



Fund

Fund Council

7th Meeting (FC7)—Seattle, Washington

November 6-7, 2013

CGIAR Consortium Financial Report for 2011: Preliminary Results

(Working Document - For Discussion Only)

*Document presented for Agenda Item 6:
CRP Budgets and Expenditures*

*Submitted by:
Consortium Office*



CGIAR Consortium Financial Report for 2011 Preliminary Results

INTRODUCTION

This report summarizes the income and expenditure for the CGIAR in 2011, at both the Institutional and the CGIAR Research Program (CRP) levels.

Some amounts may be subject to change because the source files for the data are centers' Financial Statements. These statements were still in draft form and unaudited, at the time of this report preparation,. Therefore, while we believe the values are quite accurate - probably to within 1-2 percentage points overall - the confirmed results will not be available until later in 2012 when we have access to the audited Financial Statements of CGIAR centers.

This report does not attempt to provide full details of CGIAR funding, other than what has been reported by the centers.

This report does not attempt to provide details of system costs in 2011.

COMPONENTS OF 2011 PROGRAMS

1. CGIAR Research Programs - CRP's:

In 2011 the first CRP's were implemented as the new programmatic mode of operation. Two CRP's had been approved on a "fast-track" basis at the end of 2010, and so were fully operational in 2011. All remaining 13 CRP's were developed by the centers and reviewed by the Consortium Board and Fund Council in 2011. Several were approved and were implemented in mid-year. The exact schedule is shown in table 1 below. CRP's are financed by a combination of sources, including from the Fund (windows 1, 2, and/or 3), and bilateral funds from donors.

Table 1: Operational CRP's in 2011

No.	Title	Start date
1.3	Harnassing the development potential of aquatic ag systems	July
3.2	Maize	July
3.3	GRiSP - A global rice science partnership	January
6	Forests, trees and agroforestry	July
7	CCAFS - Climate change, agriculture and food security	January

2. Genebanks:

The Fund Council approved the financing of CGIAR center genebanks as a stand-alone program in 2011, based on the results of the 2010 Genebank costing Study that had been commissioned by the Global Crop Diversity Trust and the Consortium. Because the genebanks are to be financed independently, their operational costs are not included in CRP budgets except for components that are direct research program support. The genebank budget was financed entirely from window 1 in 2011.

3. Non-CRP Research Programs:

The bulk of 2011 research in the CGIAR was outside the 5 ongoing CRP's, and this was financed from various sources including some unrestricted funding (via window 3 or bilaterally) and restricted grant funds - also via window 3 and bilaterally.

4. Stability Financing:

Because 2011 was a transition year with relatively few operational CRP's, it was necessary to design a program that provided a guarantee of unrestricted funding to the centers, since most donor grants would be routed through either window 1 or 2, thereby making it impossible to be available on an institutional basis for centers in 2011. The program that was approved by the Fund Council was referred to as "Stability Funding". The level of support from window 1 was dependent on a number of factors including how much CRP activity the center implemented with window 1-2 funds, and how much unrestricted support was available either through window 3 or bilaterally. The sum of these components was pegged to the level of 2010 unrestricted support at each center. Stability funding was used for non-CRP activity.

SUMMARY DATA AND COMPARISON WITH 2010

The 2010 and 2011 resource summary for CGIAR centers is shown in table 2.

Table 2: CGIAR Revenue and Expenditure Summary (\$m)

	2011			2010	
	Revenue	Expenditure	Net income	Revenue	Net income
Africa Rice	22.4	21.4	1.0	22.0	2.2
Bioversity	36.9	36.2	0.7	38.4	1.0
CIAT	62.3	61.1	1.2	62.2	6.1
CIFOR	30.1	28.0	2.1	27.2	2.2
CIMMYT	82.0	73.7	8.3	61.1	4.8
CIP	33.8	33.7	0.1	34.3	1.2
ICARDA	37.3	37.2	0.1	38.9	1.0
ICRISAT	67.0	65.3	1.7	64.7	3.5
IFPRI	81.6	79.5	2.2	70.0	3.9
IITA	47.4	46.7	0.7	53.2	0.3
ILRI	42.8	41.2	1.6	45.4	1.0
IRRI	77.1	73.4	3.7	58.4	1.2
IWMI	35.1	32.4	2.7	31.5	3.9
World Agroforestry	43.3	41.5	1.7	43.1	5.2
WorldFish	18.1	17.5	0.7	17.7	1.5
Totals	717	689	28	668	39

The 2011 income was an increase of 7.3% over 2010, and it is clear that it would have been even higher had more of the CRP's been operational, as funding was available.

Of particular note is the fact that the net income remained at a significant level in 2011, at 4% of income, even with greatly reduced unrestricted income overall. No center had an operating deficit, and the surpluses ranged from \$0.1 million to over \$8 million. In 2010 the system surplus represented 6% of revenue. One probable explanation for the continuing positive operating performance is the development of better cost-recovery mechanisms in the centers. Even in a constrained unrestricted grant income environment, it appears that indirect cost recovery is improving. Table 3 provides additional detail of revenue components in 2011.

Table 3: CGIAR Revenue Categories in 2011

	Traditional Unrestricted	W1 Stability	W1 Genebanks	Earned Income	W1-2 CRP	Traditional Restricted	Total Revenue
Africa Rice	1.8	0.0	0.3	0.2	8.2	12.0	22.4
Bioversity	2.1	7.0	0.8	0.9	5.5	20.8	36.9
CIAT	1.9	3.0	2.1	2.8	8.8	43.4	62.3
CIFOR	1.1	5.3	0.0	0.1	4.5	19.1	30.1
CIMMYT	2.5	3.1	0.9	2.0	7.6	65.9	82.0
CIP	1.2	4.9	3.0	0.6	0.8	22.2	33.8
ICARDA	3.3	5.2	1.0	1.4	1.5	24.9	37.3
ICRISAT	1.9	6.3	2.1	4.5	2.1	50.4	67.0
IFPRI	3.1	13.5	0.0	0.3	0.5	64.2	81.6
IITA	4.0	8.8	0.9	0.6	1.5	31.6	47.4
ILRI	2.0	12.4	0.8	4.3	5.2	19.5	42.8
IRRI	1.8	0.0	1.1	2.2	23.2	48.8	77.1
IWMI	2.0	7.5	0.0	1.0	2.3	22.3	35.1
World Agroforestry	3.0	2.9	0.0	1.2	9.0	26.7	43.3
WorldFish	2.7	2.6	0.0	0.6	3.0	9.3	18.1
Totals	34	83	13	23	84	481	717

CGIAR Research Programs (CRP's)

Table 4 summarizes the expenditure on the operational CRP's in 2011.

Table 4: Estimated CRP Expenditure in 2011 (\$m)

No.	Title	Start date	W1-2 budget	w1-2 exp.	Est. Bilateral	Total Exp.
1.3	Aquatic sys	July	4.4	2.7		
3.2	Maize	July	7.1	4.1		
3.3	GRIISP	January	34.9	35.3		
6	Forests	July	12.7	10.9		
7	CCAFS	January	41.4	32.2		
	TOTAL		100	85	142	227

The W1-2 budgets above are based on the duration of activity: for CRP's 1.3, 3.2, and 6 the budget is for 6 months. Overall spending, while slightly below the budget of \$100 million, is actually higher than the predicted rate earlier in 2011. The Consortium Office had estimated that spending would run at only about 75% for the first months of operation. (note that in table 4 the CRP expenditure is \$85 million, whereas in table 3

the revenue for them is \$84 million. the difference is that there was additional activity by partners in the CCAFS program, where W1-2 funds were allocated and spent).

In addition to windows 1 and 2, the CRP's are financed with bilateral funds. While the information at the individual CRP level is not yet available, we have estimated that the total for the 5 operational CRP's is approximately \$142 million. The total expenditure on CRP's therefore, is estimated at \$227 million, or 33% of the full 2011 CGIAR activity.

Annex 1 is an expansion of the previous table of expenditure, and shows the W1-2 spending for the CRP's by center.

Estimated 2011 CRP W1-2 Expenditure, by Center (\$ million)

	W1-2 budget	Windows 1-2 Expenditure															TOTAL	
		AfricaRice	Bioversity	CIAT	CFOR	CIMMYT	CIP	ICARDA	ICRISAT	IFPRI	IITA	ILRI	IRRI	IWMI	ICRAF	Wfish		Other
Aquatic systems	4.4												0.1			2.6		2.7
MAIZE	7.1					3.4						0.7						4.1
GRISP	34.9	8.2		4.2									23.0					35.3
Forestry	12.7		1.9	0.0	4.3										4.6			10.9
CCAFS	41.4	0.0	3.6	4.7	0.1	4.2	0.8	1.5	2.1	0.5	0.8	5.2	0.2	2.2	4.4	0.4	1.3	32.2
TOTAL	100	8.2	5.5	8.8	4.5	7.6	0.8	1.5	2.1	0.5	1.5	5.2	23.2	2.3	9.0	3.0	1.3	85