel	83,180	83,180	-
Equipment	10,700	10,700	-
Operational Costs	170,885	174,135	(3,250)
Dissemination & Outreach	49,000	49,000	-
Director's Fund	54,000	54,000	-
Total	1,312,578	1,331,536	(18,958)

Salaries and Benefits

Under this category the cost of 6 international positions and 3 locally hired staff are budgeted.

As it was the case last year, recent communications with INPE (Instituto Nacional de Pesquisas Espaciais) indicate that the current contract is not valid and a new process for hiring will be put in place.

The current details by employee status are provided below:

Employees by Type	Quantity
International Staff (DIR, 3 A.D.'s , PM, ITM)	6
Locally Hired (IAI) (2 Assistants, 1 IT Assistant)	3
Provided by INPE (Accountant, Driver, 2 Assistants)	4

Other details of the Salaries and Benefits line include:

- The amount shown under salaries includes the full cost of the Program Manager since it is no longer covered by the CRN II Program.
- The US dollar to Brazilian Real exchange rate has been stable compared to the previous year. Therefore, no change in the Post-adjustment level is recommended in this budget. The procedure for future changes has been clearly defined and has been in use for the

past 11 quarters. Based on the Post Adjustment procedure in place, the budget considers the same level of Post Adjustment as the calculation made in the last quarter of 2010, with a level of 39.1% for the International Positions. This level represents an average exchange rate of 1.76 Brazilian Real per one US dollar.

- A total of US\$37.5k was reduced from the salary line as this is the IAI's income arising from the MacArthur project. This amount includes only the indirect costs covered by these projects for the administration of the grant.
- The Salaries and Benefits line represents 72% of the IAI Core Budget (same level as in 2011/2012 and 2010/2011).

Travel

The travel budget for the 2011/2012 fiscal year has been maintained at the previous fiscal year's level, considering two combined EC meetings per year. It includes attendance to the Executive Council and Conference of the Parties meetings for the Director, Officers, and two Assistants; it also includes attendance by the Director, Scientific Officer, and Program Manager at the SAC Meetings, attendance of the Program Manager at the UNFCCC-COP-SBSTA meetings, and other travel based on previous years.

The detailed travel budget is as follows:

TRAVEL ESTIMATES FOR THE FISCAL YEAR 2012/2013
Amounts in US\$

Position	Perdiem	Air Fare	Total
Priority 1			
Director	9,800	9,800	19,600
A.D. Science	3,800	7,015	10,815
A.D. Finance and Admin.	11,300	9,695	20,995
A.D. Outreach	2,900	4,300	7,200
Program Manager	3,800	7,245	11,045
IT Manager	800	1,200	2,000
Local Staff	2,220	3,225	6,345
Subtotal: Priority 1 Travel	34,620	42,480	78,000
Priority 2 and 3	2,228	2,952	5,180
Total Travel	36,848	45,432	83,180

Operational Expenses

This budget category primarily includes support for the following: staff training, professional services (external audit, legal advice, translations, DIS services, accounting services), office supplies and communication costs, and meeting support for the Scientific Advisory Committee (SAC) and for Executive Council meeting incidentals.

Dissemination and Outreach

We are proposing maintaining the costs of the IAI Newsletter and the IAI Annual Report, by streamlining the contents of both publications, providing an enhanced electronic rather than paper version. The design of the Newsletter and the Annual Report is done in-house.

Director Special Fund

The Director's Special Funds was maintained from the previous fiscal year for a total of US\$54,000, to compensate for possible Cuban activities under CRN3 and extend the reach of the Fund. For the past five years, the Directorate no longer supports activities that do not fit the science and outreach program, thereby making it more effective and strategically managed; however, with the current funding situation, particularly the short-fall of Mexican contributions, all funds under DSF have been frozen.

Core budget request bridge to 2011-2012

Table III: Budget Comparison 2012-2013 - 2011-2012 - Bridge
Summary by major category

Amounts in US\$	Fiscal Year 2012-2013	Fiscal Year 2011-2012	Difference	
Salaries & Benefits	944,813	960,521	(15,708)	(a)
Travel	83,180	83,180	-	
Equipment	10,700	10,700	-	
Operational Costs	170,885	174,135	(3,250)	(b)
Dissemination & Outreach	49,000	49,000	-	
Director's Fund	54,000	54,000	-	
Total	1,312,578	1,331,536	(18,958)	

(a) Salaries and Benefits	(15,708)	
Salaries Intl Staff	(15,708)	Decreased cost due to host country change
(b) Operational Costs	(3,250)	
Accounting services	-	Not needed in new structure

Member Country Contributions to the Core Budget

For fiscal year 2012-2013, the IAI Directorate is requesting the same level of contributions from the previous fiscal year.

Table II: Current Contribution to CB by country
Amounts in US\$

Country	% (*)	Contrib.
Argentina	5.01%	63,000
Bolivia	0.07%	5,000
Brazil	8.73%	110,000
Canada	12.63%	159,000
Chile	0.55%	7,000
Colombia	0.96%	12,000
Costa Rica	0.13%	5,000
Cuba	-	5,000
Dominican Republic	0.18%	5,000
Ecuador	0.18%	5,000
Guatemala	0.13%	5,000
Jamaica	0.18%	5,000
Mexico	6.21%	77,000
Panama	0.13%	5,000
Paraguay	0.20%	5,000
Peru	0.42%	5,000
United States	60.75%	762,000
Uruguay	0.27%	5,000
Venezuela	3.27%	41,000
FUND TOTAL	100.00%	1,286,000

(*): This percentage represents the participation of each member country in the distribution of the operational costs of the Directorate according to the OAS Table of Contributions for 2001. The 26th EC requested contributions in multiples of US\$1,000 implemented in 2007

With the current forecast for contributions, IAI expects to fund 100% of the 2012/2013 budget, either by current year contributions or payments to previous year's contributions; however we will continue to pursue the maximization of these funds and to get all member countries to participate in and contribute to the IAI's activities.

Three-year Core Budget (FY 12-13 / 13-14 / 14-15)

Budget by Year 2012/2013 - 2013/2014 - 2014/2015 Summary by major category

Amounts in US\$	Fiscal Year 2012-2013	Fiscal Year 2013-2014	Fiscal Year 2014-2015
Salaries & Benefits	944,813	923,226	954,677
Travel	83,180	87,583	87,583
Equipment	10,700	15,000	10,000
Operational Costs	170,885	172,522	211,754
Dissemination & Outreach	49,000	40,000	40,000
Director's Fund	54,000	60,000	70,000
Total	1,312,578	1,298,331	1,374,014

The budget for 13/14 and 14/15 are for reference and planning purposes, and each year a three-year budget will be presented, however approval for each one is made yearly.