

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH



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Quartely Status Report

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Inter-American Institute
For Global Change Research

QUARTERLY STATUS REPORT
ACCOUNTING TO MARCH 31st, 2011
CONTRIBUTION STATUS TO APRIL 30th, 2011

Report for the EC - CoP Meeting
Asunción – Paraguay
June, 2011

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1) Status of the Core Budget

a) Country Contributions

As of May 4, 2011 the funds collected (cash incomes) represent 90% of the approved contributions for the fiscal year 2010/2011.

Table I shows the status of the contributions received as of May 4, 2011.

Core Budget - 2010 / 2011
Status of Country Contributions as of May 4, 2011
 Amounts in US\$

	Contribution for FY 10/11	Paid - in 2010/2011 to be applied to:			Due as of 30-Jun-11
		Arrears	Current year	Advances	
Argentina	63,000		(50,000)		78,957
Bolivia	5,000				25,000
Brazil	110,000		(110,000)		0
Canada	159,000		(159,000)		0
Chile	7,000				1,000
Colombia	12,000				37,196
Costa Rica	5,000	(3,428)			12,536
Cuba	5,000				35,067
Dominican Republic	5,000				70,000
Ecuador	5,000	(45,000)	(5,000)		-
Guatemala	5,000				70,000
Jamaica	5,000				35,000
Mexico	77,000				217,000
Panama	5,000	(5,000)	(5,000)		-
Paraguay	5,000	(8,347)	(5,000)		61,653
Peru	5,000				28,351
Uruguay	5,000				65,000
USA (*)	762,000	(691,000)	(52,127)		709,873
Venezuela	41,000	(12,500)			267,021
Totals	1,286,000	(765,275)	(386,127)	-	1,713,655
				Total Revenues:	(1,151,402)
				Total Advances:	-
				Contributions not received:	(134,598)
				Difference:	-

TABLE I: Status of Member Country contributions as of May 4, 2011 (cash basis)

The response from the countries to the IAI contacts has been limited, even though very positive signs have been received from Bolivia, and Colombia and Paraguay expressed the intention to pay for previous years. Ecuador paid all contributions due for a total of US\$50k. Costa Rica is still making partial payments. The US has increased the contribution for the 2010/2011 fiscal year by

US\$670k, effectively eliminating the outstanding dues for previous years. The US funds are available upon request and will be disbursed in full until the end of 2012.

Brazil paid the balance of US\$35k pending the last fiscal year. As announced at the CoP in Bogota (2009), Argentina made a near-full payment for the current fiscal year. Mexico has not paid for the past three fiscal years, a situation that is putting considerable strain on operations.

b) Collection of Country Contributions

The funding requests continue to involve all senior members of the IAI staff, with different strategies depending on the situation of each specific country.

Every opportunity to promote IAI and request funds is used. Whenever there is staff travel, contacts are made in order to promote IAI with high level country officials, usually requesting meetings with persons with enough political and budgetary decision power, to move towards a decision to engage the country and commit funds. (see also the directorate report)

The strategy to engage more countries is based on content driven efforts, first creating the local scientific content and then involving local scientists in the IAI's request for contributions. This encompasses not only current members of the Institute, but also potential members, with a focus on the Caribbean and the Central American countries.

Whenever the IAI had communications with member countries (or those not actively contributing or participating), a country profile is provided in order to show the tangible benefits that the countries have obtained from participating in IAI. This has had a very positive impact, specially with those countries that have not had an active involvement in CoP activities.

However, the IAI needs more support from the member countries, as contributions should be received at the earliest. We have undertaken additional collection efforts with positive results, however some major contributors are still not paying the full amounts, and therefore, the balance of pending contributions continues to increase: the total amount not yet collected now amounts to US\$1.7 million.

c) Expenses

The following table shows the expenses at the close of March 2011 (nine months into the fiscal year). This comparison shows the status of the core budget compared to the actual expenses in the corresponding period (3/4 of the total approved budget).

These expenses include the provisions for holidays, contributions to social security, and depreciation of fixed assets.

Budget Performance

July 2010 - March 2011

Amounts in US\$

Category	Actuals 2010/2011	YTD Budget 2010/2011	Difference	%
Salaries & Benefits	675,188	678,364	(3,176)	-0.5%
Travel & Training	7,280	62,385	(55,105)	-88.3%
Equipment	9,000	10,650	(1,650)	-15.5%
Operational Costs	58,761	130,601	(71,841)	-55.0%
Dissemination & Outreach	26,740	36,750	(10,010)	-27.2%
Director's Fund	-	40,500	(40,500)	-100.0%
Total	776,969	959,250	(182,281)	-19.0%

TABLE II: Core Budget expenses as of March 31, 2011.

At the close of the March 2011, expenses were -19% lower than the budget (75% of the total budget), in all categories.

Salaries and Benefits were approximately the same amount included in the budget.

Travel and training expenses are also lower than expected as travel has been reduced to a minimum.

In the line of operational costs, some budgeted expenses have not been incurred and most of the total includes Un-liquidated Liabilities .

Dissemination and Outreach is lower due to Bi-annual Report being delayed to later in 2011.

The activities under Director's Special Fund have all been cancelled or frozen, awaiting countries to make their payments for the contributions.

2) Cash Composition and Core Budget Reserves

The cash balance at the end of March 2011 was 28.6% higher than the ending balance at the end of March 2010, due to Core Budget Funds increasing as planned the previous fiscal year; expenses continue to be tightly controlled and some countries continue to pay for previous year's contributions. The balance of Core Budget Funds was 129.2% higher than the previous year.

An additional amount was added to the current US Contribution Grant (US\$270k) and this has allowed IAI to recover some past expenses. The Cash reconciliation reflects an improved position in the core budget, with reserves now covering 2.4 months of operations; if the committed funds by the US are taken into consideration, the current available funds cover 11.2 months of operations, a clear improvement from the last 2 fiscal years.

Cash Reconciliation

At the end of Mar-11

Amounts in US\$

	Mar-10	Mar-11	Variance
Program Funds	288,775.85	257,457.84	-10.8%
IAI CB Funds	113,205.79	259,473.51	129.2%
Total Cash	401,981.64	516,931.35	28.6%

3) Administrative Area

a) Changes to Administrative Processes / Internal Controls

Employee Manual

The changes to the forms and approved policies are being compiled and attached to the manual as a new annex. The manual is up-to-date with all changes.

Host Country Agreement with Brazil

This item is still unresolved, even after some positive efforts by INPE as the administrator of the agreement.

Brazilian Staff provided by INPE

Once again, the INPE's contract with the company that currently hires 4 staff members is under review. The contract has been re-issued as an emergency 3 times in the last two calendar years.

Internal Controls

The controls remain in place, being reviewed and updated when opportunities for improvement are detected. Currently there are no critical Internal Control Issues outstanding either from the FAC or the External Auditors.

Inflation for 2010-2011

Inflation Rate	%	Cumm. % Year
Jan-10	1.29%	1.29%
Feb-10	0.68%	1.97%
Mar-10	0.86%	2.83%
Apr-10	0.76%	3.59%
May-10	0.21%	3.80%
Jun-10	-0.21%	3.59%
Jul-10	-0.21%	3.38%
Aug-10	-0.08%	3.30%
Sep-10	0.46%	3.76%
Oct-10	0.59%	4.35%
Nov-10	1.00%	5.36%
Dec-10	0.72%	6.08%
Jan-11	1.27%	1.27%
Feb-11	0.49%	1.76%

The inflation in the current calendar year is expected to close at about the same level as the 2010 calendar year (6%).

Exchange rate – current year

Year	US\$ Exchange Rate
Jan-10	1.741
Feb-10	1.875
Mar-10	1.811
Apr-10	1.781
May-10	1.731
Jun-10	1.817
Jul-10	1.802
Aug-10	1.757
Sep-10	1.756
Oct-10	1.694
Nov-10	1.701
Dec-10	1.716
Jan-11	1.666
Feb-11	1.673
Mar-11	1.662

The exchange rate of the Brazilian Real in comparison to the US dollar continues to decrease, returning to the level of 2007, post-adjustment levels were adjusted accordingly.