

# InterAcademy Council

## **2006 FINANCIAL REPORT OF IAC EXECUTIVE DIRECTOR**

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## I. 2006 OVERVIEW OF IAC FINANCE

The financial status of IAC was stable during 2006. During 2005-2006, the IAC obtained sufficient funding to complete its current set of studies without incurring any debt. To date, IAC has obtained project grants from foundations, governments, a corporation, and a private benefactor, totalling nearly \$3,000,000. The Royal Netherlands Academy of Arts and Sciences (KNAW) provides an annual contribution to and in-kind support for the IAC Secretariat totalling Euro 270,000. IAC Board member academies also provide support for the IAC Secretariat and IAC studies. In 2006, voluntary financial commitments to IAC included \$50,000 from the U.S. National Academy of Sciences, Euro 20,000 from the Deutsche Forschungsgemeinschaft, and \$5,000 from the Chinese Academy of Sciences. The Japan Ministry of Foreign Affairs provided Euro 10,000. Contributions to the IAC energy study include \$50,000 from the Brazilian Academy of Sciences, \$60,000 from the Chinese Academy of Sciences, and Euro 100,000 from the Deutsche Forschungsgemeinschaft, as well as local support for IAC regional energy workshops hosted by the Indian National Science Academy, the French Academy of Sciences, and the Science Council of Japan. The U.S. National Academy of Sciences provided \$25,000 for support of the Women for Science study report dissemination.

### FINANCIAL STATEMENT 2006

**Secretariat.** In 2006, total IAC Secretariat expenditures were within the total budget target approved by the Board in February 2006. Within the overall Secretariat budget, reductions in expenditures for staff travel were offset by a special outlay for printing and mailing of a new IAC report *Women for Science*.

**Transitions to Sustainable Energy Systems.** Sufficient financial resources have been obtained to complete this study project through to the final report publication and distribution. The total costs of the study are projected at Euro 840,000. To date, funds received for this study total Euro 842,277. These funds have been received from the William and Flora Hewlett Foundation, the Chinese Academy of Sciences, the Government of Brazil, the U.N. Foundation, the Deutche Forschungsgemeinschaft, and the Energy Foundation. As of 31 December 2006, there was an IAC account balance of Euro 219,824. Additional in-kind support of this project has been provided by the Hewlett Foundation, the Chinese Academy of Sciences, the Brazilian Academy of Sciences, and the Science Council of Japan, totalling more than Euro 340,000.

**Women for Science.** This project has been completed with sufficient financial resources. Funds committed for this project total Euro 178,130. Expenditures as of 31 December 2006 total Euro 172,339, with a remaining balance of Euro 5,791. Funds for this project were obtained from the Netherlands Ministry of Education and Research, the L'Oreal Corporation, the Alfred P. Sloan Foundation, a private benefactor, the U.S. National Academy of Sciences, and in-kind support from funds available to the IAC Secretariat for printing and mailing of IAC publications.

**Science and Technology (S&T) Indicators.** An expert workshop was convened in 2006 for the purposes of developing a Terms of Reference for a project to improve worldwide indicators of S&T. Expenses for this workshop were met from an IAC account funded by a special Euro 10,000 payment to IAC from the Japan Ministry of Foreign Affairs in March 2006.

### FINANCIAL PROJECTION 2007

**2007 Budget for IAC Secretariat.** The proposed Secretariat budget for 2007 is Euro 423,000. Increased expenditures will occur for activities in website/public information; funding development; travel and meetings for anticipated additional IAC staff in 2007; and reimbursements for project costs. Like the KNAW, the U.S. National Academy of Sciences will continue to absorb part of the costs of the IAC staff positions. Funds are anticipated for support of the Secretariat in 2007 at the projected budget target.

**Transitions to Sustainable Energy Systems.** Sufficient financial resources have been obtained to complete this study through to the final report publication and distribution. If the IAC Board decides to pursue further activities for project follow-up, additional resources will have to be found.

**Women for Science.** Sufficient financial resources were obtained to complete this study project through to the final report publication and distribution. If the IAC Board decides to pursue further activities for project follow-up, additional resources will have to be found.

## **FINANCING OF NEW IAC PROGRAMS**

Funding is the limiting factor for launching new IAC studies and programs. Past experience indicates that a full eighteen-month IAC study with regional workshops (such as the studies on African agriculture and sustainable energy resources) requires funding of \$1,250,000. A professional effort for generating worldwide publicity for the study requires an additional \$250,000. Thus IAC should set a funding target of \$1,500,000 for each new large-scale study.

To expand the portfolio of IAC programs, three new funding initiatives are proposed: increased participation of IAC Board members; creation of an external advisory group; and new staffing contributions to the IAC.

**IAC Board Members' Participation in Funding Development.** Expanding the portfolio of IAC programs will require members of the IAC Board to become more actively engaged in efforts to identify sources and secure funds. This requires considerable time and effort to secure funding from donors, including government agencies, foundations, corporations, and private philanthropists. An IAC Board committee should be established to provide ideas and advice on potential new funding sources.

**Proposed IAC Development Advisory Group.** It is proposed to establish a new IAC Development Advisory Group, composed of experienced individuals from the S&T community, international organizations, foundations, corporations, and philanthropies. This Development Advisory Group would advise the IAC Board on funding prospects for specific projects and help with development of an endowment for providing ongoing financial support of IAC programs.

**Proposed New Staffing Contribution from IAC Member Academies.** The scope and range of new IAC studies and programs being planned for 2007 will require greater staff resources. It is proposed to expand the IAC Secretariat through a new global network of senior-level staff. To begin, three new staff positions – IAC Associate Directors – would be appointed to provide greater professional support and oversight for IAC studies and programs. These persons would be appointed from staff or associates of IAC member academies; they would serve in the IAC staff positions on either a full-time or part-time basis. Salaries for these new Associate Directors would be provided by their host academies. These IAC Associate Directors would work primarily at their employing academies, utilizing communications technologies to conduct assignments in coordination with Amsterdam-based staff. Staff meetings and assignments at the IAC Secretariat would be funded by the IAC to enhance teamwork.

John P. Campbell  
IAC Executive Director  
25 January 2007

## II. 2007 PROPOSED BUDGET FOR IAC SECRETARIAT

(In Euros - 31/12/2006 exchange rate)

### INCOME

Direct IAC Income	Projected Receipts 2007
Annual subsidy Ministry of OC&W	183,000
Portion of voluntary contributions*	100,000
Program Administration	50,000
Interest earned	2,000
<b>Indirect Contribution KNAW</b> (staff and overhead)	87,000
<b>TOTAL</b>	<b>423,000</b>

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### EXPENDITURES

Budget Category	Projected Budget 2007
Meeting Board	25,000
Personnel Costs	160,000
Travel	25,000
Meetings	20,000
Website/Public Information	20,000
Equipment/materials	5,000
Printing/Distribution**	20,000
Interest	5,000
Reimbursement for IAC projects	50,000
Miscellaneous	5,000
<b>KNAW Expenditures:</b>	
Staff Salaries	36,000
Office facilities	51,000
<b>TOTAL</b>	<b>423,000</b>

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\*Voluntary contributions from IAC Board member academies

### **III. 2006 FINANCIAL STATEMENTS**

- A. 2006 Summary Status IAC Finances**
- B. IAC Secretariat: Statement 2006 and Projected Expenditures 2007**
- C. IAC Study on Transitions to Sustainable Energy Systems**
- D. IAC Study on Women for Science**
- E. IAC Project on S&T Indicators**

**A: 2006 Summary Status IAC Finances**

(In Euros - 31/12/2006 exchange rate)

	<b>IAC Secretariat Yr 2006</b>	<b>Energy 2005-2007</b>	<b>Women for Science 2005-2007</b>	<b>S&amp;T Indicators Yr 2006</b>
<b>Budgeted</b>	339,100	840,000	124,000	10,000
<b>Financial resources</b>	315,186	842,277	178,130	10,000
<b>Expenditures as of 31/12/2006</b>	315,130	622,453	172,339	9,741
<b>Unexpended funds - 31/12/2006</b>		219,824	5,791	259

## B. IAC Secretariat: Statement 2006 and Projected Expenditures 2007

(In Euros - 31/12/2006 exchange rate)

### INCOME

Direct IAC Income	Received 2006	Projected Receipts 2007
Annual subsidy Ministry of OC&W	183,000	183,000
Portion of voluntary contributions*	44,523	100,000
Program Administration		50,000
Interest earned	1,813	2,000
<b>Contribution KNAW</b> (staff and overhead)	85,850	87,000
<b>TOTAL</b>	<b>315,186</b>	<b>423,500</b>

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### EXPENDITURES

Budget Category	Expenditures 2006	Projected Budget 2007
<b>IAC Expenditures:</b>		
Meeting Board	17,420	25,000
Personnel Costs	158,375	160,000
Travel	10,993	25,000
Meetings		20,000
Website/Public Information	9,161	20,000
Equipment/materials	1,361	5,000
Printing/Distribution**	24,300	20,000
Reimbursement for IAC projects		50,000
Interest	5,297	5,000
Miscellaneous	2,372	5,000
<b>KNAW Expenditures:</b>		
Staff Salaries	35,019	36,000
Office facilities	50,832	51,000
<b>TOTAL</b>	<b>315,130</b>	<b>423,000</b>

\*Voluntary contributions from IAC Board member academies

\*\*Includes *Women for Science* report printing/mailing

## C. IAC Study on Transitions to Sustainable Energy Systems 2005-2007

In Euros (31/12/2006 exchange rate)

<b>DIRECT INCOME</b>	<b>Received IAC</b>
Chinese Academy of Sciences	35,125
Government of Brazil	25,000
Hewlett Foundation	443,824
DFG Germany	100,000
UN Foundation	66,028
Energy Foundation	171,000
KNAW	1,300
<b>TOTAL RECEIVED IAC</b>	<b>842,277</b>

### Additional In-Kind Contributions:

Chinese Academy of Sciences (workshop)	15,000
Brazilian Academy of Sciences (workshop)	25,000
Science Council of Japan (workshop)	79,000
Hewlett Foundation (public outreach)	190,000
Hewlett Foundation (editorial support)	35,000

<b>IAC EXPENDITURES</b>	<b>Payments</b> As of 31/12/2006	<b>Proposed Budget</b> (rev. 10/2006)
Personnel costs	225,490	320,000
Regional workshops	97,553	100,000
Commissioned papers	37,500	40,000
Panel travel/Meetings	187,773	220,000
Editorial consultants	10,108	15,000
Printing/website publication/Dissemination		75,000
Project initiation	48,947	50,000
Miscellaneous	15,083	20,000
<b>TOTAL</b>	<b>622,454</b>	<b>840,000</b>

### UNEXPENDED IAC FUNDS

As of 31/12/2006	<b>219,823</b>
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## D. IAC Study on Women for Science, 2005-2007

In Euros (31/12/2006 exchange rate)

### INCOME

Ministry OC&W	15,000
LÓREAL	40,600
Private Donor	41,000
Alfred P. Sloan Foundation - S&T Follow-up	27,300
U.S. National Academy of Sciences	19,230
IAC Secretariat	35,000

**TOTAL** **178,130**

### EXPENDITURES

	Payments As of 31/12/2006	Proposed Budget (rev. 10/2006)
Personnel/Consultant costs	88,622	45,000
Meetings/Travel Study Panel	57,217	45,000
Printing/Dissemination	23,900	23,000
Follow-up/Website	2,600	12,000

**TOTAL** **172,339** **125,000**

**UNEXPENDED FUNDS** **5,791**

## E. IAC Project on S&T Indicators

In Euros (31/12/2006 exchange rate)

### INCOME

Japan Ministry of Foreign Affairs	10,000
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<b>TOTAL</b>	<b>10,000</b>
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### EXPENDITURES

#### Payments As of 31/12/2006

Consultants	1,180
Experts Meeting/Travel	8,561

<b>TOTAL</b>	<b>9,741</b>
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