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4 de abril de 2024

**CONFERENCE OF THE PARTIES
TO THE INTER-AMERICAN INSTITUTE
FOR GLOBAL CHANGE RESEARCH**
Thirty-second meeting
Videoconference
22-23 May 2024
Agenda item 4a

Overview of the Financial Status for FY 2023-2024

1. This document has been prepared by the Chair of the Executive Council.

Introduction

2. This document presents a summary of the financial statement for the fiscal year 2023-2024 and the status of Parties' contributions as of March 31, 2024.

Background

3. *The Agreement establishing the Inter-American Institute for Global Change Research*, Article XIII, Financial Provisions, paragraph 1, states:

A budget of operational expenses for the Institute, consisting of salaries for the Directorate and basic support for the Directorate, Scientific Advisory Committee, and Executive Council shall be supported by the voluntary contributions pledged annually for a three-year period by the Parties in accordance with the interests of the Parties. Such pledges shall be in increments of US\$ 5,000. The adoption of the annual budget shall be by consensus of the Parties. The Parties recognize that regular contributions to the operational budget are essential to the success of the Institute and that such contributions shall take into account the research resources of the contributing parties.

1. Texto subrayado por la Dirección Ejecutiva. El texto subrayado identifica las enmiendas propuestas al Artículo XIII

- 1 The Conference of the Parties, at its 26th meeting (CoP-26, Antigua, 2018), adopted Decision XXVI/3, which urges Parties to:

...submit their contributions to the Core Budget in a timely manner and in accordance with the basic scale and encourages them to make extraordinary contributions above their regular contributions whenever possible and as appropriate.

- 2 CoP-26 also adopted Decision XXVI/4, which invites Parties to:

... to submit their contributions as far as possible during the year prior to the one to which they relate or, otherwise, by the beginning of the calendar year to which the contributions apply.

Financial status for fiscal year 2023-2024

Party Contributions

- 3 As of March 31, 2024, contributions received (cash income) represent the equivalent of 70% of approved contributions for the 2023-2024 fiscal year.
- 4 The IAI Executive Directorate informs Parties that are in arrears in their contributions of and the urgency in the need to submit their voluntary contributions.
- 5 Parties are invited to consider Decision XXVI/3, in particular because the failure to submit expected contributions puts pressure on the ability of the Executive Directorate to fulfil its mandate and complete its activities.

Table I presents the status of the Party Contributions.

Table I

Contribution for FY 23/24	
Argentina	69,000
Bolivia	5,000
Brazil	120,000
Canada	173,000
Chile	8,000
Colombia	13,000
Costa Rica	5,000
Cuba	5,000
Dominican Republic	5,000
Ecuador	5,000
Guatemala	5,000
Jamaica	5,000
Mexico	85,000
Panama	5,000
Paraguay	5,000
Peru	6,000
Uruguay	5,000
USA (*)	831,000
Venezuela	45,000
Totals	1,400,000

Atraso en el pago	número de países
up-to-date	3
less than 3 years	8
more than 3 years	8

Table II presents de status of in-kind contributions.

Contribuciones en especie	Monto USD
Argentina	10.000
EEUU	142.500
Panamá	110.000
Uruguay	150.000
Colombia	10.000

- 6 The Executive Directorate also refers to Parties in Decision XXV/25, which encourages the proactive participation of country representatives to achieve timely

payment of contributions.

- 7 Since 1992, contributions from Parties remaining at the US\$5,000 level have lost approximately 89% of their purchasing power.

Status of the Core Budget and Expenses

Expenses

- 8 Table II shows accumulated expenses through March 31, 2024 (9 months since the beginning of the fiscal year).
- 9 Expenditures were -10.8% lower than anticipated in the core budget, representing a slight improvement in expenditures in contrast to prior fiscal years.

Table II

Budget Comparison - Current
July 2023 - March 2024
Amounts in US\$

Categoría	Gastos 2023/2024	Presupuesto 2023/2024	Diferencia	%
Salarios y Beneficios	657.774	686.621	(28.847)	-4,2%
Viajes y Entrenamiento	42.626	52.387	(9.761)	-18,6%
Equipo	2.121	4.000	(1.879)	-47,0%
Gastos Operativos	126.685	150.259	(23.574)	-15,7%
Difusión y Disseminación	3.240	4.067	(827)	-20,3%
Fondo del Director	-	36.000	(36.000)	-100,0%
Total	832.446	933.333	(100.887)	-10,8%

Salaries and benefits

- 10 There is a slight reduction of -4.2% in salaries and benefits compared to what was budgeted for 2023-2024. By the end of the fiscal year, the Executive Directorate expects to be in line with the annual budget.

Travel

- 11 Travel and training expenses were significantly lower than anticipated, i.e. -18.6%. Whenever possible and appropriate, the Executive Directorate has made efforts to cover travel costs from resources outside the core budget. Part of the projected budget is budgeted for the end of the financial period.
- 12 A policy of only travelling in economy class, with exceptions for health reasons, will continue to contribute to reducing travel costs once travel restrictions are lifted.

Equipment

- 13 Equipment costs were lower than expected at -47%, owing to continued harmonization of services, better training of staff in the use of new information technologies, centralization of IT services through one vendor and increased supervision in the purchase of new equipment and software.

Operational costs

- 14 Operational costs were also slightly lower, -15.7%. Again, increased oversight of general services and the use of resources, including IP telephony and general office supplies, has contributed to a more cost-effective Directorate.

Administration

Internal control

- 15 Internal controls continue to be reviewed whenever opportunities for improvement are identified. At this time, there are no critical internal control issues pending with the FAC or the external auditors.
- 16 The Executive Directorate received the report of the external auditors for the past fiscal year (2022/2023).

Accounting & Information Management Software

- 17 The information management and accounting software, SAP, continues to contribute to more efficient administrative and financial controls for the budget and provides more manageable information used by the management of the Executive Directorate.

Recommendation

18 The Conference of the Parties is invited to take note of this report.