

**XXVIII SCAR Delegates Meeting
Bremerhaven (Germany) – October 4-8, 2004**

REPORT OF THE FINANCE COMMITTEE

Participants : DAVEY Fred J. (New Zealand)
 DIETRICH Reinhard (Germany)
 SCHLICH Roland, chairman (France)
 VALENCIA José (Chile)
 WILSON Terry (USA)

1) Prof. G. Kleinschmitt (Germany) and Prof. SH. Lee (Korea) have resigned from the Standing Finance Committee. Prof. R. Dietrich (Germany) and Dr. T. Wilson (USA) have been appointed as the new members of the committee.

2) The Standing Finance Committee was augmented by the appointment of Dr. F.J. Davey and Prof. J. Valencia to form the XXVIII SCAR Finance Committee.

3) The Finance Committee met three times (Monday 3rd, Wednesday 4th and Thursday 7th October 2004) to review the 2002 and 2003 accounts, to adjust the 2004 budget, to discuss the SCAR financial strategy and to prepare the 2005 and 2006 budgets to be submitted to the Delegates.

4) The Finance Committee reviewed the statements of income and expenditure for the years ending 31 December 2002 (annex 1a) and 2003 (annex 1b) in relation to the approved budgets for 2002 (SCAR XXVIII paper 43a/43b) and 2003 (SCAR XXVIII paper 44a/44b) and found them to be in order.

The 2002 budget was set at 331,000 US \$ which included 11,000 US \$ from the SCAR reserve. The initial budget was reviewed by the Executive at its meeting in Brest and raised to 333,500 US \$ mainly to accommodate additional expenses related to the Ross Sea meeting. The budget increase (2,500 US \$) has been taken from the SCAR reserve.

The expenditure of 268,522 US \$ is significantly below the revised budgets: funds allocated to several science programmes were not spent and some savings on salaries and office expenses were made. The income of 334,391 US \$, which includes the additional 48,630 US \$ of the Prince of Asturias Award, is less than expected: several national contributions were not collected and the paid arrears did not exceed 42,900 US \$. Finally the 2002 balance shows an excess of income over expenditure of 65,869 US \$.

The 2003 budget was set at 330,000 US \$ which included 25,000 US \$ from the SCAR reserve. The initial budget was reviewed by the Executive at its meeting in Brest and raised to 380,000 US \$ to accommodate the expenses related to the SCAR Fellowship Programme. The corresponding budget increase (50,000 US \$) has been taken from the SCAR reserve.

The expenditure of 336,278 US \$ is below the revised budget: funds allocated to several science programmes were not spent and some programmes have been postponed for the following year. The income of 329,969 US \$ includes 96,363 US \$ paid as arrears by several member countries. Finally the 2003 balance shows an excess of expenditure over income of 6,309 US \$.

For the two fiscal (calendar) years the total expenditure was 604,800 US \$ and the total income was 664,360 US \$, leaving an excess of income of 59,560 US \$ for this time period and an accumulated balance at 31 December 2003 of 382,628 US \$.

The national contributions paid for 2002 and 2003 (461,604 US \$), and the paid arrears during the same period (139,263 US \$), total 600,867 US \$ which is slightly below the anticipated two year dues.

5) The initial 2004 budget was set at the XXVII SCAR Meeting in Shanghai at 350,000 US \$ which included 45,000 US \$ from the SCAR reserve. The budget was reviewed by the Executive at its meeting in Brest (2003) and Bremerhaven (January 2004) and raised to 447,000 US \$ mainly to allow co-sponsorship for several symposia (Antarctic and Southern Ocean, SO-GLOBEC, SO-CLIVAR), accommodate additional expenses generated by the recruitment of an Executive Director and additional travel expenses for chief officers attending Executive meetings in relation with the preparation of the SCAR 2004 Bremen Open Science Conference. The budget increase (97,000 US \$) has been taken from the SCAR reserve (annex 2 and SCAR XXVIII, paper 46).

6) The Finance Committee review and amended the paper on SCAR Financial Strategy prepared by Roland Schlich and Colin Summerhayes (SCAR XXVIII, paper 45). The paper describes the present financial situation and shows the evolution over the 10 last years of the SCAR annual budget adopted by the Delegates and the SCAR yearly statements of income and expenditure. The analysis shows that science support was significantly increased after 1994 and that the ratio between Science and Administration progressively reaches a factor of one.

It is intended that the budgets proposed for 2005 and 2006 should support at least the same level of spending on science as in the past. Given that SCAR is expected to play a leading role in the International Polar Year (2007-2008), it would seem appropriate to insure for the future that the SCAR Research Programmes are adequately funded and that additional funds could be raised for the other science programmes proposed by the SCAR Action Groups and Expert Groups.

In response to the 2000 Review of SCAR, the Delegates agreed that the management of SCAR needs to be improved by increasing the Secretariat staff to three positions including an Executive Director, an Executive Officer (replacing the Executive Secretary), and an Administrative Assistant (as at

present). The costs associated with hiring an Executive Director will be offset by a reduction in annual staff costs by around 30,000 US \$ per year when the present Executive Secretary retires and is replaced by the new Executive Officer. The overall annual increase in staff costs from the beginning of 2006 onwards will be about 55,000 US \$.

As agreed at previous SCAR Delegates meetings, this cost is being met for the time being by draining the cash reserve, which cannot be continued beyond 2007. At the end of 2003 the cash reserve was 382,628 US \$ and will be roughly 240,000 US \$ at the end of 2004 and down to about 150,000 US \$ at the end of 2005.

In order to take into account the additional administrative expenses (55,000 US \$) and to maintain the balance of expenditure between science and administration, which requires an additional 45,000 US \$ for science, an extra 100,000 US \$ per year is needed. It is highly unlikely that such an increase in basic organisational costs could be borne by external funding. The bulk of the funds required can only be found from an increase in the membership subscription (national contributions). This might be achieved in one of several different ways as indicated below and detailed in the SCAR Financial Strategy document (SCAR XXVIII, paper 45).

- Option 1: Spread the subscription increase over 6 years at about 5%/year starting in 2006.
- Option 2: Spread the subscription increase over 4 years at about 8%/year starting in 2006.
- Option 3: Spread the subscription increase over 2 years at about 15%/year starting in 2007.
- Option 4: Increase the subscription by 30% in 2006.
- Option 5: Revise the subscription level at the end of 2006.
- Option 6: Voluntarily increase of the subscription.

The Delegates will have to choose between these different options.

7) Fund applications for support of SCAR scientific activities were discussed and evaluated by the SCAR Standing Scientific Groups on Geosciences, Life Sciences and Physical Sciences. Priority was given to the Scientific Research Programmes (SRPs) for which an amount of 75,000 US \$ was allocated. Therefore only limited additional funds were available to support Action groups and Expert Groups scientific programmes. All approved applications were received by the SCAR Finance Committee and considered for the 2005 and 2006 budgets.

Funding allocation for the Standing Committee on Antarctic Treaty System to develop advice to the Antarctic Treaty System and for Antarctic Data Management activities have also been considered by the Finance Committee and tabled in the Standing Committee section.

Fund applications to support the SCAR Office in Cambridge have been submitted by the SCAR Executive Secretary and reviewed by the Finance Committee. The Finance Committee recommends an allocation of 251,000 US \$ for 2005 (190,000 US \$ for salaries, 26,000 US \$ for secretariat costs, 25,000 US \$ for routine meetings, 10,000 US \$ for publications) and an allocation of 241,000 US \$ for 2006 (170,000 US \$ for salaries, 26,000 US \$ for secretariat costs, 35,000 US \$ for routine meetings, 10,000 US \$ for publications).

8) Provisional balanced SCAR budgets for 2005 (410,000 US \$) and 2006 (410,000 US \$) are given in the annexes 3a and 3b.

9) The Finance Committee noted that some countries have not paid all their annual contributions. The SCAR Executive should write to these countries to remind them of their obligations. It is also recalled that countries in arrears for 3 years should be expelled.

Roland Schlich
Chairman of the Standing Finance Committee
25 Octobre 2004

SCIENTIFIC COMMITTEE ON ANTARCTIC RESEARCH

Statement of Income and Expenditure for the year ending 31 December 2002

INCOME

National Contributions	233,707
National Contributions (Arrears)	42,900
Prince of Asturias Award	48,630
UNEP contract	7,000
Bank Interest and Gain on Exchange	1,486
Sales	119
Miscellaneous	549

TOTAL INCOME **334,391 \$**

EXPENDITURE

Scientific Activities	116,278
Routine Meetings	38,183
Publications	12,332
Administrative Expenses	101,729

TOTAL EXPENDITURE **268,522 \$**

Excess of Income over Expenditure	65,869 \$
Accumulated balance at 1 January 2002	323,068 \$
Accumulated balance at 31 December 2002	388,937 \$

SCIENTIFIC COMMITTEE ON ANTARCTIC RESEARCH

**Statement of Income and Expenditure
for the year ending 31 December 2003**

INCOME

National Contributions	227,897
National Contributions (Arrears)	96,363
Bank Interest and Gain on Exchange	5,702
Miscellaneous	7

TOTAL INCOME **329,969 US \$**

EXPENDITURE

Scientific Activities	160,899
Routine Meetings	36,668
Publications	14,422
Administrative Expenses	124,289

TOTAL EXPENDITURE **336,278 US \$**

Excess of Income over Expenditure	- 6,309 \$
Accumulated balance at 1 January 2003	388,937 \$
Accumulated balance at 31 December 2003	382,628 \$

SCIENTIFIC COMMITTEE ON ANTARCTIC RESEARCH

SCAR Budget 2004

INCOME

• National Contributions	300,000
• Miscellaneous	5,000
• Reserve (45,000 + 97,000*)	142,000

TOTAL INCOME **447,000 US \$**

EXPENDITURE

• **SCAR support to Stand. Sci. Groups:** 145,400

- Geosciences (40,000)
- Physical Sciences (37,000)
- Life Sciences (36,000 + 11,200*)
- Subglacial Lake Exploration (15,000 – 6,500*)
- Antarctic Data Management (10,000 – 3,300*)
- Climate and Cryosphere (6,000)

• **SCAR Co-sponsoring Scientific Meeting:** 7,000

• **SCAR Ex. Director Attending Sc. Meetings:** 6,600

• **SCAR support to Stand. Committees:** 20,000

- Antarctic Treaty System (10,000 + 10,000*)

• **SCAR annual needs:** 268,000

- Salaries (83,000 + 78,000*)
- Secretariat costs (27,000 + 2,000*)
- Routine meetings (46,000 + 12,000*)
- Publications (20,000)

• **Contingencies:** 0

TOTAL EXPENDITURE **447,000 US \$**

- Figures approved by the Executive Committee (Bremen, 2004)

SCIENTIFIC COMMITTEE ON ANTARCTIC RESEARCH

SCAR Budget 2005

INCOME

• National Contributions	320,000
• Miscellaneous	0
• Reserve	90,000

TOTAL INCOME 410,000 US \$

EXPENDITURE

• SCAR support to Stand. Sci. Groups:	123,000
- Geosciences (17, 000)	
- Physical Sciences (14,000)	
- Life Sciences (14,000)	
- SCAR Scientific Research Programmes (75,000)	
- Climate and Cryosphere, CliC (3,000)	
• SCAR support to Stand. Committees:	19,000
- Antarctic Treaty System (10,000)	
- Antarctic Data Management (7,000)	
- History of Antarctic Research (2,000)	
• SCAR Other Science Support:	10,000
- Co-sponsoring Scientific Meetings (4,000)	
- Ex. Director attending Sc. Meetings (6,000)	
• SCAR annual needs:	251,000
- Salaries (190,000)	
- Secretariat costs (26,000)	
- Routine meetings (25,000)	
- Publications (10,000)	

• Contingencies (2% basic income):	7,000
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TOTAL EXPENDITURE 410,000 US \$

SCIENTIFIC COMMITTEE ON ANTARCTIC RESEARCH

SCAR Budget 2006

INCOME

• National Contributions	320,000	
• Miscellaneous	0	
• Reserve	90,000	
TOTAL INCOME		410,000 US \$

EXPENDITURE

• SCAR support to Stand. Sci. Groups:	123,000	
- Geosciences (17,000)		
- Physical Sciences (14,000)		
- Life Sciences (14,000)		
- SCAR Scientific Research Programmes (75,000)		
- Climate and Cryosphere, CliC (3,000)		
• SCAR support to Stand. Committees:	19,000	
- Antarctic Treaty System (10,000)		
- Antarctic Data Management (7,000)		
- History of Antarctic Research (2,000)		
• SCAR Other Science Support:	10,000	
- Co-sponsoring Scientific Meetings (4,000)		
- Ex. Director attending Sc. Meetings (6,000)		
• SCAR annual needs:	241,000	
- Salaries (170,000)		
- Secretariat costs (26,000)		
- Routine meetings (35,000)		
- Publications (10,000)		
• Contingencies (4% total income):	17,000	
TOTAL EXPENDITURE		410,000 US \$