



INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH

CORE BUDGET REQUEST FOR
FISCAL YEAR 2015/2016
and
PRELIMINARY REQUEST 2016-2018

For review and approval by the EC/CoP
Lima, Peru
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1) Overview

This document contains the Directorate's operational budget for the 2015/2016 financial year. The budget shows all the funds needed to maintain the current level of service and operations, including the monitoring of CRN III, and SGP-CRA Programs, 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 monitoring and synthesis and future planning, and accounts for the implementation of the tripartite IAI Directorate.

The IAI Core Budget supports the operations of the Directorate, the committees of the Conference of the Parties and Executive Council, and global initiatives on behalf of the IAI science programs. It represents approximately a quarter of the total budget administered by the IAI. The remainder is program funds that support activities coordinated and executed by the Directorate.

The major IAI Directorate activities during fiscal year 2015/2016 include:

a) Scientific activities

Management and Monitoring of the CRN III and SGP-CRA Programs

The CRN III program (2012-2016) is now in its third year and the majority of funds have been disbursed by the IAI according to schedule. Administrative problems with implementing Institutions have made it necessary to re-design some funding flows for 15/16. Several Projects will require further help with research design, based on recommendations at the time of the original proposal and recent SAC deliberations. An additional program, the Collaborative Research in the Americas (SGP-CRA) will be ending by December 2015 with the attendant reporting and synthesis requirements for the IAI.

The MacArthur foundation grant has entered its final year with a one year extension. A follow-up proposal has been prepared by the IAI, and is under review. The Directorate is also preparing a proposal with ICSU, the International Council for Science for an 8 million Euro research program to be implemented throughout Latin America. In addition, the directorate is participating in a proposal to the Norwegian science funding agency for a capacity building program.

IAI observer status at UN conventions and scientific bodies.

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 IAI submission for the June 2015 meeting in Bonn, Germany, in response to SBSTA's invitation, will provide lessons and good practices for knowledge and research capacity building in developing countries with examples from an institutional perspective and conclusions from several investigators.

The directorate is also participating in the activities of the biodiversity convention CBD and its new science body IPBES. The IAI will participate in the planning stage of the Biodiversity assessment for the Americas, convened on behalf of CBD-IPES by the Humboldt Institute of Colombia.

b) Outreach and Communication

For the past three years and after attempts to reduce cost and provide only an electronic form of the IAI Newsletter, a paper version is no longer produced, but the IAI website has been greatly enhanced, and rapid communications are being implemented using Facebook and Twitter. Several videos derived from science programs are being produced for the IAI Youtube channel.

c) Data Information System

The IAI servers are still being outsourced and as expected, service has improved security, connectivity and development potential of the system. New solutions are being put in place to further improve the IAI systems. An IAI conferencing system is being designed and should be ready by mid-2015. Similarly and IT based telephone system that includes the office in Buenos Aires and will include the future office in Brazil is being implemented. With the new system, the IAI will have land-line access numbers in Uruguay and the USA.

d) Finance and Administration

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

As in past years, the budget for 2015/2016 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. Also, funds have been allocated for the final transition period in Montevideo, to ensure a smooth transition and transfer of duties.

A new Business Information system has been successfully implemented and it is expected to improve the quality of the information and secure the data from previous years, including country contributions, projects, and participants. The new system (SAP Business One) is a solution designed for small businesses and it provides IAI with more reporting tools and better information management. During 15/16 all old data bases will be migrated to the new system.

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.

Ongoing activities include budget development, strategic planning, as well as management reporting and analysis.

2) Budget Request for Fiscal Year 2015-2016

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 2015/2016.

The proposed FY 15/16 budget amount increases the operational budget of the Institute by 4% as proposed over the previous year. The budget does not consider a proposal for changes in the total contribution amount, as anticipated the previous year. 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 operating in Montevideo.

a) Core Budget comparison

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

Table I: Budget Comparison 2015/2016 - 2014/2015
Summary by major category

Amounts in US\$	Fiscal Year 2015-2016	Fiscal Year 2014-2015	Difference
Salaries & Benefits	920,230	977,702	(57,472)
Travel	99,280	99,280	-
Equipment	10,700	10,700	-
Operational Costs	296,854	189,346	107,508
Dissemination & Outreach	39,000	39,000	-
Director's Fund	54,000	54,000	-
Total	1,420,064	1,370,028	50,036

b) Salaries and Benefits

Under this category the cost of 5 international positions and 1 locally hired staff is budgeted. The budget considers partial salaries in Brazil for the final close of the offices and legal requirements needed to complete the close.

The current details by employee status are provided below:

Employees by Type	Quantity
International Staff (DIR, 3 A.D.'s , PM)	5
Locally Hired (IAI) (1 Logistics Assistant)	1
Provided by LATU (Uruguay in-kind) (Accountant, Executive Assistant)	2
Provided by MINCYT (Argentina) Assistant	1
MacArthur - Part-time Not funded with Core Budget	1

Other details of the Salaries and Benefits line include:

- The US dollar to Uruguayan Peso exchange rate has compensated for the rate of inflation during 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 4 years. Based on the Post Adjustment procedure in place, the budget considers the same level of Post Adjustment as the calculation made in the third quarter of 2012, with a level of

- 25.1% for the International Positions. This level represents an average exchange rate of 26 Uruguayan Pesos per one US dollar.
- A total of US\$30k 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 65% of the IAI Core Budget (down from 2014/2015 at 71% and down 7% from 2013/2014) due to the effect of savings in the salary lines for the effect of operations in Uruguay, the effect of the eliminated IT Manager position and reduced cost of living adjustments from the previous estimate presented at the CoP in 2014, to reflect part of the country contribution situation. Also, the re-classification of consultant expenses for Argentina previously included as Other Salaries.
 - Salaries not adjusted to reflect lack of payment by several countries, particularly Brazil.

c) Travel

The travel budget for the 2015/2016 fiscal year has been maintained at the same level as the previous fiscal year still considering two combined EC meetings per year, however leaving an allowance for travel of the two new positions of the Directorate in Argentina. It includes attendance to the Executive Council and Conference of the Parties meetings for the Executive Director, area Directors, Directors in Argentina and two Assistants; it also includes attendance by the Director, Scientific Director, 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 2015/2016
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.	9,700	9,695	19,395
A.D. Outreach	2,900	4,300	7,200
Program Manager	3,800	7,245	11,045
Argentina Directorate	10,800	11,225	22,025
Local Staff	1,620	1,500	4,020
Subtotal: Priority 1 Travel	42,420	50,780	94,100
Priority 2 and 3	2,228	2,952	5,180
Total Travel	44,648	53,732	99,280

d) Operational Expenses

This budget category primarily includes support for the following: staff training, professional services (external audit, legal advice, IT Services, translations, DIS services, accounting services, office supplies and communication costs, and meeting support for the Scientific Advisory Committee - SAC and for the Science-Policy Advisory committee - SPAC). The increase from the previous year is due to the IT Services contract, as planned the previous year.

e) Dissemination and Outreach

The costs of the IAI outreach activities are being kept level with last year by switching expenses from paper-based newsletter to web maintenance and production of audio-visual materials. The previous budget included an amount for web design, which is now part of the IT Management contract.

f) Director Special Fund

The Director's Special Funds was maintained from the previous fiscal year for a total of US\$54,000. For the past six years, the Directorate no longer supports activities that do not fit the science and outreach program, thereby making it more effective and strategically managed.

g) Core Budget Comparison 2015-2016 and 2014-2015

**Table II: Budget Comparison 2015-2016 - 2014-2015 - Bridge
Summary by major category**

Amounts in US\$	Fiscal Year 2015-2016	Fiscal Year 2014-2015	Difference
Salaries & Benefits	920,230	977,702	(57,472)
Travel	99,280	99,280	-
Equipment	10,700	10,700	-
Operational Costs	296,854	189,346	107,508
Dissemination & Outreach	39,000	39,000	-
Director's Fund	54,000	54,000	-
Total	1,420,064	1,370,028	50,036

(a)

(a) Salaries and Benefits	(57,472)	
Salaries and Benefits	(57,472)	Temporary salaries and consultants
(b) Operational Costs	107,508	
Contracts	24,000	Previously in personnel costs
IT services and transition	5,000	
Unliquidated Obligations Fund	79,608	
Others	(1,100)	

(b)

3) Member Country Contributions to the Core Budget

For fiscal year 2015-2016, the IAI Directorate maintains the level of contributions from the previous fiscal year.

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

Country	% (*)	Contrib.
Argentina	5.01%	69,000
Bolivia	0.07%	5,000
Brazil	8.73%	120,000
Canada	12.63%	173,000
Chile	0.55%	8,000
Colombia	0.96%	13,000
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%	85,000
Panama	0.13%	5,000
Paraguay	0.20%	5,000
Peru	0.42%	6,000
United States	60.75%	831,000
Uruguay	0.27%	5,000
Venezuela	3.27%	45,000
FUND TOTAL	100.00%	1,400,000

(*): 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 2015/2016 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.

4) Three-year Core Budget (FY 15-16 / 16-17 / 17-18)

Table IV: Budget by Year 2015/2016 - 2016/2017 - 2017/2018
Summary by major category

Amounts in US\$	Fiscal Year 2015-2016	Fiscal Year 2016-2017	Fiscal Year 2017-2018
Salaries & Benefits	920,230	946,842	1,029,128
Travel	99,280	93,909	93,909
Equipment	10,700	15,000	5,000
Operational Costs	296,854	260,365	210,404
Dissemination & Outreach	39,000	40,000	40,000
Director's Fund	54,000	60,000	40,000
Total	1,420,064	1,416,116	1,418,441

The budget for 16/17 and 17/18 are for reference and planning purposes, and each year a three-year budget will be presented, however approval for each one is made yearly.