

THIRD ISC GENERAL ASSEMBLY

Muscat, Oman 2025

Report of the Vice-President for Finance, Compliance and Risk, 2022–2024

Document 13a

For noting



**International
Science Council**

وزارة التعليم العالي
و البحث العلمي والابتكار
Ministry of Higher Education
Research & Innovation



Report of the Vice-President for Finance, Compliance and Risk to the General Assembly for the period 2022–2024

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1. Introduction

In accordance with the ISC Statutes and Rules of Procedure, the Vice-President for Finance, Compliance and Risk (so-named since the adoption of revised ISC Statutes and Rules of Procedure in 2024) oversees ISC finances, financial policies and matters of compliance and risk (see Appendix 1).

The Vice-President for Finance, Compliance and Risk works closely with the ISC CEO and Operations Director and is supported by a Standing Committee for Finance, Compliance and Risk (CFCR). As with all Standing Committees, CFCR members are nominated by ISC Members and appointed by the Governing Board. The current members (see Appendix 2) were appointed in mid-2022 for a three-year period. The CFCR has met on average four times a year, virtually.

The CFCR studies the annual budgets, accounts and audit reports, considers requests for dues relief, and makes recommendations to the Governing Board. With the support of the Secretariat, the Committee has finalized several new policies and procedures to bring the organization into line with good practice internationally.

This report covers the second three-year planning cycle of the International Science Council (ISC), the fiscal years 2022, 2023 and 2024, but includes data from 2019, the first full financial year in the existence of the ISC, to help show the longer-term evolution of ISC finances and the impact of recent global or regional shocks. **Data presented for 2024 are based on estimations made in mid-November 2024.**

2. Financial matters

a. Budgeting and audit

The ISC operates on the basis of a multiannual budget proposed by the Governing Board and approved by the membership, while the Governing Board develops annual budgets within the framework of the multiannual budget.

The ISC annual accounts are audited by an external, independent auditor appointed by the General Assembly¹. The auditor's reports are examined by the CFCR and the Governing Board and approved by ISC members by means of an electronic General Assembly held each year.

The ISC's annual accounts for 2021, 2022 and 2023 received a clean audit and were approved by the General Assembly. The audit of the 2024 accounts will be conducted in the first quarter of 2025 and submitted for the Members' approval in May 2025.

b. The 2021–2024 budget and overall results

The 2022–2024 budget was developed in mid-2021 in the context of the COVID-19 pandemic, which had dramatically reduced expenditure on activities for two consecutive years and led to a steep increase in general reserves². The ISC auditor had advised the ISC, as a non-profit association, to reduce its accumulated funds. The 2022–2024 Action Plan and budget reflected this advice, presenting an ambitious set of priorities and associated spending plan which would draw on up to 1.7m EUR of reserves (depending on the success of fundraising), bringing accumulated reserves down to ca.175k EUR by the end of 2024.

¹ The auditing and accounting firm Sadec Akelys (<https://www.sadec-akelys.fr/>) was reappointed by the ICSU membership in 2017 to audit the accounts for a further six years (2018-2023).

² General reserves are accumulated funds resulting from an excess of annual income over expenditure. They are distinct from the mandatory reserves of 1.5m EUR that the ISC maintains in case of insolvency.

Table 1 below shows that the final result at the end of 2024 is expected to be very much as budgeted in 2021. Overall income exceeded what was budgeted, as did expenditure. As was planned in the 2022–2024 budget, expenditure over the period significantly exceeded income.

Table 1: Summary of budgeted and actual total income, expenditure and result for the period

2022–2024	Budgeted	Estimated actuals
Dues	€ 9,072,023	€ 8,632,252
External	€ 3,128,000	€ 5,239,259
Other	€ 355,000	€ 1,710,610
Income	€ 12,555,023	€ 15,582,121
Expenditure	€ 14,279,526	€ 17,357,361
Result	-€ 1,724,502	-€ 1,775,240

Notes:

1. Note that the 2022–2024 budget (see Appendix 4) presented the in-kind contribution of the rent for the Paris secretariat's building as real income and expenditure, whereas this is not shown in the accounts presented here or in the annual reports.

Table 2: Summary of ISC accounts, 2019–2024

	2019	2020	2021	2022	2023	2024
Dues	€ 3,069,916	€ 3,056,488	€ 2,953,450	€ 2,754,936	€ 2,903,752	€ 2,973,564
Other	€ 195,124	€ 114,672	€ 166,137	€ 796,247	€ 654,363	€ 160,000
External	€ 3,509,954	€ 3,125,250	€ 2,711,906	€ 2,573,270	€ 2,755,796	€ 2,950,948
Income	€ 6,774,994	€ 6,296,410	€ 5,831,493	€ 6,124,453	€ 6,313,911	€ 6,084,512
Governance	€ 216,708	€ 154,162	€ 110,468	€ 234,084	€ 334,470	€ 217,794
Regional structures	€ 227,249	€ 177,152	€ 50,000	€ 87,067	€ 234,243	€ 227,172
Activities	€ 2,526,004	€ 962,148	€ 1,099,160	€ 1,170,569	€ 1,622,070	€ 1,113,280
Communications	€ 132,713	€ 47,750	€ 66,402	€ 182,182	€ 280,747	€ 135,278
Personnel	€ 2,475,096	€ 2,500,525	€ 2,306,668	€ 2,281,949	€ 3,035,919	€ 3,185,820
Operations	€ 494,499	€ 391,561	€ 345,567	€ 845,439	€ 466,711	€ 342,000
Dedicated funds	€ 856,112	€ 2,030,632	€ 1,801,020	€ 1,422,445	€ 1,518,310	€ 1,360,567
Expenditure	€ 6,928,382	€ 6,263,920	€ 5,779,285	€ 6,223,735	€ 7,492,469	€ 6,581,911
Result	-€ 153,388	€ 32,490	€ 52,208	-€ 99,282	-€ 1,178,558	-€ 497,399

Notes:

1. More detail on annual accounts can be found in the annual reports (see Appendix 3). However, note that this and all tables and figures in this report are based on revision of the accounts that reassign certain expenses to different categories for the sake of comparability across time.
2. Income and expenditure are not cumulative in this table, as income and expenditure for any given year include external funding carried over from or to the next year.

Table 1 shows that the pattern of spending over the period was not even (see Appendix 4 for the 2021–2024 budget). Overspending in 2022 was less than budgeted, as in-person meetings began again slowly after the COVID-pandemic. Overspending in 2023, by contrast, was particularly high, for two main reasons – the organization of the Midterm Meeting of Members in May 2023 (in response to demand from Members) and the delay in the arrival of the NSF sustainability grant, from 2021 to 2023. Spending in 2024 has been contained in order to stay within the limits of the 2021–2024 budget approved by the Members and to retain a prudent level of general reserves. The budget for 2025–2026 shows even more restraint. Budgets in the future should aim to produce neither a significant surplus nor deficit.

In general, the figures below point to three facts:

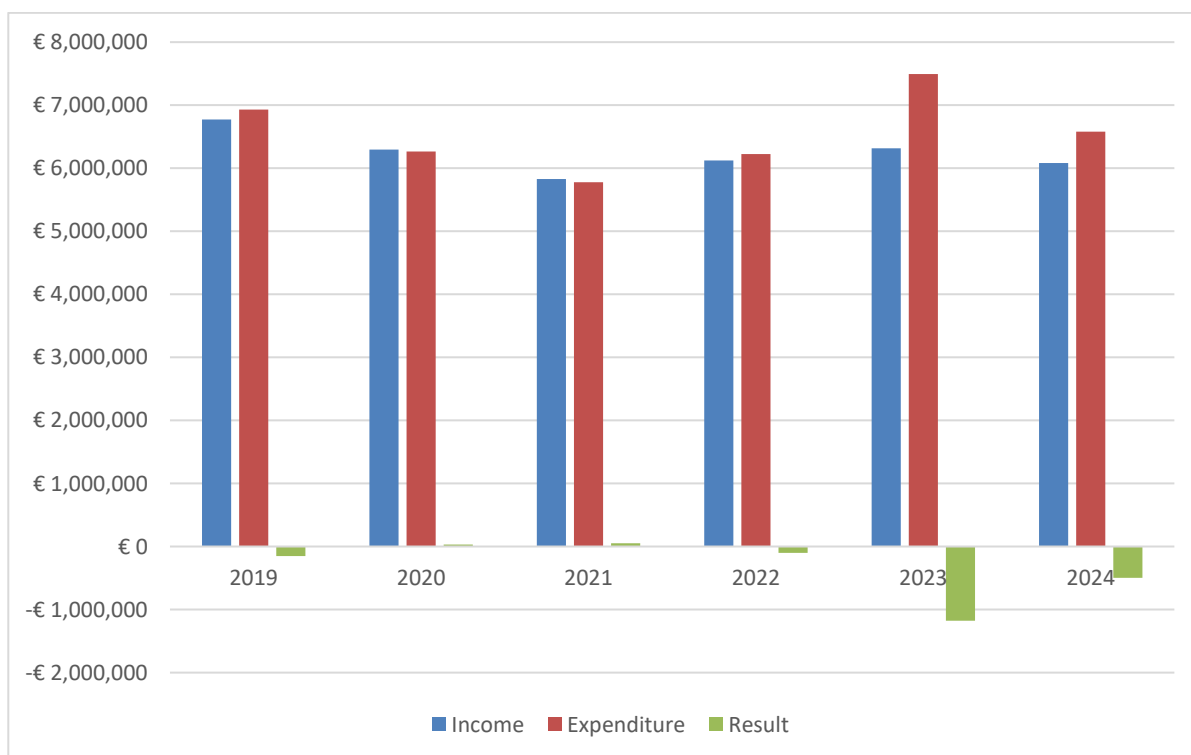
- The cost of operating in France is rising faster than the increase in core income from membership dues. The 2% increase in membership dues which has been applied since the establishment of the ISC (except in 2022) does not match the rate of increase in operating costs (cost of living and operating in France, global inflation in the cost of services procured from providers all over the world, and the steep increase in costs related to travel). Salaries of the staff at the Secretariat were not adjusted for inflation in 2024 (inflation in France was 3.9% in 2023).
- Membership dues should be increasing faster than they are, according to the number of new and re-engaged Members, but many Members cannot pay dues (see Section 2d below).
- The ISC has a high dependency on external grant-based income. Grant-based income offsets the operational costs of the ISC and allows the ISC to pursue activities in line with its mission and priorities, but is short-term, insecure, highly variable in volume, and administratively burdensome.

These issues are discussed further in the introduction to the 2025–2026 budget. Below we present some detail of the income and expenditure over the reporting period.

c. Income

The summary of the ISC accounts for the period 2019–2024 presented in Table 2 and illustrated in Figure 1 shows the evolution of ISC income and expenditure over the period. After a decline in income from 2019 to 2021, due to the end of two major grants from the Swedish International Development Cooperation Agency (Sida), a delay of two years in the start of the NSF grant (from 2021 to 2023) and the impact of the COVID-19 pandemic, income recovered in 2022 but is flat at best.

Figure 1: Income and expenditure 2019–2024

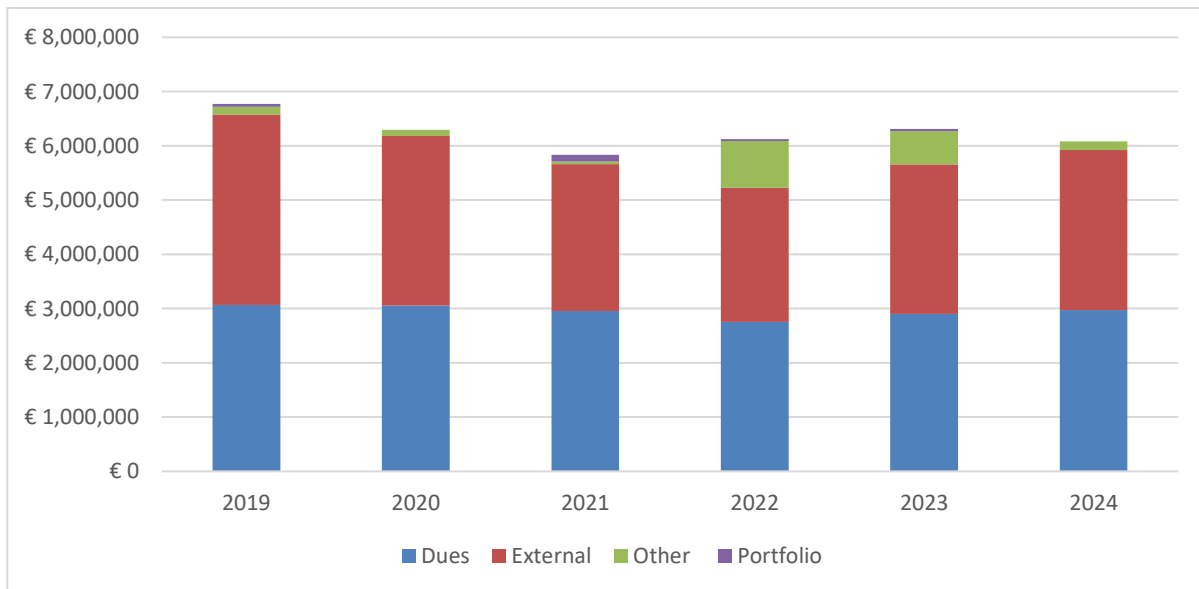


d. Membership dues

Over the course of 2022 to 2024 total income from membership dues was somewhat lower than had been foreseen, with a pronounced dip in 2022 for two major reasons: the habitual 2% increase in dues to offset inflation was not applied; and dues from Members in Russia and Ukraine were not collected. In addition, many new and re-engaged Members have requested waivers or reductions of dues since the dues payment policy was introduced in 2021.

A regular task for the Committee for Finance, Compliance and Risk in 2022–2024 was to receive and consider requests from ISC Members for dues relief, either reductions or waivers. The ISC Dues Payment Policy was put in place in 2021, to help Members which were having short-term financial difficulties related to the COVID-19 pandemic. As time went on, it has become clear that many Members are having difficulties paying dues beyond the short-term crisis caused by the pandemic. Many of those Members are ‘old’ Members which had disengaged from the ISC, often for financial reasons, but which had been re-engaged thanks to the efforts of the ISC Membership Liaison team. Some were new Members, who could not have become Members if they had had to pay dues. Over the course of 2022–2024, some 30 dues relief requests were received, with nearly all being granted. The result is that income from dues is not increasing, even with an increasing number of Members. The challenges caused by a growth in membership without a corresponding growth in income is one of the questions on the agenda of the Dues Revision Working Group in 2025 (see also below).

Figure 2: Breakdown of income types 2019–2024



e. Host-country support

The ISC is grateful for the support of the French Ministry of Higher Education and Research which allowed the Council to remain in its building in Paris rent-free (estimated at more than €300k per annum) until the end of 2024. In addition, the French Government has provided the Council with a subsidy of €100k per year since its establishment (a continuation of an existing agreement with ICSU). The Governing Board and the CEO are working to secure a long-term hosting agreement with the French state which would secure its premises and cash subsidy into the future.

Central to this effort is the establishment of an ISC-host country Liaison Committee in 2025, as foreseen by the revised Statutes and Rules of Procedure.

f. Investment portfolio

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

Table 3: Performance of ISC investment portfolio

	2019	2020	2021	2022	2023	2024
Gain	€ 30,568	€ 30,324	€ 122,423	€ 33,713	€ 42,884	-
Loss and charges	-€ 26,539	- € 33,528	€ 11,276	€ 93,970	€ 45,640	-
Result	€ 57,107	- € 3,204	€ 111,147	- € 60,257	- € 2,756	-

g. External income

Grant-based income was higher than forecast over the 2022–2024 period (by some 2.1m EUR), with several grants being extended or newly secured. However, the start date of the US National Science Foundation grant for ISC sustainability activities (1.9M USD over five years) shifted by two years, from 2021-2025 to 2023-2027, which had a significant negative effect on income over the period.

Nearly all external grants contribute to operating costs in the form of staff costs and sometimes also indirect costs. About 14% of salary costs were covered by external grants in 2021 and 2022, and about 18% in 2023 and 2024.

The most notable sources of external income over the period were:

- 1.9m EUR from the US National Science Foundation, to support ISC work on sustainability over five years (2023–2028).
- 450k EUR from the International Development Research Centre (IDRC) of Canada for [a three-year project](#) exploring the impacts of artificial intelligence (AI) and other emergent technologies on science systems in the Global South (2024–2027).
- 1m EUR from the International Development Research Centre (IDRC) of Canada of for a three-year programme (2017-2020) aimed at creating INGSA fellowships and workshops in the Global South; this was extended until 2023 with a top-up of 61k EUR.
- 420k EUR from the International Institute of Education for a three-year joint project offering a mentoring programme for refugee scientists (2025–2027).
- The IRDR International Centre of Excellence in Taipei, which funds a jointly agreed programme of international work on disaster risk reduction (2022–2026). The ISC receives an annual overhead of 30k EUR and can draw on funds from the ICoE for relevant activities.
- 950k EUR from the Frontiers Foundation, for the ISC to promote Global South participation in the [Frontiers Planet Prize](#) (2022–2026).
- 300k EUR from the ISC Member the China Association of Science and Technology (CAST) to support the participation of early- and mid-career researchers in ISC activities (2024–2026).
- 60k EUR from the Geneva Science-Policy Interface for [a joint ISC–UNODA project](#) to support the Biological Weapons Convention (2024-2025)
- Ca. 335k EUR from the New Zealand Government to support the Committee for Freedom and Responsibility in Science for five years (2019 to 2024).
- 5k EUR from the University of Bergen for the prize fund for the Stein Rokkan Prize, awarded annually (2009 to date).
- 145k EUR from the United Nations Environment Programme (UNEP) for the ISC’s contribution to a joint research effort on [foresight](#) (2023–2024).
- 10k EUR from the United Nations Development Programme (UNDP) for the project ‘Rethinking Human Development’ (2022–2023).

- Approximately €14m from the Swedish International Development Cooperation Agency (Sida), which supported the [transdisciplinary work](#), notably the [Transformations to Sustainability \(T2S\)](#) and [LIRA 2023](#) programmes from 2014 to 2022, with a budget-neutral extension to 2023.

Furthermore, several governments, organizations and foundations contribute to the ISC's activities either with in-kind contributions or with direct financial support to ISC members or partners, including:

- The Australian Government, with 10m AUD to [support the ISC regional presence in Asia and the Pacific](#) from 2022 to 2027.
- The Colombian Academy of Sciences, to [host the ISC regional presence in Latin America and the Caribbean](#) from 2021 to 2024.
- The Sasakawa Peace Foundation, to support efforts to establish an [academy of sciences in the Pacific Islands region](#).
- Co-sponsors of [ISC Affiliated Bodies](#), which provide a range of services and resources to the bodies, in kind and in cash.

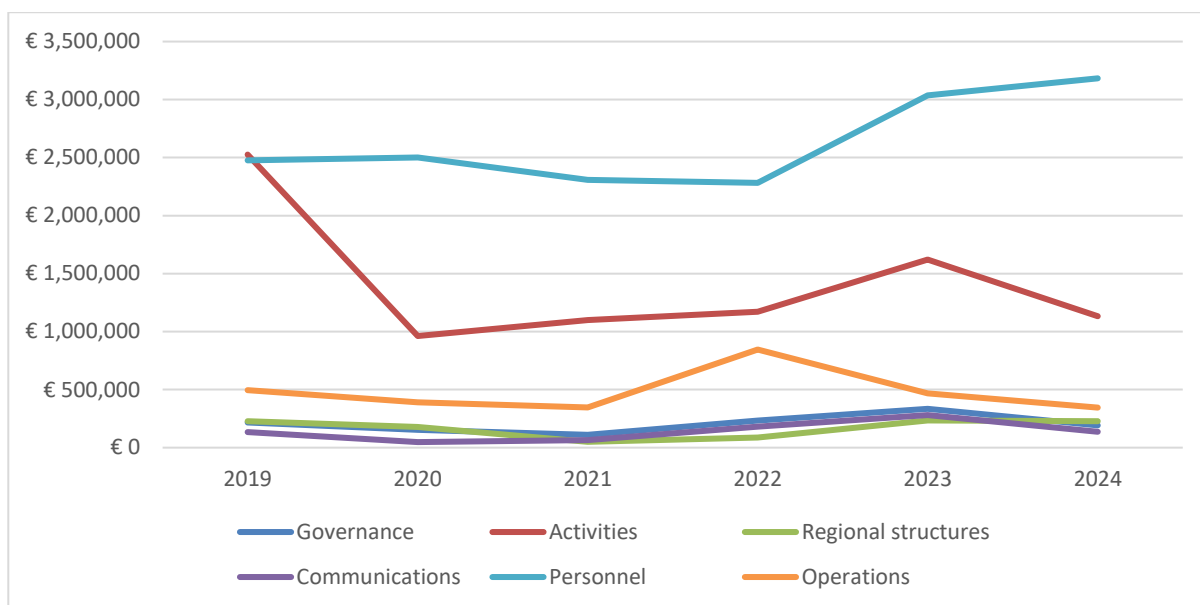
h. Expenditure

A considerable drop in expenditure on activities can be seen between 2019 and 2020. This is not only due to the COVID-19 pandemic, but also to the closing out of two Sida-funded research funding programmes (Transformations to Sustainability and LIRA2030). Expenditure began to pick up gently in 2022 as the COVID-19 pandemic receded, with the return of in-person meetings. The first of the series of Global Knowledge Dialogues was held in South Africa in December 2022.

In 2023, with the world again open for business, the ISC underwent significant strategic and operational changes. Key developments included establishing a UN presence in New York, creating a Unit for Global Science Policy and launching the Centre for Science Futures. The Secretariat re-established its staff capacity in line with the programmatic goals of the organization, appointed a new CEO and Operations Director in January 2023 (after CEO Heide Hackmann's departure in February 2022 and Operations Director Charles Erkelen's departure in mid-2021), and a new Science Director in November, taking over from Mathieu Denis, who was heading the Centre for Science Futures. Additional administrative staff were recruited and a number of promotions were made. The Regional Focal Point in Asia-Pacific was inaugurated, joining the Regional Focal Point in Latin America and the Caribbean which had been inaugurated in 2022, and a scoping project for an ISC presence in Africa was launched. An intense programme of science and policy work in 2023 allowed the Secretariat to utilize a substantial portion of the accumulated reserves. A Midterm Meeting of Members – the first in-person meeting of all the Members since the establishment of the ISC in July 2018 and which had not been budgeted for – was organized in May 2023. The ISC supported nearly 60 bursaries for ISC Members' participation in the Midterm meeting, and another 35 for the Global Knowledge Dialogue in Asia and the Pacific in October 2023.

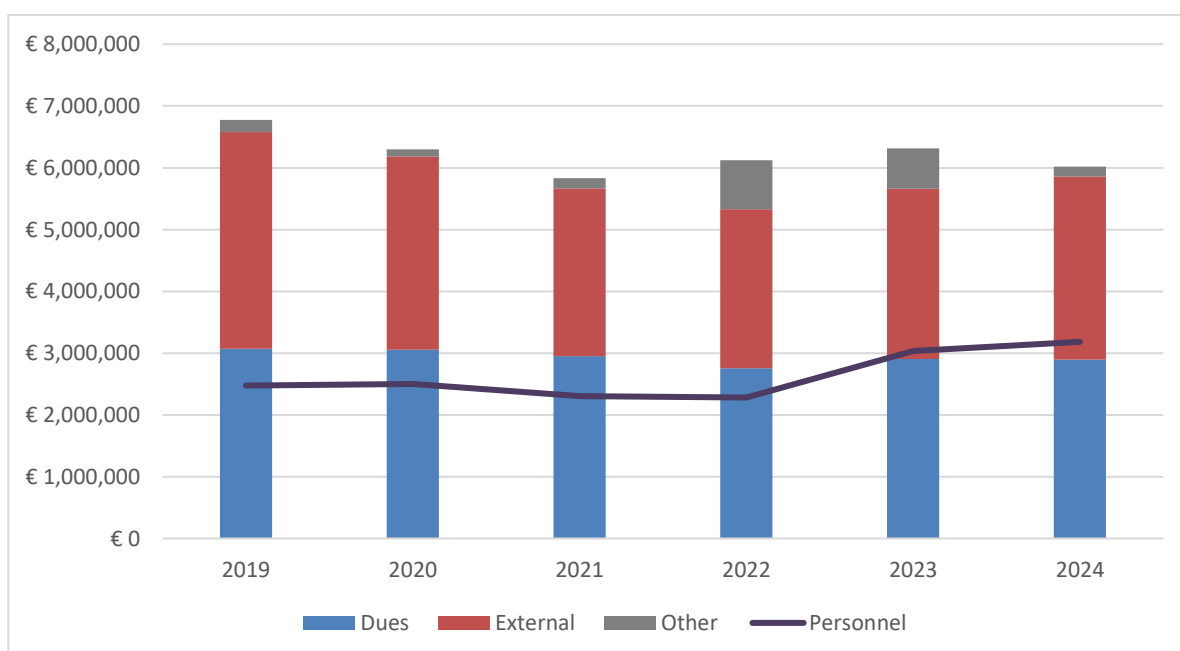
In 2024, the ISC maintained a busy programme of work but with a view to ending the period with the accumulated reserves of no less than ca. 250k EUR. The Standing Committees and other advisory bodies conducted their work virtually and travel and meetings were contained. The major event of the calendar was the Global Knowledge Dialogue in Latin American and the Caribbean, for which nearly 50 bursaries were supported. In total, 155 bursaries received by low-income ISC Members to participate in ISC meetings.

Figure 3a: Evolution of categories of expenditure 2019–2024



It can be seen from Figure 4 below that personnel costs account for about half of total income in 2024, a proportion which has risen since 2019. This is due to an increase in staff at the secretariat from 22 at the time of establishment in 2018 (and a low of 20 during the COVID-19 pandemic) to a high of 26 in 2024, as well as an increase in the cost of living in France which outstrips the 2% annual inflation-related adjustment to membership dues. Traditionally, salaries have been adjusted for inflation, but exceptionally in 2024, no adjustment was made, in order to contain costs. The number of staff at the secretariat should stabilize at 24 in 2025.

Figure 4: Personnel as a proportion of income



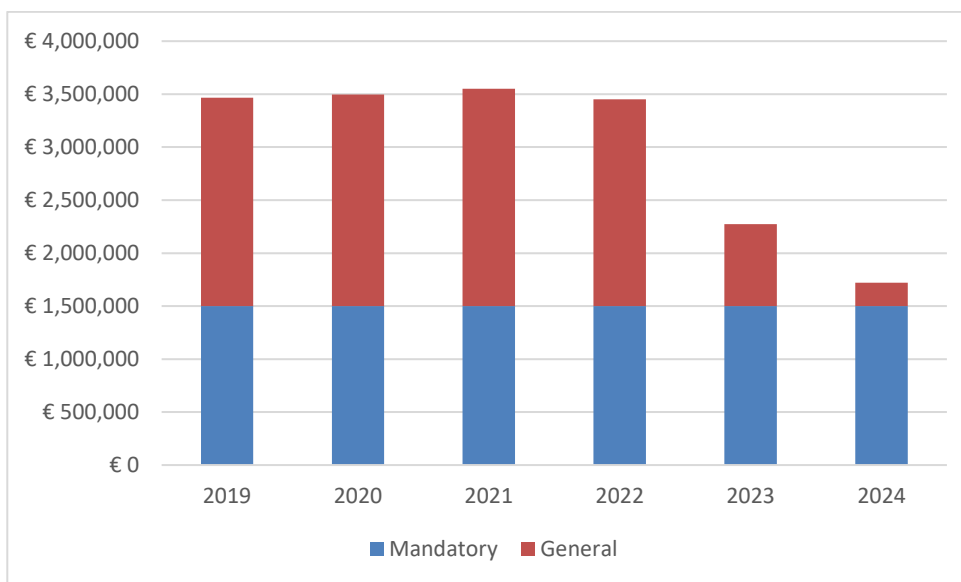
i. Reserves

The ISC maintains a mandatory minimum reserve at the level of €1,500,000. Over and above that the Council had accumulated reserves of over €2,050,230 at the end of 2021. This amount will have been brought down to ca.280k EUR by the end of 2024, in line with the auditor’s recommendations.

Table 4: Evolution of ISC reserves

Reserves (at end of year)	2019	2020	2021	2022	2023	2024
General	€ 1,965,531	€ 1,998,022	€ 2,050,230	€ 1,950,948	€ 772,389	€ 274,990
Mandatory	€ 1,500,000	€ 1,500,000	€ 1,500,000	€ 1,500,000	€ 1,500,000	€ 1,500,000

Figure 6: Reserves at the end of year



3. The ISC dues structure and its revision

At the 2017 joint meeting of the ISSC and ICSU in Taipei in preparation for the merger of the two organizations in 2018, it was decided (1) that the dues of founding ISC Members would remain the same until a new dues structure was adopted, and (2) that a new, unified dues structure should be developed under the leadership of the first ISC Governing Board, for adoption in 2021. In separate meetings, the ISSC and ICSU membership had agreed to an annual indexation for inflation of up to 2%.

An ad hoc Dues Committee was tasked in 2019 with developing a proposal for a unified dues structure for the ISC. The committee produced a report containing sound analysis and viable options but concluded that a new dues structure should not be developed in isolation from strategic considerations around membership matters. The General Assembly in 2021 therefore approved a 2022–2024 budget outline which was based on the existing membership dues structure, including a 2% annual increase for inflation (which was not applied in 2022).

With the adoption of revised ISC Statutes and Rules of Procedure in March 2024, which dealt with some of the outstanding membership issues, the dues structure will now be tackled. The Governing Board has established a Dues Revision Working Group under the aegis of the Committee for Finance, Compliance and Risk with the mandate of developing a new dues structure and other dues-related policies.

4. Policies, processes, systems

The ISC had several [policies and processes](#) in place by 2021 that continued to serve well, including the Conflict of Interest policy for Governing Board and Committee members, the Anti-Corruption and Anti-Money-Laundering policy and an informal 'Language policy'.

In the 2022–2024 period, the Committee oversaw the development or updating of the following documents or policies:

- Sponsorship and Endorsement policy and process (2023), for organizations requesting ISC sponsorship or endorsement of their activities.
- ISC Sustainability principles (updated 2023), covering sustainable procurement.
- ISC Travel policy (updated 2023), specifying when business-class travel is allowed and clarifying the basis of reimbursement claims.
- Due Diligence policy (2024), setting out the basis on which the ISC will engage with or receive money from private-sector or philanthropic bodies.
- Privacy policy (updated 2024), setting out the ISC's practices regarding the collection and protection of personal data in the era of Artificial Intelligence.
- Code of conduct (2024), detailing the expectations of behaviour of representatives of the ISC and the process for reporting suspected violations of the code.

Beyond periodic updates of the policies and processes, the Committee for Finance, Compliance and Risk should consider tasking the Secretariat with a streamlining of all policies into a Corporate Social Responsibility document.

The ISC Statutes and Rules of Procedure, which were revised in March 2024, were also subject to legal scrutiny to confirm their compliance with French law on associations.

The ISC created a risk register in 2020 which is reviewed regularly.

Appendices

Appendix 1: Extracts from the ISC Statutes and Rules of Procedure (adopted 8 March 2024)

Statute 36.ii.

The Committee for Finance, Compliance and Risk, chaired by the Vice-President for Finance, Compliance and Risk. This advisory body addresses issues of finance, compliance and risk management. It shall periodically review the Rules of Procedure and organizational policies of the Council. It shall be responsible for the dues scale, the dues schedule and related policies.

RoP 11.3.

The Committee for Finance, Compliance and Risk shall:

- i. oversee and make recommendations on finance, budgeting and compliance;
- ii. oversee internal policy development (travel, procurement, etc.);
- iii. review the risk management approach of the Council and report to the Governing Board on the Council's risk profile;
- iv. monitor adherence to the code of conduct of Governing Board and advisory body members.

Appendix 2: List of CFCR members

- Sawako Shirahase (Chair), Vice-President for Finance and Chair, Committee for Finance, ISC; Professor, University of Tokyo, Japan
- Jisoon Lee, Emeritus Professor, Seoul National University, Republic of Korea
- Isabel Varela-Nieto, Research Professor, Spanish National Research Council (CSIC), Spain
- Beatrice Weder di Mauro, President, Centre for Economic Policy Research
- Peter Gluckman, President, ISC; Centre for Informed Futures, University of Auckland, New Zealand
- Salvatore Aricò, CEO, ISC, France (ex officio)

Appendix 3: Annual Reports

[Annual Report 2019](#)

[Annual Report 2020](#)

[Annual Report 2021](#)

[Annual Report 2022](#)

[Annual Report 2023](#)

Appendix 4: Draft ISC budget 2022–2024

→ [See full budget](#)

INCOME	2022	2023	2024	Total: 2022-2024
CORE: UNRESTRICTED FUNDS				
Members' Dues				
Category I Members	193 367,00	197 234,34	201 179,03	591 780,37
Category II Members	2 754 954,00	2 810 053,08	2 866 254,14	8 431 261,22
Category III Members	16 005,00	16 325,10	16 651,60	48 981,70
Host (French Ministry of Research) Annual Contribution	100 000,00	100 000,00	100 000,00	300 000,00
Other	35 000,00	10 000,00	10 000,00	55 000,00
Annual Fundraising Target	200 000,00	400 000,00	600 000,00	1 200 000,00
Sub-Total	3 299 326,00	3 533 612,52	3 794 084,77	10 627 023,29
EXTERNAL: RESTRICTED FUNDS				
Grants				
USA National Science Foundation	323 000,00	323 000,00	323 000,00	969 000,00
Swedish International Development Cooperation Agency <i>[ref Note 1]</i>	668 000,00			668 000,00
United Nations Development Programme	100 000,00			100 000,00
International Programme Funds <i>[ref Note 2]</i>				
International Centre of Excellence, Taipei (IRDR Funds)	915 000,00			915 000,00
International Development Research Centre, Canada (INGSA Funds)	281 000,00			281 000,00
Government Subventions				
France (Rent for Paris Headquarters)	268 000,00	268 000,00	268 000,00	804 000,00
New Zealand (CFRS Support)	65 000,00	65 000,00	65 000,00	195 000,00
Sub-Total	2 620 000,00	656 000,00	656 000,00	3 932 000,00
TOTAL INCOME	5 919 326,00	4 189 612,52	4 450 084,77	14 559 023,29