



ISC Treasurer's Report 2018-2021

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DRAFT 20 SEPTEMBER 2021

This report covers the first three years of operations of the International Science Council (ISC). The finances of the ISC are the responsibility of the Treasurer, who works in close cooperation with the ISC Headquarters (HQ) in Paris and is assisted by a Committee for Finance and Fundraising (CFF). CFF [members](#) were nominated by ISC members and appointed by the Governing Board in 2018. In principle, the CFF meets twice a year. The annual accounts for the years 2018, 2019 and 2020 were verified by an External Auditor, endorsed by the CFF and the Governing Board and approved by ISC members by means of an electronic General Assembly held in each consecutive year.

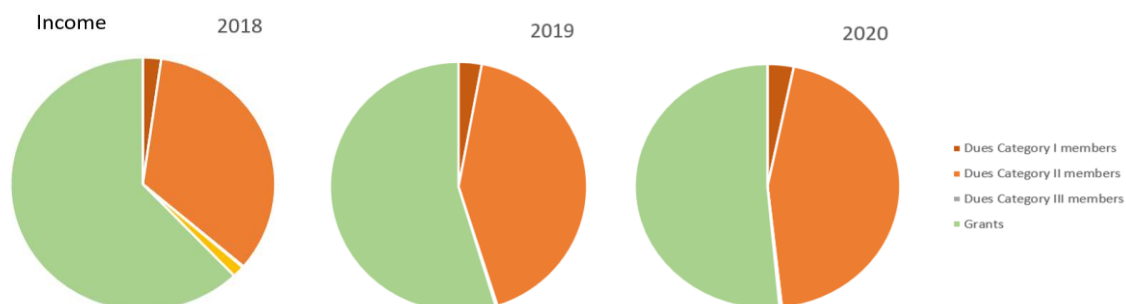
Apart from monitoring the Council's annual budgets, the CFF has provided input and advice on the development of an ISC Risk Register and Dues Payment Policy (see page 5).

Results

The accounts of 2018-2020 can be summarized as follows:

	2018	2019	2020
Total Income	€ 8,077,884	€ 6,774,994	€ 6,296,411
Total expenditure	€ 8,203,618	€ 6,928,382	€ 6,263,920
Result	-€ 125,734	-€ 153,388	€ 32,491

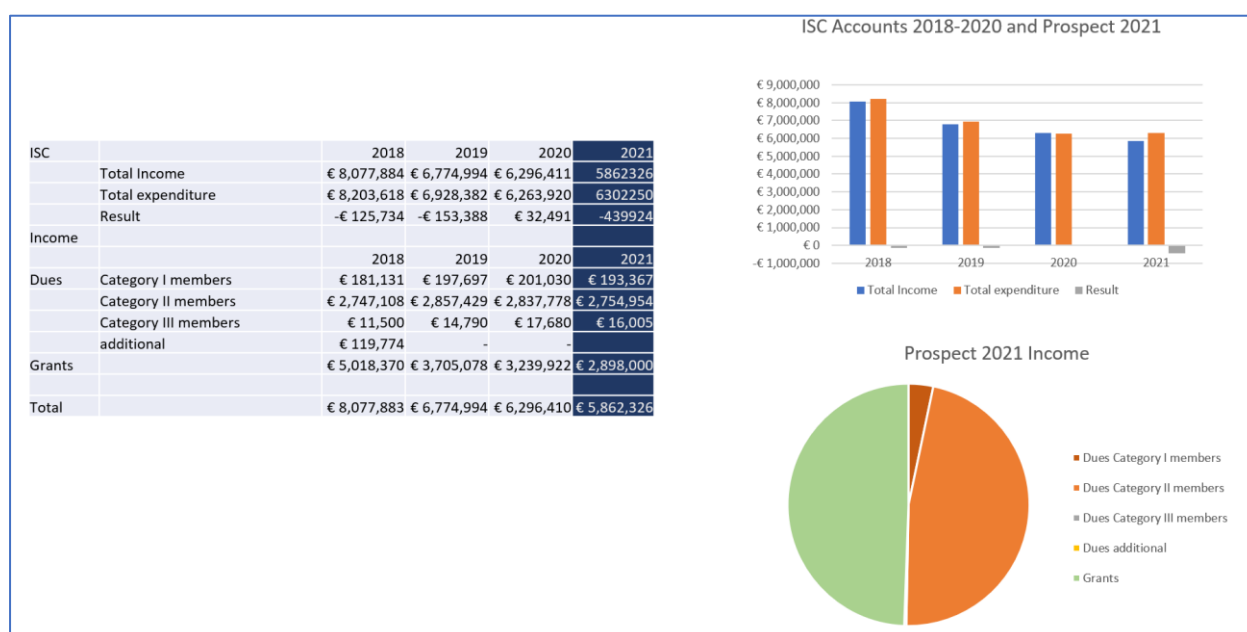
The breakdown of these numbers can be found in the Annual Reports of [2018](#), [2019](#) and [2020](#)



Both income and expenditure are seen to be slightly declining. On the income side, the dues from members remain relatively stable, although the percentage of arrears in dues is rising over the years, from 2% of the income from members in 2018 to 11% in 2020. With regard to expenditure and under the category 'external ad hoc grants' two major grants for international funding programmes launched prior to the establishment of the ISC (the Transformation to Sustainability programme and the Leading Integrated Research for Agenda 2030 in Africa programme) are ending.

Prospect for the Accounts of 2021

The budget for 2021 is in line with the trends for 2018 to 2020, with a slight decline in income. The accounts for 2021 will be reviewed by the external auditor in the second quarter of 2022.



French subvention

The ISC is grateful for the contractual commitment of the French Ministry of Education and Research to allow the Council to remain in its present building rent-free (the equivalent of €286,000 per annum) until the end of 2024. In addition, the French Government provides the Council with an amount of €100,000 per year. The Governing Board and the CEO work continually to underline the importance for the French Government of the Council and its presence in Paris.

External funds

In 2014 the National Science Foundation (NSF) grant to ICSU of US\$380,000 a year was secured for another five years from September 2014 to September 2019 (alongside the USA/NSF grant for the World Climate Research Programme (WCRP) in the same period, equaling US\$80,000 per annum. In 2020 a new five-year grant from the NSF was secured.

The Government of New Zealand has provided the ISC with an annual grant of €65.000 until **2025**, to support the work of the ISC's Committee for Freedom and Responsibility in Science (CFRS).

Funding from the IRDR International Centre of Excellence in Taipei for international activities in the domain of disaster risk reduction has been extended to run **until 2022** (€225.000). The ISC's role in managing these funds beyond 2022 is subject to further negotiation.

In March 2016 ICSU signed a contract with the Swedish International Development Cooperation Agency (Sida) for five years for a total grant of over €5,000,000 to establish the programme 'Leading Integrated Research for Agenda 2030 in Africa'. This has run from 2016 to 2020, with a budget neutral extension in 2021 and, possibly 2022 (to be confirmed).

Unspent earmarked funds from Sida for the Transformations to Sustainability programme (T2S) of €341,000 are still **available in 2022**. The programme was originally launched by the ISSC in 2015.

In January 2017 the International Development Research Centre, Canada (IDRC) awarded the Council a grant of around €1,000,000 in total for a three-year programme (2017-2020) aimed at creating INGSA fellowships and workshops in the Global South. This grant has been extended **until 2023**, with a top up of € 61.000.

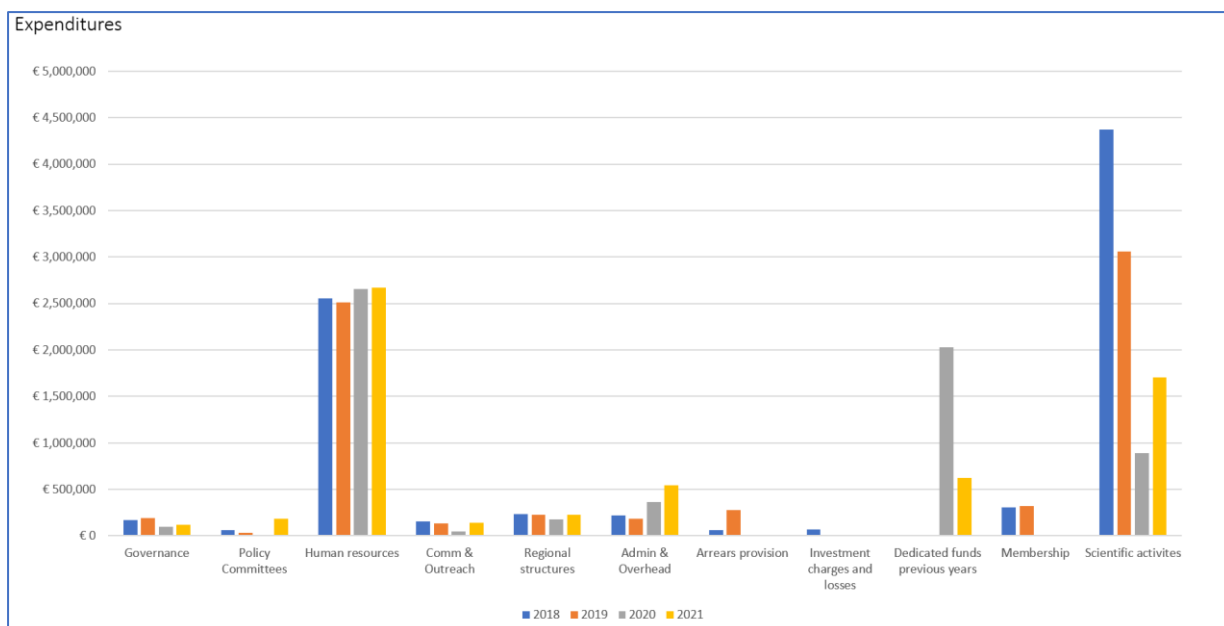
A United Nations Development Programme (UNDP) Grant 'Rethinking Human Development', (**2022-2023**) has been secured for an amount of €100.000.

Due to restrictions caused by the COVID-19 pandemic, fundraising for additional external grants has been hampered.

Expenditures

Since 2019, the bulk of ISC resources have been spent on scientific activities and the human resources assigned to manage these activities. The nature of the scientific activities has shifted from the management and co-sponsorship of international research programmes to targeted, timebound activities in the realm of the new vision and mission of the merged council: to be the voice for science, to be a platform and a broker between science and policy.

The reservoir of 'dedicated' funds for ISC projects and programmes is slowly diminishing.



Reserves

The ISC keeps a mandatory minimum reserve at the level of €1,500,000. Over and above that the Council had additional available reserves of over €3.100.000 at the end of 2017. This amount has been brought down to 2 million € in 2020 and 2021. The balance of available reserves will be actively used in 2022-2024 for activities with additional fundraising opportunities. This will be done under the supervision of the next Governing Board, which will be elected during the General Assembly of October 2021.

Reserves	2018	2019	2020	2021
Mandatory	€ 1,500,000	€ 1,500,000	€ 1,500,000	€ 1,500,000
General fund	€ 2,244,651	€ 2,118,918	€ 1,965,531	€ 1,998,000
Total	€ 3,744,651	€ 3,618,918	€ 3,465,531	€ 3,498,000

The Accounts of 2021 will be available in 2022 only. It is not unlikely that, due to continued pandemic restrictions, including remote working, the budgeted expenditure for 2021 will not have been fully realized and that the reserves for 2022 and later years may increase.

Dues

At the formation of the ISC in 2018 it was decided that the membership base and accompanying dues of both merging councils (ICSU and ISSC) in principle would be kept unaltered for the first three years of the ISC's existence and that the first ISC Governing Board would design a proposal for a revised dues structure from 2022 onward, which would be proposed at the Second ISC General Assembly in October 2021.

Revised dues policy – work in progress

An ad hoc committee¹ of the ISC Governing Board (GB) has worked since 2019 on a proposal for a new dues structure. In an iterative process with the Governing Board, and after consultation with ISC members. A report on this process is given in a separate GA document (@).

Arrears and Dues Payment policy

The period under review has been difficult for some of the members and provisions for arrears had to be made in the ISC accounts of 2018 and 2019. In 2020 another € 411.000 (10% of the prospected income from dues) could not be collected. The CFF developed a [Dues Payment Policy](#) that has been endorsed by the Governing Board in March 2021.

Investments

The ISC has an investment portfolio with a modest risk profile at BNP Paribas, which has generated the following results:

	2018	2019	2020	2021 ²
Income	€ 77.312	€ 57.107	€ 30.000	€ 103.000
Loss	€ 65.923	-	€ 26.000	€ 2.600

2022 -2024

The budgets and accounts of 2018-2021 bear the heritage of the different types of activities of the ISC's predecessor organizations, ICSU and ISSC.

For the years 2022-2024 ISC HQ has developed a new structure for a multi-annual budget, which is presented in a separate document. The new budgetary framework is in line with the draft new Action Plan. Additionally, a state-of-the-art financial planning and monitoring system will be put in place, facilitating HQ staff in its operational work and the new Governing Board and the Committee for Finance and Fundraising in their supervisory and advisory roles.

¹ With valuable contributions by Andrew Cleland, New Zealand.

² Final results to be expected per 31-12-21