

**INTER-AMERICAN INSTITUTE FOR
GLOBAL CHANGE RESEARCH - IAI**

Independent auditors' report

**Financial statements
As of June 30 2012 and 2011**

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

**Financial statements
As of June 30 2012 and 2011**

Contents

Independent auditors' report on the financial statements

Balance sheets

Statement of income

Statement of changes in shareholders' equity

Statement of cash flows

Notes to the financial statements

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the managers Executive Council of
Inter-American Institute for Global Change Research - IAI
São José dos Campos - SP

We have audited the financial statements of **Inter-American Institute for Global Change Research - IAI** (the "Institute") which include the balance sheet as of June 30 2012 and the related statements of income, changes in shareholders' equity and cash flows for the year then ended, as well as a summary of the significant accounting practices and other explanatory notes.

Management's responsibility for the financial statements

The Institute's management is responsible for the presentation and preparation of the financial statements in accordance with USGAAP accounting practices and the internal controls considered necessary to allow the preparation of financial statements free of material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit, conducted in accordance with United States of America and international auditing standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit includes performing procedures to obtain evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the fair preparation and presentation of the Institute's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Basis for qualified opinion

In 2012, the Institute recorded adjustments in the amount of R\$644 thousand under the caption shareholders' equity referring to rendering of accounts of the project CRN II from prior years. Pursuant to SFAS 154 Accounting Changes and Error Corrections, accounting records shall be made in the year they are accrued. Accordingly, we were unable to provide assurance on the proper presentation of the Institute's shareholders' equity as of June 30, 2012.

Qualified opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Inter-American Institute for Global Change Research - IAI as of June 30, 2012, the results of its operations and its cash flows for the year then ended in conformity with Brazilian accounting practices.

Other issues

Audit of the previous year's amounts

As of June 30, 2011, the accounting statements of the company were audited by us, and the opinion dated in May 25, 2012, contained the following qualification and emphasis: incorrect record referring to rendering of accounts of the project CRN II from prior years; absence of support documentation for record of rendering of accounts.

São José dos Campos, Jun 1st, 2013.



BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1

Mauro de Almeida Ambrósio
Accountant CRC 1SP 199692/O-5

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Balance sheets

As of June 30, 2012 and 2011

(In U.S. Dollars)

Assets				Liabilities and net assets			
	Explanatory note	30/06/2012	30/06/2011		Explanatory note	30/06/2012	30/06/2011
Current				Current			
Cash and cash equivalents	3	286,455	311,986	Accounts payable		255,451	191,290
Collaborative research network				Advanced core budget contributions	5.1	1,311	13,311
CRN I - Advances for dissemination activities		4,589	4,589	Research activities payable			-
CRN II - Project advances	4.5	726,859	1,961,444	Training institute - funds from FUNDACRID		256	256
SGP II - Project Advances				CRN II	4.5	68,864	-
Summer Institutes	4.4	9,341	9,341	SGP-HD	4.7	15,775	15,775
Training Institutes - project advances	4.10	46,417	46,417	IDRC	4.8	-	4,411
SGP - Human Dimensions	4.7	72,983	489,064	Mac Arthur - Subgrants	4.11	2,243	-
IDRC program - contract 104358	4.8	1,812	120,408	Mac Arthur - new grant		3,000	-
Mac Arthur program	4.9	-	-		7	346,900	225,043
Mac Arthur - Subgrants	4.11	5,262	100,647	Net assets			
Training Institutes - 2011 grant		58,240	-	Temporarily restricted			
SGP - CRA	4.12	710,762	-	Unallocated research funds:			
Other accounts receivable		26,684	36,048	CRN I	4.1	70,003	70,003
		1,949,404	3,079,944	CRN II	4.5	463,360	1,944,872
				SGP I	4.2	23,388	23,388
				SGP II	4.3	7,117	7,117
				Summer Institutes - IHDP		10,000	10,000
				Training Institutes - NSF	4.6	5,762	5,762
				Training Institutes - IHDP	4.6	(2,818)	(2,818)
				SGP - Human Dimensions	4.7	(41,486)	461,318
				Special Research Funds		5,000	5,000
				Training Institute - 2008	4.10	87,604	28,775
				Training Institute - 2011		(6,563)	-
				SGP - CRA	4.12	704,170	-
				IDRC program	4.8	31,440	116,857
				Mac Arthur program	4.9	-	900
				Mac Arthur - new program	4.11	(20,427)	147,366
				NKAR program		2,587	2,588
				Unrestricted		283,004	59,077
						1,622,141	2,880,205
Total assets		1,969,041	3,105,248	Total net assets		1,969,041	3,105,248

Explanatory notes are integral part of accounting statements.

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Statements of activities As of June 30, 2012 and 2011 (In U.S. Dollars)

	Explanatory note	30/06/2012	30/06/2011
Revenues, gains and contributions			
Temporarily restricted revenues			
Collaborative research network - CRN II		499,338	1,735,232
SGP - Human Dimensions		168,980	497,584
Training Institute - 2008		85,378	121,053
Training Institute - 2011		42,500	-
IDRC program		34,649	25,613
Mac Arthur program		233	-
Mac Arthur - new program		-	170,000
NKAR program		-	113,075
SGP-CRA		704,170	-
Unrestricted revenues			
Contributions from member nations	5.1	1,528,190	1,360,530
Donated services, utilities and use of fixed assets	5.2	401,195	378,666
Interest income		-	648
Overheads		8,268	23,773
Other		19,524	7,200
Non operational revenues		28	-
Total revenues, gains and contributions		3,492,453	4,433,374
Expenses			
Core budget expenses			
Management and general expenses	8	(1,733,279)	(1,545,205)
Total core budget expenses		(1,733,279)	(1,545,205)
Research expenses			
Collaborative research network - CRN I		-	(3,569)
Collaborative research network - CRN II		(1,980,851)	(2,450,372)
Summer Institute - Urbanization		-	-
Summer Institute - Human Dimensions		-	-
Training Institute - Paraguay (NSF Grants)		-	-
Training Institute - 2008		(26,550)	(91,899)
Training Institute - 2011		(49,063)	-
SGP-Human Dimensions		(671,784)	(58,484)
IDRC program		(120,066)	(95,155)
Mac Arthur program		(1,133)	(113,614)
Mac Arthur - new program		(167,793)	(22,634)
NKAR Program		-	(104,080)
Total research expenses		(3,017,240)	(2,939,807)
Total expenses		(4,750,519)	(4,485,012)
Change in net assets for the year		(1,258,066)	(51,638)
Temporarily restricted net assets			
Collaborative research network - CRN I		-	(3,569)
Collaborative research network - CRN II		(1,481,513)	(715,140)
Training Institutes -NSF Funds		-	-
SGP - Human Dimensions		(502,805)	439,100
Training Institute - 2008		58,828	29,154
Training Institute - 2011		(6,563)	-
IDRC program		(85,417)	(69,542)
Mac Arthur program		(900)	(113,614)
Mac Arthur - new program		(167,793)	147,366
NKAR program		-	8,995
SGP-CRA		704,170	-
Unrestricted net assets		223,926	225,612
Change in net assets for the year		(1,258,067)	(51,638)

Explanatory notes are integral part of accounting statements.

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Statements of changes in net assets As of June 30, 2012 and 2011 (In U.S. Dollars)

	30/06/2012			30/06/2011		
	Temporarily restricted	Unrestricted	Total	Temporarily restricted	Unrestricted	Total
Revenues, gains and contributions						
Unrestricted revenues						
Contributions from member nations	-	1,528,190	1,528,190	-	1,360,530	1,360,530
Donated services	-	401,195	401,195	-	378,666	378,666
Interest	-	-	-	-	648	648
Overheads	-	8,268	8,268	-	23,773	23,773
Other	-	19,524	19,524	-	7,200	7,200
Non operational revenues	-	28	28	-	-	-
Temporarily restricted revenues						
Collaborative research network - CRN I	-	-	-	-	-	-
Collaborative research network - CRN II	499,338	-	499,338	1,735,232	-	1,735,232
Summer Institute - Contributions from UNEP	-	-	-	-	-	-
Training Institutes - NSF	-	-	-	-	-	-
Training Institute - 2008	85,378	-	85,378	121,053	-	121,053
Training Institute - 2011	42,500	-	42,500	-	-	-
SGP - Human Dimensions	168,980	-	168,980	497,584	-	497,584
IDRC program	34,649	-	34,649	25,613	-	25,613
Mac Arthur Program	233	-	233	-	-	-
Mac Arthur - new program	-	-	-	170,000	-	170,000
SGP-CRA	704,170	-	704,170	-	-	-
NKAR program	-	-	-	113,075	-	113,075
Total revenues, gains and contributions	1,535,248	1,957,205	3,492,453	2,662,557	1,770,817	4,433,374

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Statements of changes in net assets As of June 30, 2012 and 2011 (In U.S. Dollars)

Expenses and losses

Unrestricted expenses

Core budget	-	(1,733,279)	(1,733,279)	-	(1,545,205)	(1,545,205)
Collaborative research network - CRN I	-	-	-	-	(3,569)	(3,569)
Collaborative research network - CRN II	-	(1,980,851)	(1,980,851)	-	(2,450,372)	(2,450,372)
Small grants program II - SGPII	-	-	-	-	-	-
Summer Institute - Contributions from UNEP	-	-	-	-	-	-
Summer Institute - Urbanization (ISPIII Funds)	-	-	-	-	-	-
Summer Institute - Human Dimensions (ISPIII Funds)	-	-	-	-	-	-
Training Institute - Paraguay (NSF Grants)	-	-	-	-	-	-
Training Institute - 2008	-	(26,550)	(26,550)	-	(91,899)	(91,899)
Training Institute - 2011	-	(49,063)	(49,063)	-	-	-
SGP - Human Dimensions	-	(671,784)	(671,784)	-	(58,484)	(58,484)
IDRC program	-	(120,066)	(120,066)	-	(95,155)	(95,155)
Mac Arthur Program	-	(1,133)	(1,133)	-	(113,614)	(113,614)
Mac Arthur - new program	-	(167,793)	(167,793)	-	(22,634)	(22,634)
NKAR program	-	-	-	-	(104,080)	(104,080)
Total Expenses and losses	-	(4,750,519)	(4,750,519)	-	(4,485,012)	(4,485,012)

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Statements of changes in net assets As of June 30, 2012 and 2011 (In U.S. Dollars)

Change in net assets						
Unrestricted net assets - core budget	-	223,926	223,926	-	225,612	225,612
ISPIII	-	-	-	-	-	-
Collaborative research network - CRN I	-	-	-	(3,569)	-	(3,569)
Collaborative research network - CRN II	(1,481,513)	-	(1,481,513)	(715,140)	-	(715,140)
Small grants program II - SGP II	-	-	-	-	-	-
Summer Institutes - UNEP	-	-	-	-	-	-
Training Institutes -NSF Funds	-	-	-	-	-	-
Training Institute - 2008	52,265	-	52,265	29,154	-	29,154
SGP - Human Dimensions	(502,805)	-	(502,805)	439,100	-	439,100
IDRC program	(85,417)	-	(85,417)	(69,542)	-	(69,542)
Mac Arthur Program	(900)	-	(900)	(113,614)	-	(113,614)
Mac Arthur - new program	(167,793)	-	(167,793)	147,366	-	147,366
NKAR program	-	-	-	8,995	-	8,995
SGP-CRA	704,170	-	704,170	-	-	-
Total change in net assets	(1,481,993)	223,926	(1,258,067)	(277,250)	225,612	(51,638)

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Statements of changes in net assets As of June 30, 2012 and 2011 (In U.S. Dollars)

Net assets at beginning of year						
Unrestricted net assets - core budget	-	59,077	59,077	-	(166,535)	(166,535)
ISPIII	-	-	-	-	-	-
Collaborative research network - CRN I	70,003	-	70,003	73,571	-	73,571
Collaborative research network - CRN II	1,944,872	-	1,944,872	2,660,013	-	2,660,013
Small grants program - SGP	23,388	-	23,388	23,388	-	23,388
Small grants program II - SGP II	7,117	-	7,117	7,117	-	7,117
Summer Institutes - IHDP	10,000	-	10,000	10,000	-	10,000
Summer Institutes - UNEP	-	-	-	-	-	-
Training Institutes -NSF Funds	5,762	-	5,762	5,762	-	5,762
Training Institutes - IHDP	(2,818)	-	(2,818)	(2,818)	-	(2,818)
Training Institute - 2008	28,775	-	28,775	(379)	-	(379)
SGP - Human Dimensions	461,318	-	461,318	22,218	-	22,218
Special Research Fund contributions	5,000	-	5,000	5,000	-	5,000
IDRC program	116,857	-	116,857	186,399	-	186,399
Mac Arthur Program	900	-	900	114,513	-	114,513
Mac Arthur - New Program	147,366	-	147,366	-	-	-
NKAR Program	2,588	-	2,588	(6,408)	-	(6,408)
Total net assets at beginning of year	2,821,128	59,077	2,880,205	3,098,376	(166,535)	2,931,841

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Statements of changes in net assets As of June 30, 2012 and 2011 (In U.S. Dollars)

Net assets at end of year						
Unrestricted net assets - core budget	-	283,004	283,004	-	59,077	59,077
ISP III	-	-	-	-	-	-
Collaborative research network - CRN I	70,003	-	70,003	70,003	-	70,003
Collaborative research network - CRN II	463,360	-	463,360	1,944,872	-	1,944,872
Small grants program - SGP	23,388	-	23,388	23,388	-	23,388
Small grants program II - SGP II	7,117	-	7,117	7,117	-	7,117
Summer Institutes - IHDP	10,000	-	10,000	10,000	-	10,000
Summer Institutes - UNEP	-	-	-	-	-	-
Training Institutes -NSF Funds	5,762	-	5,762	5,762	-	5,762
Training Institutes - IHDP	(2,818)	-	(2,818)	(2,818)	-	(2,818)
Training Institute - 2008	87,604	-	87,604	28,775	-	28,775
Training Institute - 2011	(6,563)	-	(6,563)	-	-	-
SGP - Human Dimensions	(41,486)	-	(41,486)	461,318	-	461,318
Special Research Fund contributions	5,000	-	5,000	5,000	-	5,000
IDRC program	31,440	-	31,440	116,857	-	116,857
Mac Arthur Program	-	-	-	900	-	900
Mac Arthur - new program	(20,427)	-	(20,427)	147,366	-	147,366
SGP - CRA	704,170	-	704,170	-	-	-
NKAR program	2,587	-	2,587	2,588	-	2,588
Total net assets at end of year	<u>1,339,137</u>	<u>283,004</u>	<u>1,622,141</u>	<u>2,821,128</u>	<u>59,077</u>	<u>2,880,205</u>

Explanatory notes are integral part of accounting statements.

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Statement of cash flows As of June 30, 2012 and 2011 (In U.S. Dollars)

	<u>30/06/2012</u>	<u>30/06/2011</u>
Cash flow from operating activities		
Change in net assets	(1,258,067)	(51,638)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,954	8,188
Changes in operating assets and liabilities		
Other accounts receivable	9,364	58,822
Accounts payable	64,161	10,257
CRN receivable	-	-
CRN I Advances for Dissemination Activities	-	3,568
CRN II Project Advances	1,234,585	688,606
CRN II - Payable	68,864	(10,368)
Summer Institutes Receivables	-	-
Training Institutes - Project Advances	-	(46,417)
Training Institutes - Project Payable - Fundacrid	-	(40)
SGP - Human Dimensions - project advances	416,081	(408,838)
SGP - Human Dimensions - payable	-	(29,434)
IDRC program - contract 104358 - project advances	118,596	(36,563)
IDRC program - contract 104358- payable	(4,411)	-
Mac Arthur program	-	438
Mac Arthur program - Grant 2011- advances	95,385	(100,647)
Mac Arthur program - Grant 2011 - payable	5,243	-
Training Institutes - 2011 grant	(58,240)	-
SGP-CRA	(710,762)	-
Advanced Core Budget Contributions	(12,000)	7,311
Net cash used in operating activities	<u>(23,247)</u>	<u>93,245</u>
Cash used to purchase/earned for selling fixed assets		
Purchase of fixed assets	(2,284)	(9,608)
Adjustments - fixed assets	-	-
Donation of fixed assets	-	331
	<u>(2,284)</u>	<u>(9,277)</u>
Change in cash and cash equivalents	(25,531)	83,968
Cash and cash equivalents at the beginning of year	<u>311,986</u>	<u>228,018</u>
Cash and cash equivalents at the end of year	<u><u>286,455</u></u>	<u><u>311,986</u></u>

See the accompanying notes to the financial statements.

Management notes to the financial statements
For the years ended June 30 2012 and 2011
(In U.S. Dollars)

1. Operations

The Inter-American Institute for Global Change Research - IAI (the “Institute”) is an intergovernmental organization dedicated to supporting global change research, increasing the scientific capacity of the Americas, and to providing information in a useful and timely manner to policy makers. Its primary objective is to encourage research beyond the scope of national programs by advancing comparative and focused studies based on scientific issues important to the region as a whole.

In recognition of the importance of a regional approach to the study of global change, sixteen countries of the Americas signed the Agreement establishing the IAI on May 13, 1992 in Montevideo, Uruguay. The IAI Conference of the Parties in Mexico City, Mexico, in September 1994, elected the Instituto Nacional de Pesquisas Espaciais (“INPE”) in São José dos Campos - São Paulo, Brazil, as the site of the IAI Directorate. The Directorate was inaugurated on March 1, 1996. For financial reporting purposes, the Directorate became fully operational on July 1, 1996. Nineteen countries had ratified the IAI Agreement as of June 30, 2007.

The IAI Director is responsible for implementing the institutional policies and programs determined by the Conference of the Parties, the governing body of the IAI. The Scientific Advisory Committee provides general direction for the development and implementation of the IAI’s scientific agenda and oversees a competitive peer review system. The IAI Executive Council assists the Conference of the Parties by providing recommendations related to IAI policies and advancement. The IAI receives voluntary contributions from member countries to support the operations of the Directorate.

The scientific programs and activities are supported by contributions from IAI member countries as well as from international funding agencies and programs. These funds are used to fund short-term research programs (up to 18 months) and long-term research programs (from 2 to 5 years).

The IAI Research Programs are composed of projects selected through a competitive process that may involve two steps: 1) presentation of a pre-proposal and 2) full proposal if the pre-proposal is approved. The evaluation of the proposals includes scientific and financial reviews.

The financial support provided by the IAI to the research activities has also permitted the different research groups and institutions to increase the contribution received by obtaining additional support within their own countries or from other agencies. In the case of the CRN Program, according to the information collected from the different research groups, support for students obtained from other sources almost tripled the support received from IAI.

**Management notes to the financial statements
For the years ended June 30 2012 and 2011
(In U.S. Dollars)**

2. Presentation of financial statements and significant accounting practices

2.1. Presentation of financial statements

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

Although the IAI is based in Brazil, it maintains its official accounting records in U.S. dollars. Most of IAI's transactions are denominated in U.S. dollars; donations received from the Government of the Federative Republic of Brazil (INPE) and expenses in Brazilian Reais were translated at monthly average exchange rates.

The cash and cash equivalents originated in R\$ (Brazilian reais) were translated into U.S. dollars using the official rate of exchange as of JUNE 30, 2012 AND 2011.

The official rate of exchange as of June 30, 2012 was R\$2.0213 per US\$1.00 and R\$1.5611 per US\$1.00 as of June 30, 2011.

2.2. Significant accounting practices

The main accounting practices used in preparing these financial statements are as follows:

2.2.1. Accounting classification

Receivables and payables with maturities of more than 12 months from the balance sheet dates are considered as long-term.

2.2.2. Cash and cash equivalents

IAI considers all highly liquid investments purchased with maturity of three months or less to be cash equivalents.

2.2.3. Allowance for doubtful contributions from member nations

This allowance is calculated at an amount considered adequate by management to cover any losses arising from collection of the requested contributions.

2.2.4. Property, plant and equipment

Consist of computer hardware recorded at purchase cost. Depreciation is calculated using the straight-line method over an estimated useful life of five years.

Management notes to the financial statements
For the years ended June 30 2012 and 2011
(In U.S. Dollars)

2.2.5. Receivables and payables

Receivables and payables are price-level adjusted according to the exchange rates or indices and interest rates specified in the contracts in force, to reflect amounts accrued through the balance sheet date.

The revenues related to specific projects, and considered as temporarily restricted revenues, are those that have temporary restrictions imposed by the donor. These restrictions permit the use of the assets as specified in the grant agreement and are satisfied either by the passage of time or by the actions of the organization.

2.2.6. Recognition of revenues and expenses

Contributions from member countries to the Core Budget, considered as Unrestricted Revenues, are recognized when they are received. The core budget expenses are generally recognized when they are incurred.

Until June 30, 2005, the research expenses and the respective amounts payable to the Research Institutes under the CRN I grants were recognized when the research agreements between the IAI and the Research Institutes were signed.

After that, for all programs, the expenses and the respective amounts payable to the research institute were recognized when the grantee institution meets all the conditions set in the grant agreement. The transfers of funds to the grantees are recorded as advances until the expenses are duly reported and the financial report is approved.

2.2.7. Income and social contribution taxes

IAI is exempt from income taxes under Brazilian tax legislation. The contributions to social security (INSS, FGTS, etc.) on the salaries paid to the Brazilian employees are paid and/or accrued in accordance with Brazilian labor laws.

3. Cash and cash equivalents

	<u>2012</u>	<u>2011</u>
Petty cash and bank balance	286,455	311,986
	<u>286,455</u>	<u>311,986</u>

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements For the years ended June 30 2012 and 2011 (In U.S. Dollars)

4. Scientific programs

The columns for each line item represent the cumulative values as of June of each year. The difference between both columns represents the financial activity during 2011 and 2012 fiscal years.

The projects are conducted by grantee institutions that receive the grant and assume legal and financial responsibility and accountability both for the funds awarded and for the performance of the grant-supported activity, and by a principal investigator who is the individual designated by the grantee and approved by IAI.

4.1. Collaborative Research Network Program - CRN I

The National Science Foundation (NSF) and the Agencia Nacional de Promoción Científica y Tecnológica de Argentina (ANPCYT) have agreed to make awards to IAI to support the Collaborative Research Network - CRN I, a network for global change research in the Americas.

The CRN I Project started in March 1999 and the total amount of support requested for this project from the National Science Foundation - NSF was approximately US\$10,000,000, which would be provided over a period of 5 years. For each year, NSF has sent an amendment to confirm the correct amount that the Institute could recognize in that year.

This award is distributed as follows:

	<u>2012</u>	<u>2011</u>
Scientific awards	9,947,270	9,947,270
Management costs	538,400	538,400
	<u>10,485,670</u>	<u>10,485,670</u>

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements For the years ended June 30 2012 and 2011 (In U.S. Dollars)

The IAI approved the documentation for fourteen grantee institutions until June 30, 2005 and began transferring funds to the projects in September 1999. Distributions from the NSF to IAI and transfers from the latter to the grantee institutions have been made as follows:

CRN I Unallocated Research Funds	2012	2011
Total National Science Foundation award	10,485,670	10,485,670
Cash distributed to IAI	(10,356,555)	(10,356,555)
Remaining funds that will not be received by IAI	(129,115)	(129,115)
Total to be received by IAI	-	-
National Science Foundation Award for reseach	9,947,270	9,947,270
ANPCyT Award for reseach	61,370	61,370
Commitments made to grantee institutions	(10,446,439)	(10,446,439)
Reduction of 9% in the approved budgets	567,359	567,359
Payments for CRN I panel	(26,976)	(26,976)
Supplemental funds transferred to management expenses	(111,319)	(111,319)
Closing of program and remaining funds reimbursed by grantees	854,717	854,717
Remaining funds sent back to NSF thru check	(26,040)	(26,040)
Dissemination Activities of the CRN I Program Results	(749,940)	(749,940)
Total CRN I funds not allocated	70,003	70,003
CRN I Payable		
Commitments made to grantee institutions for research	10,446,439	10,446,439
Transfers made by IAI to the grantee institutions	(9,094,882)	(9,094,882)
Reduction of 9% in the approved budgets	(567,359)	(567,359)
Adjustments for closed projects (uncommitted commitments)	(784,198)	(784,198)
Total to be transferred to the grantee institutions - short-term liabilities	-	-

On April 24, 2007 the National Science Foundation granted an extension of time until November, 2007 without additional funds. These funds were used to pay publication costs.

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements For the years ended June 30 2012 and 2011 (In U.S. Dollars)

4.2. Small Grant Program I - SGP I

On August 27, 2002 the National Science Foundation (NSF) awarded a grant of US\$360,000 to the IAI to support the Program: "IAI Small Grant Program - SGP".

The IAI approved the documentation for sixteen grantee institutions until June 30, 2003 and began transferring funds to the projects in October 2002. Distributions from the NSF to IAI and transfers from the latter to the grantee institutions have been made as follows:

	2012	2011
Total National Science Foundation Award	360,000	360,000
Cash distributed to IAI	(339,749)	(339,749)
Grant Reversal (funds not used)	(20,251)	(20,251)
Total to be received by IAI	-	-
Total National Science Foundation Award	360,000	360,000
Commitments made to grantee institutions with NSF funds	(343,000)	(343,000)
Commitments reversed (funds not used by the grantees)	6,388	6,388
Total funds not allocated to any grantee institution	23,388	23,388
	2012	2011
Commitments made to grantee institutions with NSF Funds	343,000	343,000
Commitments - non-Cuban portion of SGP-037	14,768	14,768
Commitments reversed (funds not used by the grantees)	(6,388)	(6,388)
Transfers made by IAI to grantee institutions	(351,380)	(351,380)
Total NSF funds to be transferred to grantee institutions	-	-
Commitments made to grantee institutions - Cuba	40,000	40,000
Commitments - non-Cuban portion of SGP-037	(14,768)	(14,768)
Commitments reversed (funds not used by the grantees)	(967)	(967)
Transfers made by IAI to grantee institutions - Cuba	(24,265)	(24,265)
Total to be transferred to grantee institutions - Cuba	-	-

As of June 30, 2005 the sixteen approved projects had finished their activities.

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements For the years ended June 30 2012 and 2011 (In U.S. Dollars)

4.3. Small Grant Program II - SGP II

On September 9, 2003 the National Science Foundation (NSF) awarded an initial grant of US\$540,400. An additional grant was awarded in fiscal year 2004/2005 in the amount of US\$99,600.

The IAI approved the documentation for twenty-two grantee institutions through June 30, 2005 and began advancing funds to the projects in March 2004. Distributions from the NSF to IAI and transfers from the latter to the grantee institutions have been made as follows:

	<u>2012</u>	<u>2011</u>
Total National Science Foundation Award	640,000	640,000
Cash distributed to IAI	(640,000)	(640,000)
Total to be received by IAI	<u>-</u>	<u>-</u>
Total National Science Foundation Award	640,000	640,000
SGP II Panel	(9,531)	(9,531)
Project expenses paid (Approved Costs + Final Payments)	(625,389)	(625,389)
Reimbursement from SGP II-078	2,037	2,037
SGP II Funds available	<u>7,117</u>	<u>7,117</u>

4.4. Initial Science Program (ISP) round III

At the meeting of the IAI Executive Council in November 1997 in Panama City, Panama, sixteen scientific projects were approved, as recommended by the Scientific Advisory Committee. For these projects, an award in the amount of US\$1,878,984 has been approved by the NSF (National Science Foundation), distributed as follows:

	<u>2012</u>	<u>2011</u>
Scientific awards	1,576,407	1,576,407
Workshop	227,577	227,577
DIS project	50,000	50,000
Other services	25,000	25,000
	<u>1,878,984</u>	<u>1,878,984</u>

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements For the years ended June 30 2012 and 2011 (In U.S. Dollars)

The IAI approved the documentation for sixteen grantee institutions and began transferring funds to the projects in May 1998. This program was closed in October 2004. Distributions from the NSF to IAI and transfers from the latter to the grantee institutions have been made as follows:

	<u>2012</u>	<u>2011</u>
Total National Science Foundation Award	1,878,984	1,878,984
Cash distributed to IAI	(1,878,984)	(1,878,984)
Total to be received by IAI	<u>-</u>	<u>-</u>
Total National Science Foundation Award	1,878,984	1,878,984
Commitments made to grantee institutions	(1,582,884)	(1,582,884)
Commitments reversed (funds not used by the grantees)	51,113	51,113
Payments for workshops	(155,135)	(155,135)
Funds committed for Summer Institutes (LUCC, VACVCC, GWGC)	(42,624)	(42,624)
Payments for DIS	(24,712)	(24,712)
Payments for other costs	(4,518)	(4,518)
Payments for Summer Institute on Urbanization	-	-
Payments for Summer Institute on Human Dimensions	(42,264)	(42,264)
Total funds not allocated to any grantee institutions (*)	<u>-</u>	<u>-</u>
Commitments made to Grantee Institutions	1,582,884	1,582,884
Commitments reversed (Funds not Used by the Grantees)	(51,113)	(51,113)
Transfers made by IAI to grantee institutions	(1,481,771)	(1,481,771)
DIS project expenses	(50,000)	(50,000)
Total to be transferred to the grantee institutions	<u>-</u>	<u>-</u>

(*) The remaining funds from the ISP III Program were committed to support training activities related to the objectives of this program, as follows:

	<u>2012</u>	<u>2011</u>
Urbanization and Global Environmental Change	2,395	2,395
Globalization and Food Systems	6,946	6,946
Summer Institutes (Receivables)	<u>9,341</u>	<u>9,341</u>

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements
For the years ended June 30 2012 and 2011
(In U.S. Dollars)

4.5. Collaborative Research Network Program - CRN II

On September 30, 2005 the National Science Foundation approved a renewable grant (continuing grant) to support the “Second Round of the Collaborative Research Network - CRN II”. This grant was approved for approximately 6 years and it is contingent on the availability of funds from the NSF and on the scientific progress of the program.

For the period September 15, 2005 - August 31, 2006 the NSF approved a grant of US\$2,197,289. For the following periods, the funding is expected to be as follows:

- September/2006 - August/2007 US\$2,011,222;
- September/2007 - August/2008 US\$2,030,835;
- September/2008 - August/2009 US\$1,988,200;
- September/2009 - August/2010 US\$1,988,200;
- September/2010 - August/2011 US\$208,200.

	2012	2011
Funds Received from NSF	9,966,979	9,468,379
Project expenses (reported expenses year 1)	(8,610,431)	(6,808,932)
Salaries and Benefits (Program Manager)	(189,372)	(189,372)
CRN II Panel (proposal selection)	(7,971)	(7,971)
CRN II Panel (other costs)	(610)	(610)
Folders, posters and other printings	(3,125)	(2,790)
Meetings supported by CRN II funds	(525,384)	(393,906)
Training Institute in Panama	(62,729)	(62,729)
Auditing process	(57,040)	(44,826)
Synsthesis	(46,957)	(12,369)
Unallocated CRN II Funds	463,360	1,944,872

Note: Although the financial statements show the total of \$ 463,360 as “Unallocated CRN II Funds”, the “cash flow” of this program as of June 30, 2012 has the following composition:

	2012	2011
Unallocated CRN II Funds	463,360	1,944,872
Advances to Grantees	(726,859)	(1,961,444)
Payable to Grantees	68,864	-
Cash “on hand”	(194,635)	(16,572)

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements For the years ended June 30 2012 and 2011 (In U.S. Dollars)

4.6. Training Institutes on Interdisciplinary Global Environmental Change in the Americas

On September 22, 2004 the National Science Foundation approved a grant to support the “Training Institutes on Interdisciplinary Global Environmental Change in the Americas”. The original expiration date of the grant, which totalled US\$330,000, was February 28, 2006.

These funds were used to support two Training Institutes, one in Paraguay, another in Jamaica, and a “Seed Grants” Program.

The first advance of funds was requested to the NSF on September 27, 2005.

On February 10, 2006 the NSF approved an extension of the expiration date, without additional funds, until February 28, 2007.

	2012	2011
Funds Received from the NSF	330,000	330,000
Expenses on TI-Paraguay	(81,794)	(81,794)
Seed Grants - TI Paraguay	(45,389)	(45,389)
Expenses on TI-Jamaica	(108,274)	(108,274)
Seed Grants - TI Jamaica	(41,101)	(41,101)
Meetings related to the TIs	(48,490)	(48,490)
Remaining funds from TISG-P1	810	810
Unallocated NSF Funds for TI	5,762	5,762
Committed funds to TISG Meeting in Peru	-	-
Advances to Grantees (Seed Grants)	-	-
Remaining funds from NSF	-	-
Funds Received from IDRC	26,097	26,097
Expenses on TI-Jamaica	(11,597)	(11,597)
Expenses with Seed Grants - TI Jamaica	(14,500)	(14,500)
Unallocated NSF Funds for TI	-	-
Expenses on TI-Paraguay (IHDP Funds)	(2,818)	(2,818)
	(2,818)	(2,818)

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements
For the years ended June 30 2012 and 2011
(In U.S. Dollars)

The “Unallocated NSF Funds for TI” refers to remaining funds in the following activities - and will be used to cover future publication costs:

	<u>2012</u>	<u>2011</u>
TISG - P1	754	2,273
TISG - P2	3,502	3,502
TISG - P3	1,506	1,506
	<u>5,762</u>	<u>7,281</u>

4.7. Small Grant Program - Human Dimensions

On September 15, 2006 the National Science Foundation approved a grant (GEO-0642841) to support the scientific activity entitled: “Small Grant Program for the Human Dimensions SGP-HD.”. This is a grant continuing for approximately 3 years, contingent on the availability of funds and on the scientific progress of the project.

For the period September 15, 2006 - August 31, 2007 the IAI had US\$400,000 available. For the next period, NSF has approved another US\$400,000 in September 13, 2007:

	<u>2012</u>	<u>2011</u>
Contributions received from NSF	1,360,133	1,192,979
Panel SGP-HD	(4,450)	(4,450)
GECAFS Conference and other meetings	(20,635)	(7,024)
Synthesis activities	(19,965)	(11,970)
Publication Costs	(12,930)	-
Project CRN2, SAEMC & ADAPTE	(5,574)	-
Auditing Costs	(16,785)	-
Reported Expenses	<u>(1,321,280)</u>	<u>(708,215)</u>
Remaining NSF Funds	<u>(41,486)</u>	<u>461,318</u>

Note: Although the financial statements show the total of US\$ (41,486) as “Remaining NSF Funds”, the “cash flow” of this program as of June 30, 2012 has the following composition:

	<u>2012</u>	<u>2011</u>
Remaining NSF Funds	(41,486)	461,318
Advances to Grantees	(72,983)	(489,064)
Payable to Grantees	15,775	15,775
Cash “on hand”	<u>(98,694)</u>	<u>(11,971)</u>

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements For the years ended June 30 2012 and 2011 (In U.S. Dollars)

4.8. IDRC Program

On March 1st, 2008, the project “Land use change, biofuels and rural development in the La Plata Basin” has started. The completion date of the contract between IAI and IDRC is August 31st, 2010.

The main goal of this project is to understand the dynamic interactions of natural and human components in agroecosystems of the La Plata Basin and to provide guidance to actors and decision makers in the processes of rural development and land use. Over the 30 project months, the Inter-American Institute for Global Change Research (IAI) will reinforce and expand an interdisciplinary and international network of researchers and stakeholders in Argentina, Bolivia, Brazil, Paraguay and Uruguay to conduct research, interact with and inform stakeholders and policy makers.

	<u>2012</u>	<u>2011</u>
Contributions received from IDRC	426,380	397,110
Panel expenses	(14,037)	(14,037)
Meetings	(96,449)	(95,947)
Reported Expenses	(258,601)	(144,415)
Special Service Agreement	(5,346)	(5,347)
Overhead	(20,507)	(20,507)
Remaining IDRC Funds	<u>31,440</u>	<u>116,857</u>

Note: Although the financial statements show the total of \$31,440 as “Remaining IDRC Funds”, the “cash flow” of this program as of June 30, 2012 has the following composition:

	<u>2012</u>	<u>2011</u>
Remaing IDRC Funds	31.440	116,857
Advances to Grantees	(1,812)	(120,408)
Payable to Grantees	-	4,411
Cash “on hand”	<u>29,628</u>	<u>860</u>

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements For the years ended June 30 2012 and 2011 (In U.S. Dollars)

4.9. Mac Arthur Program

The Mac Arthur grant for supporting the assessment of climate change impacts on biodiversity in the Andes was signed on Dec 18th, 2007. The completion date would be December 31, 2009.

In November 2009, MacArthur approved a no-cost extension, until August 2010.

Expected payment schedule:

Initial Instalment: \$225,000

Year 2: \$225,000

	2012	2011
Contributions received from MacArthur	450,000	450,000
Salaries and Benefits	233	-
Meetings	(98,212)	(98,074)
Translations and publications costs	(197,155)	(197,155)
Other administrative costs	(51,419)	(51,419)
Overhead	(1,016)	(21)
Final Synthesis	(58,696)	(58,696)
Dissemination activities	(15,533)	(15,533)
Remaining Mac Arthur Funds	(28,202)	(28,202)
	<u>-</u>	<u>900</u>

4.10. Training Institutes to Develop Capacity in Interdisciplinary Global Environmental Change Sciences

On August 1st, 2008, the National Science Foundation approved a grant of \$ 300,000 to support the project (GEO-0745732).

The activities related to the new Training Institutes started on February 2008, but the grant covered only the expenses incurred after May, 2008.

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements For the years ended June 30 2012 and 2011 (In U.S. Dollars)

The expenses incurred before that, were covered by CRN II program funds.

	<u>2012</u>	<u>2011</u>
Contributions received from NSF	300,000	214,622
Reversion of TI in Panamá, paid using CRN II funds	62,729	62,729
Reimburse of air tickets not used	510	510
	<u>363,239</u>	<u>277,861</u>
Training Institute - Panama	(62,729)	(62,729)
Training Institute - Honduras	(10,318)	(10,318)
Training Institute - Costa Rica	(16,063)	(16,064)
Training Institute - Natal	(67,697)	(67,697)
Training Institute - Santiago	(53,906)	(53,906)
Training Institute - Montevideo	(28,641)	(3,967)
Training Institute - Paraguay	(27,178)	(27,153)
	<u>(266,533)</u>	<u>(241,834)</u>
Administrative support	(8,724)	(6,873)
Translation services	(379)	(379)
Remaining NSF Funds	<u><u>87,604</u></u>	<u><u>28,775</u></u>

Note: Although the financial statements show the total of \$ 87,604 as “Remaining NSF Funds”, the “cash flow” of this program as of June 30, 2012 has the following composition:

	<u>2012</u>	<u>2011</u>
Remaining NSF Funds	87,604	28,776
Advances for meetings	(46,417)	(46,417)
Cash balance	<u><u>41,187</u></u>	<u><u>(17,641)</u></u>

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements
For the years ended June 30 2012 and 2011
(In U.S. Dollars)

4.11. Mac Arthur - new grant

A new Mac Arthur grant for supporting the assessment of climate change impacts on biodiversity in the tropical Andes was signed on Dec 22nd, 2010. The completion date would be December 31, 2013.

Expected payment schedule:

Initial Installment:	\$170,000
Year 2:	\$165,000
Year 3:	\$165,000

	<u>2012</u>	<u>2011</u>
Contributions received from MacArthur	170,000	170,000
Project management	(12,264)	(9,256)
Part I - Climate, landuse and biodiversity - scientific coordination	(32,500)	(6,000)
Part I - Climate component - travel	(8,749)	-
Steering Committee - Meetings in Quito	(8,009)	-
Nature Serve - Meetings in Quito	(7,267)	-
Subgrants	(113,370)	(7,378)
Overhead	(8,268)	-
Remaining MacArthur funds	<u>(20,427)</u>	<u>147,366</u>

Note: Although the financial statements show the total of (\$20,427) as “Remaining Mac Arthur Funds”, the “cash flow” of this program as of June 30, 2012 has the following composition:

	<u>2012</u>	<u>2011</u>
Remaining Mac Arthur Funds	(20,427)	147,366
Advances for meetings	(5,262)	(100,647)
Payable to grantees	2,243	-
Cash balance	<u>(23,446)</u>	<u>46,719</u>

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements For the years ended June 30 2012 and 2011 (In U.S. Dollars)

4.12. Small Grant Program for Collaborative Research in the Americas (SGP-CRA)

On March 3th, 2012 the National Science Foundation approved a grant (GEO-1138881 1138881) to support the scientific activity entitled: "Small Grant Program for Collaborative Research in the Americas SGP-CRA." This is a grant continuing for approximately 3 years, contingent on the availability of funds and on the scientific progress of the project.

NSF approved the full budget of \$ 2,757,237.00
Effective: January 1, 2012 to December 21, 2014

	<u>2012</u>	<u>2011</u>
Contributions received from NSF	704,170	-
Advances to Grantees	(710,762)	-
Cash on Hand	<u>(6,592)</u>	<u>-</u>

5. Core budget receivable

5.1. Status of the requested contributions to the core budget from the member countries

	Due as of 30-Jun-11	Contribution for FY 11/12	Paid - in 2010/2011 to be applied to:			Due as of 30-Jun-11
			Arrears	Current year	Advances	
Argentina	78,957	63,000	-	-	-	141,957
Bolivia	25,000	5,000	-	-	-	30,000
Brazil	-	110,000	-	(110,000)	-	-
Canada	-	159,000	-	(159,000)	-	-
Chile	1,000	7,000	(1,000)	(5,000)	-	2,000
Colombia	(13,311)	12,000	-	-	-	(1,311)
Costa Rica	12,536	5,000	-	-	-	17,536
Cuba	35,067	5,000	-	-	-	40,067
Dominican Republic	70,000	5,000	-	-	-	75,000
Ecuador	-	5,000	-	(5,000)	-	-
Guatemala	70,000	5,000	-	-	-	75,000
Jamaica	35,000	5,000	-	-	-	40,000
Mexico	217,000	77,000	-	-	-	294,000
Panama	-	5,000	-	(5,000)	-	-
Paraguay	45,721	5,000	-	-	-	50,721
Peru	28,351	5,000	(5,000)	-	-	28,351
Uruguay	65,000	5,000	(15,000)	-	-	55,000
USA (*)	559,873	762,000	(559,873)	(638,817)	-	123,183
Venezuela	267,021	41,000	(12,500)	-	-	295,521
Totals	<u>1,579,057</u>	<u>1,286,000</u>	<u>(593,373)</u>	<u>(922,817)</u>	<u>-</u>	<u>1,267,025</u>

Revenues from this year:	(1,516,190)
Advances from last year:	(12,000)
Total Revenues:	(1,528,190)
Contributions not received	351,183

- (*) The contribution from the United States of America is paid through the National Science Foundation (NSF). Every year the NSF approves an award for the equivalent amount of the USA's voluntary contribution to the IAI. This amount remains available at the NSF and the IAI requests transfers according to its cash needs and the terms of the award.

INTER-AMERICAN INSTITUTE FOR GLOBAL CHANGE RESEARCH - IAI

Management notes to the financial statements For the years ended June 30 2012 and 2011 (In U.S. Dollars)

5.2. Donated services, utilities and use of fixed assets

According to Annex A of the Agreement between the Government of the Federative Republic of Brazil and the IAI concerning the headquarters of the Institute, the Brazilian Government provides the IAI, at no cost, with the following resources:

	2012	2011
Vehicle expenses and maintenance	4,464	3,437
Communications	-	-
Office supplies	2,656	2,540
Premises, equipment and security	207,651	187,955
Support staff	186,424	184,734
	401,195	378,666

6. Property and equipment

		2012		2012	2011
	Annual Depreciation Rates - %	Cost	Accumulated Depreciation	Net	Net
Capital Equipment (computer and accessories)	20	46,016	(35,509)	10,507	11,271
Software	10	21,028	(21,028)	-	-
Telephone lines	10	951	(951)	-	-
Communication Equipments	10	295	(295)	-	-
Photografic Equipments	10	548	(548)	-	-
Furniture and office equipments	10	2,322	(929)	1,393	1.654
Vehicles	20	23,210	(15,473)	7,737	12,379
		92,084	(66,780)	19,637	25,304

7. Current liabilities

	2012	2011
Accounts payable		
Salaries, Benefits and taxes over payroll	212,444	145,475
Suppliers	24,496	31,698
Contributions advance to Core Budget	1,311	13,311
Grantees (Programs Payable)	90,138	20,442
Other payables	18,511	14,117
	346,900	225,043

Management notes to the financial statements
For the years ended June 30 2012 and 2011
(In U.S. Dollars)

8. Management and general expenses

	2012		2011	
	Budget	Actual	Budget	Actual
Salaries and benefits	960,521	1,225,962	904,485	991,031
Staff travel	83,180	6,995	83,180	6,791
Dissemination	49,000	29,465	49,000	36,238
Director's funds	54,000	-	54,000	-
Others	184,835	69,662	188,335	132,480
Donated services, utilities and use of fixed assets	-	401,195	-	378,666
	<u>1,331,536</u>	<u>1,733,279</u>	<u>1,279,000</u>	<u>1,545,205</u>

9. Defined contribution benefits

In the case of the foreign employees (non-Brazilians and non-permanent residents in Brazil) the employment contract provides for a Retirement Plan as follows: "Retirement. The Employee's monthly contribution will be matched two-for-one by the IAI, but will be capped at fourteen (14) percent for the Employer's contribution. The maximum contribution for retirement will be twenty-one (21) percent of the monthly salary, representing the Employee's maximum contribution of seven (7) percent and IAI's maximum contribution of fourteen (14) percent."

The employment contract between the Director and the IAI is approved by the IAI Executive Council and signed by the Chairman of the Executive Council on behalf of the IAI. The employment contracts with the rest of the foreign employees (non-Brazilians and non-permanent residents) are signed by the Director on behalf of the IAI. The contribution from IAI during fiscal year 2010/2011 was US\$52,563 (US\$43,704 in fiscal year 2009/2010).

10. Subsequent events

10.1. New Structure of IAI Directorate

In February 2012, the Conference of the Parties decided to move towards a Tri-Partite structure for the IAI Directorate, including a Science Planning office in Sao Jose dos Campos, a Science-Policy Liason office in Buenos Aires, and the main Directorate of the IAI (current operations in Brazil) to be moved to Montevideo. The final decision and timeline for the change (expected to happen at some point during the first trimester of 2013) was decided by the CoP 20 in June 2012.