



**Consultative Group on International Agricultural Research (CGIAR)**

**Document No: MTM/01/06**  
**Distribution: General**  
**Date : April 24, 2001**

**Mid-Term Meeting 2001**  
**May 21 - 25**  
**Durban, South Africa**

**Charting the CGIAR'S Future – Change Design and Management**

**2002-2004 Research Agenda and Funding Requirements**

The CGIAR's financing arrangements call for Group consideration of the research agenda and its Financing requirements for the following year, at each Mid-Term Meeting. The document summarizes the financial requirements, totaling \$390 million, for the 2002 research programs proposed by the CGIAR centers. These requirements represent an increase of 10 percent over the 2001 approved financing plan level, and 15 percent over the actual 2000 expenditures. The Technical Advisory Committee's observations on these programs are contained in a companion Document entitled, "2002 CGIAR Research Agenda and Initial Proposals for 2004", (SDR/TAC:IAR/01/10). Documents on the 2002-2004 proposed programs, circulated by the individual centers, provide further elaboration.

**This item is for:** Information ☐ Discussion ☐ Decision ☒

**Proposed Action:** The Group is requested to review and approve the proposed 2002 research agenda as well as the extension of the 2001-2003 medium term plans, approved at MTM00, to 2002-2004. Upon approval by the Group, the 2002 research agenda will form the basis for the preparation of the 2002 CGIAR financing plan for Group approval at International Centers Week (ICW01) later this year.

# **Financial Requirements of the 2002 CGIAR Research Agenda**

## **1. Introduction**

The CGIAR adopted a forward planning horizon of three years, starting in 1998, through the preparation of medium term plans (MTPs) which are rolled forward each year. These plans are based on priorities recommended by TAC, and adopted by the CGIAR.

At ICW00 the CGIAR launched a process of change design and management intended to revitalize itself while building on its past achievements. The impetus for change is the need to update the decision making and funding system of the CGIAR, optimize operational efficiency, and improve the system's public persona to raise awareness beyond already existing circles. Decisions on these efforts will be taken at MTM01, and could well affect implementation of the current center MTPs, as well as the financial decision-making process itself.

In accordance with the current CGIAR schedule, the 2002 research agenda is well on its way to approval by the Group at MTM01. TAC reviewed the program content of each center's 2002 proposal and their 2004 perspectives at its 80<sup>th</sup> meeting in Aleppo, 26 – 30 March, 2001. The overall financial implications of the aggregated center proposals and TAC's commentary<sup>1</sup> will be examined by the Finance Committee prior to MTM01, and both TAC's and FC's observations will be available to the Group as it assesses the proposals.

This paper outlines the overall financial requirements of the 2002 proposals in context of those approved at MTM00, along with a summary of the prospects for 2001as reported by centers. Annex 1 of the paper provides individual center summaries of the proposals as well as project and output cost projections over the MTP period. Systemwide programs and initiatives included in the 2002 proposals by the convening centers are listed in Annex 2.

## **2. Process and 2000 Outcome**

This is the fourth year that TAC and the centers have worked with the current process and schedule for CGIAR financial decision-making. The CGIAR financial decision-making schedule, and the 2000 financial outcome are covered in the 2000 Financial Report.

## **2. 2001 Prospects**

At MTM00 the Group approved 2001 agenda investments of \$375 million, requiring about \$363million of member funding. At ICW00, following presentation by centers of draft financing plans, and based on the advice of TAC, the Finance Committee recommended, and the Group approved, a 2001 Financing Plan requiring member funding of \$340 million to support investments in the research agenda totaling about \$355 million,<sup>2</sup> (with the balance coming from centers' earned income). Thus the 2001 CGIAR Financing Plan was identical to the 2000 plan. Centers now (as of late March 2001) estimate 2001 investments at \$383 million, a 8 percent increase over the approved aggregate financing plan. To finance the higher level of investment,

<sup>1</sup> 2002 CGIAR Research Agenda and Initial Proposals for 2004 (SDR/TAC:IAR/01/07, MTM01).

<sup>2</sup> Center plans, however, called for total 2001 investment of \$375 million, marginally lower than the \$383 million they now estimate.

centers are estimating \$364 million in member funding, to be supplemented by about \$15 million in earned income. The funding estimate also represents a 7 percent increase over the financing plan. (The current estimates for 2001 indicated by centers regarding investment and member funding of \$383 million and \$364 million, respectively, are used in the discussion and tables of this paper).

The highlight of changes in investments and financing estimates are noted below:

- Six centers estimate that 2001 investments will be higher than the financing plan. The result is an increase in their shares of CGIAR investment, the highest share increase being by ILRI and IWMI (0.4 percent each). Smaller share increases are estimated by the other four (CIP, ICLARM, ICRAF and ISNAR).
- Only CIAT and IITA estimate decreases in their 2001 investments compared with the financing plan, with corresponding decreases of at least 0.5 percent each in their shares of 2001 CGIAR investments.
- The remaining eight centers estimate that their 2001 investment will remain unchanged from the financing plan.

#### **4. 2002 Center Proposals**

As the MTPs are on a rolling three-year basis, the 2002 center proposals were developed in the context of the 2001-2003 Medium-Term Plans approved at MTM00. A summary of the proposals in several dimensions follows:

- Centers propose aggregate **2002 CGIAR investments of \$390 million**, 10% higher than the \$355 million approved at ICW00 for 2002 and the guideline indicative planning figure of the same order. The aggregate proposal is approximately the same as the level approved in last year's MTP (\$388 million).
- The proposal will require **funding of \$376 million**, a 11 percent increase over the \$340 million level in the 2001 financing plan approved at ICW00. Centers are now estimating 2001 funding of \$364 million. In relation to centers' current estimates for 2001, therefore, the 2002 proposals represent a more modest rate of growth of 3 percent. In context of the 2000 actual funding of \$331 million, the proposal represents a 14 percent increase.
- The majority of centers (twelve) have described their 2002-2004 proposals as essentially an extension of the 2001-2003 plans approved MTM00. However, four (CIP, IRRI, ISNAR and IWMI) have significantly restructured or rationalized their project portfolios, resulting in the consolidation of the number of projects. These changes have combined to reduce the number of active projects in the CGIAR portfolio to about 220, a decrease from about 260 in 2001.
- The implication of the new third year (2004) being essentially an extension of the previous MTP is that trends observed in the past for shares of undertakings and outputs

in system investments, and the resulting deviations from approved directions, remain valid in the new MTP period.

- Expenditure distribution by line item shows stable levels of spending on personnel (of under 50% of the total). Capital spending is projected at about \$16 million, almost exclusively for equipment upgrades. The regional distribution of CGIAR investment remains essentially stable although there is slight tilt towards Sub-Saharan Africa.

## 5. Summary of 2002 Requirements

The proposed 2002 CGIAR Research Agenda requires an investment of **\$390** million, as summarized by center and output in Table 1 below. At this stage in the resource allocation process the indicated required financing is notional only. Under the current financial decision-making calendar centers will submit their financing plans later this year for consideration at TAC81 (September 2001), and by the Finance Committee just prior to ICW01 (October 2001).

**Table 1. Financial Requirements of the 2002 Research Agenda**

(by CGIAR Output)

(in \$million)

	Germplasm Improvement	Germplasm Collection	Sustainable Production	Policy	Enhancing NARS	TOTAL AGENDA	Financed by:		2001 Funding est. <sup>3/</sup>	Funding Change 2002 - 2001	
							Member Funding <sup>1/</sup>	Center Income <sup>2/</sup>		Amount	%
CIAT	9.0	4.6	10.8	1.5	5.3	31.2	30.4	0.8	30.5	0.0	0%
CIFOR	0.0	1.9	7.2	3.6	2.2	15.0	14.6	0.4	14.0	0.6	4%
CIMMYT	12.2	5.8	10.2	1.8	8.9	39.0	37.5	1.4	37.3	0.3	1%
CIP	6.6	3.0	8.2	1.9	3.6	23.2	21.8	1.4	22.4	-0.6	-3%
ICARDA	5.5	3.6	12.8	1.4	3.8	27.0	26.0	1.0	25.0	1.0	4%
ICLARM	1.1	0.2	8.4	4.7	1.9	16.4	16.2	0.2	16.6	-0.5	-3%
ICRAF	0.7	1.5	11.9	3.5	7.7	25.2	24.6	0.6	23.0	1.7	7%
ICRISAT	8.1	2.8	7.6	4.0	3.4	25.8	24.4	1.4	21.5	2.9	13%
IFPRI	0.0	0.0	1.6	14.5	7.6	23.7	23.6	0.1	23.8	-0.2	-1%
IITA	10.1	1.5	13.5	2.7	7.3	35.2	32.5	2.7	32.9	-0.4	-1%
ILRI	3.1	2.1	18.9	3.1	4.4	31.6	31.1	0.5	29.2	1.9	7%
IPGRI	4.4	7.7	3.2	2.7	8.0	26.0	25.6	0.4	24.3	1.3	6%
IRRI	9.9	3.0	10.7	4.3	6.0	34.0	31.7	2.4	32.0	-0.3	-1%
ISNAR	0.0	0.0	0.0	2.1	6.9	9.0	8.9	0.1	8.8	0.1	1%
IWMI	0.0	0.0	5.7	5.0	3.6	14.3	14.2	0.1	11.4	2.8	25%
WARDA	2.9	1.4	5.6	1.5	2.3	13.7	13.3	0.4	11.3	2.0	18%
<b>TOTAL</b>	<b>74</b>	<b>39</b>	<b>136</b>	<b>58</b>	<b>83</b>	<b>390</b>	<b>376</b>	<b>14</b>	<b>364</b>	<b>13</b>	<b>3%</b>

1/ Derived by subtracting center income from total investment.

2/ Center income based on 2001 levels unless projected by center. Excludes any drawdown of reserves.

3/ As reported by centers in their MTP submission (March 2001).

Table 2 below summarizes center MTP proposals in the context of 1999 and 2000 actual outcomes, and their current estimates for 2001.

**Table 2: 1999 - 2004 CGIAR Investments**

(in \$millions)

	1999 actual <sup>1/</sup>	2000 actual <sup>2/</sup>	2001		2002 proposal <sup>3/</sup>	2003 plan <sup>3/</sup>	2004 plan <sup>3/</sup>
			finplan <sup>4/</sup>	estimate <sup>3/</sup>			
CIAT	30.7	29.5	32.9	31.3	31.2	31.2	31.2
CIFOR	12.7	12.6	14.0	14.4	15.0	15.5	16.0
CIMMYT	37.4	39.0	37.8	38.2	38.9	39.7	40.5
CIP	21.6	20.2	23.3	24.0	23.2	24.6	24.8
ICARDA	22.8	23.4	25.7	26.0	27.1	28.1	29.3
ICLARM	12.4	10.4	14.6	15.9	16.4	16.9	17.6
ICRAF	21.8	20.7	22.5	24.0	25.2	26.4	27.6
ICRISAT	23.2	23.3	24.8	25.0	25.8	26.6	27.3
IFPRI	20.1	21.2	23.9	23.8	23.7	24.3	25.2
IITA	32.7	30.1	36.8	35.5	35.2	34.0	34.9
ILRI	26.5	26.5	27.6	29.7	31.6	32.6	33.6
IPGRI	20.4	21.5	24.2	24.5	26.0	27.0	28.0
IRRI	35.1	32.6	34.6	35.5	34.0	33.0	32.0
ISNAR	9.7	8.2	7.9	8.9	9.0	10.0	11.0
IWMI	8.8	8.9	11.3	13.0	14.3	15.7	17.3
WARDA	10.9	9.4	13.0	13.0	13.7	14.2	14.9
<b>Total</b>	<b>347</b>	<b>338</b>	<b>375</b>	<b>383</b>	<b>390</b>	<b>400</b>	<b>411</b>

1/ Source: 1999 CGIAR Finance Report.

2/ Source: Center 2000 audited financial statements (March, 2001).

3/ Source: Center 2002-2004 MTP submissions (March, 2001).

4/ Source: "Financing the 2001 Research Agenda" (ICW/2000). The Group approved a CGIAR Finance Plan of \$355m, lower than the individual center plans shown in this column.

## 6. 2002 Recommendations

TAC's assessment of Center proposals started from the formal endorsement of its recommendations on the 2001-2003 MTPs. (TAC78, March 2000). In reviewing the 2002 proposals TAC followed the steps outlined below:

- are there important changes in center programs from those described in the 2001-2003 MTPs approved last year?
- are investment shares (at the system and center levels) broadly consistent with those approved in last year's MTPs, and actual results?

In summary, TAC concluded that only the proposals of four centers (CIP, IRRI, ISNAR and IWMI) had significant programmatic changes when compared with last year's MTP. In the last three cases, this resulted in a reduction of about 50% in the number of projects in the portfolio <sup>3</sup>. By way of comparison, TAC concluded that center investment shares in the current proposal remained broadly consistent with those in last year's MTPs, as shown in the following Table 3.

<sup>3</sup> TAC's detailed commentaries can be found in the paper "2002 CGIAR Research Agenda and Initial Proposals for 2004" (SDR/TAC:IAR/01/07, MTM01).

**Table 3. Comparison of 2002 CGIAR Investments between MTPs**

(percentage shares of the annual total and amounts in \$millions)

	2002 Percentage shares at:		March 2001 v. March 2000	2002 Amounts at:	
	March 2001	March 2000		March 2001	March 2000
CIAT	8.0%	8.8%	-	31.2	34.0
CIFOR	3.8%	3.7%	=	15.0	14.5
CIMMYT	10.0%	9.3%	+	38.9	35.9
CIP	5.9%	5.8%	=	23.2	22.4
ICARDA	6.9%	7.0%	=	27.1	27.0
ICLARM	4.2%	4.3%	=	16.4	16.5
ICRAF	6.5%	6.1%	+	25.2	23.7
ICRISAT	6.6%	6.7%	-	25.8	26.0
IFPRI	6.1%	6.5%	-	23.7	25.1
IITA	9.0%	9.2%	=	35.2	35.6
ILRI	8.1%	8.1%	=	31.6	31.6
IPGRI	6.7%	6.9%	=	26.0	26.6
IRRI	8.7%	9.3%	-	34.0	35.9
ISNAR	2.3%	2.1%	=	9.0	8.2
IWMI	3.7%	2.9%	+	14.3	11.4
WARDA	3.5%	3.5%	=	13.7	13.7
<b>Total</b>	<b>100%</b>	<b>100%</b>		<b>390</b>	<b>388</b>

This consistency with past trends is further confirmed at the system level in terms of output as Table 4 illustrates.

**Table 4: 2002 System Investments between MTPs**

percentage distribution and amounts in \$ millions

CGIAR Outputs	2002 Shares		2002 Amounts	
	Mar-01	Mar-00	Mar-01	Mar-00
Germplasm Improvement	19%	18%	74	72
Germplasm Collection	10%	10%	39	38
Sustainable Production	35%	36%	136	141
Policy	15%	14%	58	54
Enhancing NARS	21%	22%	83	84
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>390</b>	<b>388</b>

Thus, TAC observed that were all proposals made by centers to be fully funded, there would be broad consistency with the shares approved in last year's proposals. In line with the schedule for the CGIAR's financing arrangements, at TAC81 (September 2001), the Committee will consider the implications of individual financing plans for CGIAR priorities.

In context of past trends, TAC concluded that center proposals also remained consistent with past observations. Only five centers proposed shares that were significantly different from their actual 1999 and 2000 shares. Of these, three (CIAT, CIP and IRRI) propose smaller shares while two (ICLARM and IWMI) propose higher shares. The same conclusion was also true at the system level for outputs. The 1999 – 2004 trends in CGIAR investment shares by center are seen below in Table 5.

**Table 5. CGIAR Investments Shares by Center**

(percentage shares of the annual total)

	1999 actual	2000 actual	2001 estimate	2002 proposal	2003 plan	2004 plan
CIAT	8.9%	8.7%	8.2%	8.0%	7.8%	7.6%
CIFOR	3.7%	3.7%	3.8%	3.8%	3.9%	3.9%
CIMMYT	10.8%	11.6%	10.0%	10.0%	9.9%	9.9%
CIP	6.2%	6.0%	6.3%	5.9%	6.2%	6.0%
ICARDA	6.6%	6.9%	6.8%	6.9%	7.0%	7.1%
ICLARM	3.6%	3.1%	4.1%	4.2%	4.2%	4.3%
ICRAF	6.3%	6.1%	6.3%	6.5%	6.6%	6.7%
ICRISAT	6.7%	6.9%	6.5%	6.6%	6.6%	6.6%
IFPRI	5.8%	6.3%	6.2%	6.1%	6.1%	6.1%
IITA	9.4%	8.9%	9.3%	9.0%	8.5%	8.5%
ILRI	7.6%	7.9%	7.8%	8.1%	8.2%	8.2%
IPGRI	5.9%	6.4%	6.4%	6.7%	6.8%	6.8%
IRRI	10.1%	9.7%	9.3%	8.7%	8.3%	7.8%
ISNAR	2.8%	2.4%	2.3%	2.3%	2.5%	2.7%
IWMI	2.5%	2.6%	3.4%	3.7%	3.9%	4.2%
WARDA	3.1%	2.8%	3.4%	3.5%	3.6%	3.6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## 1. Investments by Line Item and Region

### Capital Investment and Capital Fund:

CGIAR fixed asset investment for the 2000 - 2004 are reflected in Table 6. Also shown is the status of the capital fund, the primary source of asset financing. The data confirms that center spending on asset renewal is stable, and the capital fund is sufficient to meet future requirements.



**Table 6. 2000 - 2004 Capital Investment and Capital Fund**  
(in \$million)

CAPITAL INVESTMENTS	2000 actual	2001 estimate	2002 proposal	2003 plan	2004 plan
<i>Physical Facilities</i>	2.4	3.5	0.5	0.6	0.6
<i>Infrastructure &amp; Leasehold</i>	1.2	0.7	0.7	0.6	0.7
<i>Furnishing &amp; Equipment</i>	13.1	13.4	14.3	14.3	13.6
<b>TOTAL</b>	<b>16.7</b>	<b>17.6</b>	<b>15.5</b>	<b>15.4</b>	<b>14.8</b>
CAPITAL FUND CASH RECONCILIATION	2000 actual	2001 estimate	2002 proposal	2003 plan	2004 plan
<i>Balance, January 1</i>	60.7	50.7	50.4	53.4	57.0
plus: annual depreciation charge	16.2	16.5	17.3	17.9	18.0
plus / minus: disposal gains/(losses)	0.7	1.3	1.0	1.0	1.0
plus / minus: other	-10.3	-0.5	0.1	0.1	0.2
minus: asset acquisition costs	-16.7	-17.6	-15.5	-15.4	-14.8
<b>equals: Balance, December 31</b>	<b>50.7</b>	<b>50.4</b>	<b>53.4</b>	<b>57.0</b>	<b>61.4</b>

### Investment by Object:

Center investment in terms of the four major objects of expenditure (personnel, supplies and services, operational travel and depreciation) over the plan period are consistent with past trends, as illustrated below in Table 7.

**Table 7. CGIAR Investment Shares By Object**  
(percentage shares of the annual total)

OBJECT OF EXPENDITURE	2000 actual	2001 estimate	2002 proposal	2003 plan	2004 plan
<b>Personnel</b>	49%	48%	48%	49%	49%
<b>Supplies and Services</b>	40%	41%	40%	39%	39%
<b>Operational Travel</b>	7%	7%	7%	7%	7%
<b>Depreciation</b>	5%	4%	4%	4%	4%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Investment by Developing Region:

Center investment in terms of the four developing regions are fairly stable although a gradual tilt towards Sub-Saharan Africa emerges during the plan period. Table 8 illustrates.

**Table 8: CGIAR Investment Shares by Region**  
(percentage shares of the annual total)

REGION	2000 actual	2001 estimate	2002 proposal	2003 plan	2004 plan
Sub-Saharan Africa (SSA)	42%	43%	44%	44%	45%
Asia	32%	31%	32%	32%	31%
Latin America and the Caribbean (LAC)	17%	16%	15%	15%	15%
West Asia and North Africa (WANA)	10%	9%	10%	9%	9%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## **9. Monitoring and Reporting of 2002 Programs**

With the new CGIAR Finance System, as well as a Project database now functional, monitoring of 2002 programs will be further enhanced at the system level. Additional tools to enhance monitoring and reporting of 2002 programs at the center level include the recently updated "Audit Policies and Procedures" (CGIAR Financial Guidelines Series No. 3), and continued monitoring of compliance with the revised "Accounting Policies and Reporting Practices Manual" (CGIAR Financial Guidelines Series No. 2).





**Annex 1**

April 29, 2002

**Summary of the 2002-2004 Medium-Term Plans of the Sixteen CGIAR Centers**

Attached as part of the paper **“Financial Requirements of the 2002 CGIAR Research Agenda”** (Document MTM/01/06, dated April 24, 2001), is the summary analyses of the Medium-Term Plans of the sixteen CGIAR centers, as well as their Research Agenda Project and Output Cost Summary tables.

## **Index of CGIAR Center MTP Summaries, and Project & Output Costs:**

- Annex 1a:** Centro Internacional de Agricultura Tropical (CIAT)
- Annex 1b:** Center for International Forestry Research (CIFOR)
- Annex 1c:** Centro Internacional de Mejoramiento de Maiz y Trigo (CIMMYT)
- Annex 1d:** Centro Internacional de la Papa (CIP)
- Annex 1e:** International Center for Agricultural Research in the Dry Areas (ICARDA)
- Annex 1f:** International Center for Living Aquatic Resources Management (ICLARM)
- Annex 1g:** International Centre for Research in Agroforestry (ICRAF)
- Annex 1h:** International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)
- Annex 1i:** International Food Policy Research Institute (IFPRI)
- Annex 1j:** International Institute of Tropical Agriculture (IITA)
- Annex 1k:** International Livestock Research Institute (ILRI)
- Annex 1l:** International Plant Genetic Resources Institute (IPGRI)
- Annex 1m:** International Rice Research Institute (IRRI)
- Annex 1n:** International Service for National Agricultural Research (ISNAR)
- Annex 1o:** International Water Management Institute (IWMI)
- Annex 1p:** West Africa Rice Development Association (WARDA)

## **Annex1a: Centro Internacional de Agricultura Tropical (CIAT)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

CIAT proposes an investment of \$31.2 million in 2002, 8% lower than the level proposed in last year's MTP. It is also lower (5%) than the current estimate of 2001 but 6% higher than the 2000 actual. Programmatically, the center's proposal is an extension of the 2001-2003 MTP although the scale of activities has been dictated mainly by changes in the proportions of unrestricted and targeted funding.

#### **Financial Highlights**

2000 Outcome: Total investment amounted to \$29.5 million, slightly lower than the 1999 result (\$30.7 million) but still resulted in a \$1.2 million surplus for CIAT. The positive operating outcome was due to a combination of factors: strict expenditure controls, a favorable cost structure in Colombia and the revival of support from the European Commission.

2001 Outlook: CIAT estimates total investment of \$31.3 million in 2001, about 5% lower than the financing plan but, in real terms, approximately the same operating level as 2000. However, as expenditures will match income in 2001, no addition to reserves is expected. The portion of the research agenda financed by targeted contributions continues to increase (e.g., from Germany, Canada, Netherlands and the Kellogg Foundation) at the expense of unrestricted sources which are expected to decline again by about \$0.4 million. Staffing levels will remain unchanged from 2000.

2002 Proposal: The proposed investment of \$31.2 million is within the 2000 actual and 2001 estimated levels but substantially less than the amount planned in last year's MTP (\$34 million). This reflects merely the tight funding situation that the center foresees, rather than a strategic decision to change the research thrust.

CGIAR share: 2000 actual: 8.7%; 2001 estimate: 8.2%; 2002 proposed: 8.0%;. (last year's plan: 8.8%).

#### **2002 Program Highlights:**

CIAT expects to complete its 2001-2010 Strategic Plan this year with the potential for significant changes in its current 2002-2004 MTP. However, until the SP is completed, the 2002-2004 MTP is essentially an extension of the previous one. The number of projects in the portfolio remains unchanged at nineteen, including three systemwide projects.

## **Annex1b: Center for International Forestry Research (CIFOR)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

CIFOR proposes an investment of \$15 million in 2002, about the same as the level proposed in last year's MTP (\$14.5 million). It is higher than both the 2000 actual and the current 2001 estimate (19% and 7%, respectively). Programmatically, the center's proposal is an extension of the 2001-2003 MTP although there will be some evolution in the content of the projects due to the continuation of work in the field of forests and climate change. The portfolio will remain stable with 8 projects during the MTP period.

#### **Financial Highlights**

2000 Outcome: Actual investment was \$12.6 million, virtually the same as in 1999 but still resulted in a surplus of \$0.2 million.. Economic recovery in the host country benefited the center's overall financial position with relatively stable exchange rates and inflation. Personnel costs as a share of total expenditures increased to 46% (from 44%) mainly as a result of 1999 recruitments.

2001 Outlook: CIFOR estimates total investment of \$14.4 million in 2001, only marginally (3%) lower than the financing plan but substantially (14%) higher than the 2000 actual level. This increase results from expansion of the research effort, although the thrust remains as outlined in the 2001-2003 MTP. The economic recovery in the host country is expected to continue in 2001. Financing provided by targeted contributions is expected to continue its increase, to 56% of the budget. Staffing costs will decline as a share of total investment after a spurt of 2% in 2000.

2002 Proposal: The proposed investment of \$15 million is higher than both the 2000 actual and 2001 estimated levels, reflecting expansion of research already approved in previous MTPs. It is also slightly higher (3%) than the amount planned in last year's MTP for the same reason. For the 2002-2004 period, CIFOR expects continued expansion of projects in its portfolio. However, because staffing growth is projected to be slower than the growth in total investment, the proportion of personnel costs in total investment will decline to a target of 42% by the end of the MTP, from 44% in 2001. CIFOR projects continued healthy finances due to continuing recovery in Indonesia and projected growth of 3-5% in revenues.

CGIAR share: 2000 actual: 3.7%; 2001 estimate: 3.8%; 2002 proposed: 3.8%; (last year's plan: 3.7%).

#### **2002 Program Highlights:**

Apart from an expansion in scale, CIFOR's portfolio remains essentially as proposed in previous MTPs. Part of the expansion is due to the center's mainstreaming of work in forests and climate change, attention to dry forests and woodlands and continuing the transition to a more livelihoods/poverty-oriented agenda. CIFOR will continue to play an important role in the international agenda on forestry and related issues (climate change, environment, biodiversity), providing expert advice to a number of other actors in the international arena.

## **Annex1c: Centro Internacional de Mejoramiento de Maiz y Trigo (CIMMYT)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

CIMMYT proposes an investment of \$38.9 million in 2002, 8% higher than the level in last year's MTP. However, the proposal is in line with the current estimate of 2001 and the actual 2000 level. Programmatically, CIMMYT has "refocused" its research agenda (although the portfolio remains at twenty-one projects) to give greater attention to "reaching the unreached". This will be accomplished by emphasizing research on maize and wheat for stressed and marginal environments.

#### **Financial Highlights**

2000 Outcome: Actual investment was \$39 million, or 3% higher than the 1999 level as a result of additional targeted funding from the European Commission, Netherlands and the Rockefeller Foundation, and from non-traditional sources. The last resulted from greater collaboration with advanced research institutions in the private and public sectors. Non-traditional sources accounted for 17% of CIMMYT's budget in 2000. As a result of somewhat tougher than anticipated macroeconomic conditions in Mexico (higher than expected inflation and appreciation of the peso), CIMMYT contributed only \$0.5 million to reserves, less than had been planned. Reserves stood at \$5.5 million (about 52 days of operations) at year end. On the capital investment front, 50 hectares were acquired at Aguas Frias for a lowland tropical maize research station to replace the Poza Rica Experiment Station which had been damaged by floods in 1999. Financing for this was provided by World Bank through the Finance Committee and ACIAR.

2001 Outlook: CIMMYT estimates total investment of \$38.2 million in 2001, approximately the same as the financing plan and the 2000 actual levels. Targeted funding will remain at about 60%. The host country economic conditions, though improving, will still be difficult, hence the center will continue its financial management policies. Staffing will increase only moderately with the addition of a resource mobilization specialist to attend to the growing non-traditional funding sources, and an intellectual property manager to oversee its IP portfolio.

2002 Proposal: Efforts to restrain capital spending and managing exchange rates will continue in order to build reserves and working capital, with the aim of meeting a working capital target of 90 days by the end of the MTP period.

CGIAR share: 2000 actual: 11.6%; 2001 estimate: 10.0%; 2002 proposed: 10.0%;. (last year's plan: 9.3%).

#### **2002 Program Highlights:**

CIMMYT's has been refocused to ensure sufficient and stable food supplies for subsistence farmers and poor rural households; improve the nutritional security of the poorest of the poor; ensure adequate food supplies at affordable prices for the urban poor; and promote sustainable management of natural resources, especially in marginal production environments. This will be accomplished through nine Global, six Regional and six Frontier projects.



## **Annex1d: Centro Internacional de la Papa (CIP)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

CIP's proposed investment of \$23.2 million in 2002 is 4% higher than in last year's MTP. It is 15% higher than the 2000 actual but slightly (3%) lower than the 2001 estimate. Programmatically, CIP contemplates important changes in its 2002-2004 MTP in response to external factors, including the reorganization of the CGIAR. As a result, the portfolio will be restructured from seventeen to thirteen projects.

#### **Financial Highlights**

2000 Outcome: Actual investment was \$20.2 million, 7% lower than the 1999 level. However, CIP experienced a 12% increase in revenue as a result of the revival of support from the European Commission, special support from the Netherlands and the World Bank through the Finance Committee, and the sale of its aircraft. The improved financial condition helped the center rebuild its reserves which stood at \$3 million (46 days of operations). CIP downsized in 2000, reducing international staff by seven positions and national staff by twenty-seven, saving \$0.6 million annually. On the capital investment front, in addition to disposing of its aircraft, CIP also completed its biosafety greenhouse and initiated work on the genebank building.

2001 Outlook: CIP estimates total investment of \$24 million, 3% higher than the financing plan and substantially (19%) higher than the 2000 actual. The 2001 investment includes \$0.3 million for the center's EPMR. CIP expects to end 2001 in a strong financial position with only a modest draw down of reserves to finance current operations.

2002 Proposal: The proposed investment of \$23.2 million, although slightly higher than the level proposed in last year's MTP, is nonetheless lower than both the 2000 actual and 2001 estimate, reflecting a more subdued funding outlook by CIP during the plan period. As a result, delays could occur in its outputs. Management will continue to give priority to implementing the Board's recommendation to annually set aside about \$0.3 million for reserves. This would meet the target of 56 days of operations by 2004. Other financial indicators are projected to remain strong or improve during the plan period. Following the 2000 restructuring, staffing levels will stabilize at 53 international and 495 national staff during the period.

CGIAR share: 2000 actual: 6.0%; 2001 estimate: 6.3%; 2002 proposed: 5.9%; (last year's plan: 5.8%).

#### **2002 Program Highlights:**

CIP's portfolio has been restructured beginning in 2001 to reflect external factors as well as greater emphasis on CGIAR regional plans, mountain natural resources management, project consolidation and regional global partnerships. CIP also has taken into account the recent inter-center study on the projected demand for root and tuber crops, and its growing interest and involvement in the health issues of rural and urban poor populations.

## **Annex1e: International Center for Agricultural Research in the Dry Areas (ICARDA)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

ICARDA's proposed investment of \$27.1 million for 2002 is the same as in last year's MTP. This proposal is higher than both the 2000 actual (16%) and the 2001 estimate (4%). Programmatically, the center's proposal is an extension of previous MTPs going back to the first three-year MTP (1998-2000). The pace of implementation of that initial MTP has been influenced mainly by the composition of funding between unrestricted and targeted.

#### **Financial Highlights**

2000 Outcome: Actual investment was \$23.4 million representing a 3% increase from 1999, the result of a 16% increase in funding allowing a surplus of \$0.3 million. Key financial indicators - high liquidity and long-term solvency - were strong at year end. There was turnover in several staff positions but, overall, this did not adversely impact the work program.

2001 Outlook: ICARDA estimates total investment of \$26 million in 2001, 11% higher than the 2000 actual level but virtually unchanged from the financing plan. The 2001 increase is also due to higher expected targeted funding. The center's expected financial position at the end of the year continues to be strong. In 2001, ICARDA is recruiting a senior natural resources economist to support changes in emphasis in the research portfolio, as recommended by the EPMP.

2002 Proposal: In making its 2002-2004 plans, ICARDA does not expect funding to be a constraint, although its composition is projected to continue to shift towards more targeted sources (currently about two-thirds of the total). Targeted funding has been the sole source of revenue growth in the last several years. Financial indicators remain strong during the MTP period.

CGIAR share: 2000 actual: 6.9%; 2001 estimate: 6.8%; 2002 proposed: 6.9%; (last year's plan: 7.0%).

#### **2002 Program Highlights:**

The in-house priority assessment which preceded the 1998-2000 MTP continues to guide the ICARDA's work. This assessment identified areas including on-farm water management, rangeland rehabilitation and management, small ruminant nutrition and management, agroecological characterization, land and water resource management, resource economics, pre-breeding and biotechnology, farmer participatory approaches, end-use quality and added-value and faba-bean pre-breeding. Progress, developments and shifts in emphasis are captured in the updated milestones of the portfolio which remains at 19 projects.

## **Annex1f: International Center for Living Aquatic Resources Management (ICLARM)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

ICLARM's proposed investment of \$16.4 million for 2002 is the same as in last year's MTP, and only marginally lower than the 2001 estimate (3%). However the proposal is substantially higher (58%) than the 2000 actual investment due to a pick up in project activities slowed down during the relocation to Penang in 2000. Programmatically, ICLARM's proposal is essentially an extension of the previous MTP which incorporated new directions developed in its 2000-2020 Strategic Plan.

#### **Financial Highlights**

2000 Outcome: Actual investment was \$10.4 million representing a 16% decrease from 1999, the result of a slowdown in project activities due to the relocation. Revenues exceeded expenditures by \$2.4 million which increased the reserves to 143 days of operations. Key financial indicators for ICLARM such as liquidity and long-term solvency improved at the end of the year. However, this is not expected to be sustainable since they were the result of an extraordinary event.

2001 Outlook: ICLARM estimates total investment of \$15.9 million in 2001, significantly higher (53%) than the 2000 actual level as project activity picks up again. Funding is also projected to increase by 30% from last year. The center's expected financial position at the end of the year continues to show strength, albeit not at the levels seen in 2000. On the capital front, renovation and furnishing of the land and buildings donated to ICLARM by the host country government is scheduled for completion in the first half of this year at a cost of \$3.4 million.

2002 Proposal: To attain the proposed investment (of \$16.4 million) ICLARM projects its revenue will increase during the MTP period by 8% (slightly less than 4% annually). This is a realistic assumption in light of its past experience growth. ICLARM's financial indicators will remain healthy during the MTP period.

CGIAR share: 2000 actual: 310%; 2001 estimate: 4.1%; 2002 proposed: 4.2%; (last year's plan: 4.3%).

#### **2002 Program Highlights:**

As indicated earlier ICLARM's work program remains essentially as that adopted under its 2000 – 2020 Strategy. The plan expands the research thrusts from ponds, coral reefs and coastal water to freshwater systems (lakes, small water bodies and flood plains). ICLARM will continue to focus on Asia while enhancing its activities in Africa and the small island developing states (SIDS). The research portfolio remains stable with ten projects.

## **Annex1g: International Centre for Research in Agroforestry (ICRAF)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

ICRAF's proposed investment of \$25.2 million for 2002 is 6% higher than the amount proposed in last year's MTP and the current estimate for 2001 (5%). Programmatically, ICRAF's plan is based on the Board-approved 2001-2010 Corporate Strategy. Although there will be new leadership at the center at the beginning of the plan period, ICRAF does not anticipate a significant deviation from the MTP. ICRAF added a new project (Agrobiodiversity) to its portfolio for a total 23. The names of the existing 22 projects have been revised.

#### **Financial Highlights**

2000 Outcome: Actual investment was \$20.7 million representing a 4% decrease from 1999. The small contraction in activity enabled the center to post a surplus of \$1.5 million. The reserves at the end of the year represented 53 days of operations. In addition to recruiting a number of positions, ICRAF implemented a 10-year tenure rule in order to ensure a healthy rate of staff turnover and the flow of new ideas and perspectives.

2001 Outlook: ICRAF estimates total investment of \$24 million in 2001, significantly higher (16%) than the 2000 actual level, and 7% higher than the financing plan. To achieve this level of operation, the center plans to draw down approximately \$0.7 million from the reserves to supplement member funding and center income.

2002 Proposal: The proposed investment of \$25.2 million is higher than the amount proposed in last year's MTP (6%) and the 2001 estimate (5%). Even at this relatively high level of operations, ICRAF projects a surplus (of \$0.4 million). Throughout the plan period, ICRAF projects similar surplus annually. The center now projects about 47 days by 2004.

CGIAR share: 2000 actual: 6.1%; 2001 estimate: 6.3%; 2002 proposed: 6.5%;. (last year's plan: 6.1%).

#### **2002 Program Highlights:**

During the MTP period, ICRAF plans to implement closer research collaboration and development in South Asia and China in recognition of the large number of rural poor in this region and the potential for agroforestry to improve rural livelihoods. The new project Agrobiodiversity was developed to implement this collaboration.

# **Annex1h: International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)**

## **Financial Summary of the Medium Term Plan, 2002-2004**

### **Proposal**

ICRISAT 's proposed investment of \$25.8 million is the same as that in last year's MTP, and in line with the 2001 estimate and financing plan. Programmatically, ICRISAT has reassessed its research agenda in light of the new CGIAR Vision and Strategy, focusing on poverty alleviation and cooperation among the centers. Its new mandate is to measurably and sustainably improve the livelihoods of the poor in the semi-arid tropics

### **Financial Highlights**

2000 Outcome: Actual investment was \$23.3 million, the same as in 1999. ICRISAT's revenue exceeded expenditures during the year, making it possible to increase reserves by \$1.1 million to \$5.4 million, representing 91 days of operations. On the whole, the center's finances remained strong at the end of the year.

2001 Outlook: ICRISAT estimates total investment of \$25 million in 2001, 7% higher than in 2000, partly due to a revised compensation structure at all ICRISAT locations that became effective in the last quarter of 2000. In terms of staffing, the center plans to strengthen its core competencies by recruiting two watershed management scientists and a soil fertility management specialist, as well as a resource economist to focus on the project "SAT Futures". Two new IRS positions will be recruited to head the functions of Learning Systems and Information Systems

2002 Proposal: During the plan period, the center will strive to maintain a minimum reserve level of 55 days operations and keep a conservative cash flow management policy to maintain a strong balance sheet.

CGIAR share: 2000 actual: 6.9%; 2001 estimate: 6.5%; 2002 proposed: 6.6%;. (last year's plan: 6.7%).

### **2002 Program Highlights:**

ICRISAT has streamlined its portfolio from twelve to ten projects in an effort to consolidate related areas of work and for more efficient management and reporting. For example, old projects "Groundnut Improvement" and "Pod Borer Resistance" have been eliminated from the portfolio and their activities merged into new projects. The old project "Desert Margins" has been merged into "Soils and Watershed". The relevant milestones have been shifted to their respective project affiliations. Finally, a new project "Knowledge Sharing" focusing on enhancing the sharing of information and knowledge has been created.

## **Annex1i: International Food Policy Research Institute (IFPRI)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

IFPRI's proposed investment of \$23.7 million is 6% lower than the level proposed last year. It is identical to the 2001 estimate and financing plan amounts. Programmatically, the center's proposal is essentially an extension of the previous MTP as its mandate during the plan period will remain the same.

#### **Financial Highlights**

2000 Outcome: Actual investment was \$21.2 million representing a 6% increase from 1999 resulting in a surplus of \$1.1 million. This is in line with the growth rates of the last several years (between 1996 and 1999, IFPRI's funding increased at an average annual rate of 9.1%). The center's financial indicators were healthy in 2000.

2001 Outlook: IFPRI estimates total investment of \$23.8 million in 2001, the same as the financing plan but 9% higher than the 2000 actual level. This growth will be made possible by increases in targeted support as unrestricted support decreases slightly. Overall, the center's healthy financial position will continue in 2001.

2002 Proposal: IFPRI projects investment growth rates of 3-4% per year during the plan period, and continued healthy finances, overall.

CGIAR share: 2000 actual: 6.3%; 2001 estimate: 6.2%; 2002 proposed: 6.1%; (last year's plan: 6.5%).

#### **2002 Program Highlights:**

IFPRI's MTP is an extension of the previous plans. The principles guiding IFPRI's work in past MTPs and which will continue to do so in the current round are presented in the paper, "Food Policy Research for Developing Countries: Emerging Issues and Unfinished Business" which arose from a consultative process that the center undertook in 1998-99. Each year the center reviews these issues and selects those in which it has a comparative advantage and then incorporates them into the research portfolio. The institute's portfolio remains stable at 17 projects during the plan period.

## **Annex1j: International Institute of Tropical Agriculture (IITA)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

IITA's proposed investment of \$35.2 million is virtually unchanged from that proposed in last year's MTP. The proposed amount is identical to the 2001 estimate but 17% above the 2000 actual. Programmatically, IITA's research agenda in the plan period will be more integrated with those of the other CGIAR centers active in Sub-Saharan Africa.

#### **Financial Highlights**

2000 Outcome: Actual investment was \$30.1 million, representing a 8% drop from the 1999 level. The pressure of declining unrestricted contributions since 1996 continued in 2000 but IITA was able to increase its reserves by \$0.2 million. The reserves stood at \$6.2 million at the end of the year, equivalent to 70 days of operations. Overall, other financial indicators and staffing levels remained healthy and stable from the previous year.

2001 Outlook: IITA estimates total investment will be \$35.5 million in 2001, an increase of 10% over 2000 but slightly lower than the financing plan (4%). This operating level would result in a surplus of \$0.1 million, increasing the reserves to \$6.3 million (only 65 days of operations due to a higher operating level in 2001). Staffing levels and other financial indicators will remain stable in 2001.

2002 Proposal: The proposed investment of \$35.2 million will result in a surplus of \$0.2 million and increase the reserves to \$6.5 million (equivalent to 68 days of operations). IITA projects that this level will remain stable throughout the plan period, as will other financial indicators and staffing levels. IITA will continue a conservative capital acquisition policy of spending less than the annual depreciation charge to replace capital items.

CGIAR share: 2000 actual: 8.9%; 2001 estimate: 9.3%; 2002 proposed: 9.0%; (last year's plan: 9.2%).

#### **2002 Program Highlights:**

IITA recognizes that the goal of integrating its agenda more closely with those of other CGIAR centers active in SSA to form a comprehensive CGIAR program for West and Central Africa (WCA) and Eastern and Southern Africa (ESA), may require modifications to its research agenda over time. In the interim, the research agenda has been modified in response to regular in-house project monitoring in 2000. The modifications in IITA's portfolio included the discontinuation of the "Post-harvest Systems" project and the incorporation of its activities into other relevant systems projects. Additionally, three projects were created from two existing ones. They are: "Protection and Enhancement of Vulnerable Cropping Systems", "Improving of High-Intensity Food and Forage Systems", and "Development of Integrated Annual and Perennial Cropping Systems". IITA's revised portfolio now has sixteen projects, two fewer than in the last MTP.

## **Annex1k: International Livestock Research Institute (ILRI)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

ILRI's proposed investment of \$31.6 is identical to the proposal in last year's MTP. It is 6% higher than the current estimate of 2001 and 19% higher than the 2000 actual investment. Programmatically, ILRI's MTP is based on its 2010 Strategy which was adopted in 2001, hence the plan is essentially an extension of the 2001-2003 MTP in which a portfolio of eight projects was developed. The center's Strategy is guided by the needs of the poor and hungry in the developing world, especially in Sub-Saharan Africa and Asia. ILRI's plan sets out how it will implement the strategy to help "*make the livestock revolution work for the poor*".

#### **Financial Highlights**

2000 Outcome: Actual investment was \$26.5 million, identical to the 1999 level partly financed from funds set aside last year. Overall ILRI's finances were healthy in 2000, based on key indicators of operations and long-term sustainability. The reserve was \$4.6 million at the end of the year, equivalent to approximately 62 days of operations. In terms of staffing, ILRI developed the concept of "key and essential positions" to prioritize its staffing needs. Through this concept ILRI identified a number of key IRS positions to be filled in the medium-term.

2001 Outlook: ILRI estimates total investment of \$29.7 million in 2001, higher than both the financing plan (8%) and the 2000 actual (12%). Even based on this higher level of operation, the center's financial position at the end of the year confirm that the healthy financial indicators of 2000 will not be adversely affected.

2002 Proposal: The proposed investment of \$31.6 million will be fully financed by the funding level projected for 2002.

CGIAR share: 2000 actual: 7.9%; 2001 estimate: 7.8%; 2002 proposed: 8.1%;. (last year's plan: 8.1%).

#### **2002 Program Highlights:**

The portfolio remains at eight projects and the primary emphasis will remain on ruminants but with increased attention to swine and poultry, primarily through research in epidemiology, systems analysis and policy. The intended primary beneficiaries are resource-poor livestock keepers in mixed crop-livestock systems with secondary beneficiaries being those in peri-urban and grassland systems, and the rural and urban poor who are livestock consumers. The milestones and outputs for the eight project portfolio have been updated for the new third year (2004) of the MTP. During the plan period, assessment against agreed priorities will be ongoing.



## **Annex1I: International Plant Genetic Resources Institute (IPGRI)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

IPGRI's proposed investment of \$26 million is only marginally lower (2%) than the level proposed in last year's MTP. It is, however, 6% higher than the current 2001 estimate and substantially (21%) above the 2000 actual level. IPGRI's growth plans during the MTP period are consistent with the level foreseen in the center's institutional strategy launched in 1999 which targets a revenue increase of 50% over the 10-year period. Programmatically, the MTP is an extension of the last one which was anchored in the Institute's Strategy. IPGRI believes that strategy is consistent with the CGIAR's vision and strategy. Its portfolio remains stable with 20 projects.

#### **Financial Highlights**

2000 Outcome: Actual investment was \$21.5 million, identical to the 1999 level. IPGRI to posted a surplus of \$1.9 million, however, some of the funds were restricted for the Systemwide Genetic Resources Program, and the move to new headquarters in Maccaresse. Overall, IPGRI's finances improved from the previous year.

2001 Outlook: IPGRI estimates total investment of \$24.5 million in 2001, an increase of 14% over 2000 and about the same as the financing plan. This higher operating level, due partially to SGRP spending and completion of the headquarters move, would result in a small surplus (approximately \$0.2 million). IPGRI has secured nearly all the financing it requires for its regular 2001 operations.

2002 Proposal: The proposed growth in investment of 6% in 2002 is in keeping with IPGRI's long term plans as spelled out in its strategy. Financing details will be provided later this year but so far no significant finance issues have been identified.

CGIAR share: 2000 actual: 6.4%; 2001 estimate: 6.4%; 2002 proposed: 6.7%;. (last year's plan: 6.9%).

#### **2002 Program Highlights:**

The twenty projects in IPGRI's portfolio, with an initial lifespan of five years, were updated to 2004 and submitted with the 2001 financing last fall. IPGRI's work will continue to be implemented through 3 programs: Plant Genetic Resources, International Network for the Improvement of Banana and Plantain, and the CGIAR Genetic Resources Support Program. Regional emphasis will continue on Sub-Saharan Africa and Asia, and a modest expansion will be undertaken in Central Asia.

## **Annex1m: International Rice Research Institute (IRRI)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

IRRI's proposed investment of \$34 million is 5% lower than the level proposed in last year's MTP. It is also lower than the current estimate of 2001 (by 4%). Programmatically, the 2002-2004 MTP of IRRI is the result of a comprehensive strategic planning process that started in 2000. The result is a new project structure that recombines existing activities with a marginal addition of new activities. IRRI will now have a portfolio of 12 instead of 27 projects.

#### **Financial Highlights:**

2000 Outcome: Actual investment was \$32.6 million, approximately 7% lower than the 1999 actual (which included non-agenda projects totaling about \$3 million; excluding these, the agenda investment for both years would be about the same). IRRI's financial operations for the year were aided by a depreciation of the host country currency resulting in cost savings allowing IRRI to add \$2.8 million to its reserves.

2001 Outlook: IRRI estimates total investment in 2001 at \$35.5 million, a 9% increase over the 2000 actual level, and only marginally higher than the financing plan (3%). The estimated increase is the result of higher member funding and the carryover from 2000. Staffing levels are expected to be stable in 2001, although several vacant international positions will be filled.

2002 Proposal: The proposed investment of \$34 million, which is lower than the 2001 estimate, is the result of a more conservative planning assumption regarding member funding, as well as a return to a more normal level of center income.

CGIAR share: 2000 actual: 9.7%; 2001 estimate: 9.3%; 2002 proposed: 8.7%; (last year's plan: 9.3%).

#### **Program Highlights:**

IRRI's new strategic plan is the center's response to the new CGIAR mission statement and its guiding principles and forms the basis for its 2002-2004 MTP. It is also intended to proactively put IRRI in a better position to respond to possible future changes and the evolving funding environment and research agenda. The result is a "repackaging" of the portfolio from 27 to 12 projects grouped into four programs:

- Genetic Resource Conservation, Evaluation and Gene Discover (2 projects);
- Enhancing Productivity and Sustainability of Favorable Environments (four);
- Improving Productivity and Livelihood for Fragile Environments (three), and
- Strengthening Linkages between Research and Development (three).

## **Annex1n: International Service for National Agricultural Research (ISNAR)**

### **Financial Summary of the Medium Term Plan, 2002-2004ISNAR**

#### **Proposal**

ISNAR's proposed investment of \$9 million is 10% higher than the level proposed in last year's MTP. It is about the same as the current estimate of 2001. Programmatically, ISNAR's 2000-2004 MTP arises from a recognition of changes in agriculture related to a number of changes in the global environment (globalization, trade liberalization and redefinition of the role of government in society). The center responded to these developments by holding discussions which eventually resulted in a new "road map" that now underpins its MTP with a portfolio of six project compared to 12 in 2001 and 18 in 2000.

#### **Financial Highlights:**

2000 Outcome: Actual investment was \$8.2 million, approximately 16% lower than in 1999, the result of the loss of funding from a major investor. This development forced ISNAR to undertake a critical review of its work plan and gave priority to research and service elements that reflected the changes in the agricultural research arena. The center believes that CGIAR members are once again showing renewed interest in its activities. It received a special allocation from the World Bank through the Finance Committee to assist it in its financial recovery plan. This helped bring ISNAR's financial indicators to more healthy levels.

2001 Outlook: With a pick up in member interest, ISNAR plans an expansion of its work. Therefore, ISNAR estimates total investment in 2001 at \$8.9 million, a 13% increase over the financing plan and 9% over the 2000 actual level.

2002 Proposal: The proposed investment of \$9 million represents a rebound from a reduced level of activity in 2000 and 2001. To manage costs, ISNAR now operates in a project mode, has instituted a new performance-based salary structure, and will continue to decentralize operations to the main regions of the developing world. Financially, an important assumption of the MTP is an annual growth of \$1 million in the center's budget which implies an operating level of \$11 million at the end of the period.

CGIAR share: 2000 actual: 2.4%; 2001 estimate: 2.3%; 2002 proposed: 2.3%;. (last year's plan: 2.1%).

#### **Program Highlights:**

The key feature of ISNAR's new MTP is the translation of all areas of work in the new road map into the six projects in the portfolio. Other important elements of the plan include a strong focus on key thematic areas and the entire innovation system, collaborative arrangements with developing countries and key stakeholders of agricultural research, decentralization of staff to the developing regions, and performance-based management of resources.

## **Annex1o: International Water Management Institute (IWMI)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

Programmatically, IWMI's plan arises from a major strategic planning exercise. The result is that during the plan period, IWMI will evolve from exclusively water resources to water and land resources management, increasing the emphasis on research into groundwater management, and developing the environmental component of its work on health and environment related problems. The new plan involves a portfolio of seven projects, about half the number in last year's MTP. IWMI's proposed investment of \$14.3 million represents a 25% increase over the level proposed in last year's MTP. It also represents an increase of 10% over the 2001 estimate. The proposal assumes that the planned merger between IWMI and IBSRAM will be completed this year, thus the comparison with 2001 includes both institutes while the 2000 figures relate only to the pre-merger IWMI (hence accounting for the large percentage increases).

#### **Financial Highlights**

2000 Outcome: Actual investment (pre-merger IWMI) was \$8.9 million, approximately the same as in 1999. Even with slower than anticipated revenue growth (due to slower pace of Pakistan research activities), the center still managed a surplus of \$0.3 million.

2001 Outlook: IWMI (post-merger) estimates total investment of \$13 million in 2001, higher than both the financing plan (15%) and the 2000 actual (46%) due to the merger. In 2001, IWMI aims to maintain a reserve target ratio of 70 days of operations. Regarding staffing, the merger will add seven international staff. The merged institution has also recruited eight post-doctoral fellows, all from the South to strengthen regional capacity and achieve longer term North/South balance.

2002 Proposal: No major financial issues are projected for the plan period. However, IWMI will continue the financial management policies adopted in 2001 (e.g., the operating fund target of 70 days and aggressive indirect cost recoveries), as well as policies in human resources and work planning and execution.

CGIAR share: *2000 actual: 2.6%; 2001 estimate: 3.4%; 2002 proposed: 3.7%; (last year's plan: 2.9%).*

#### **2002 Program Highlights:**

During the plan period IWMI will strive to bridge the distance between the former country and global programs, and between headquarters and country offices. This will be done through using research themes as the key instrument in addressing strategic priority setting while regional offices will bring the institute closer to the field. With the completion of the merger expected later this year, IWMI will begin 2002 in a strong position to implement its new plan. As agreed by the Board, the Pakistan activities will be further streamlined as part of the new strategy.

## **Annex1p: West Africa Rice Development Association (WARDA)**

### **Financial Summary of the Medium Term Plan, 2002-2004**

#### **Proposal**

WARDA's proposed investment of \$13.7 million is identical to that in last year's MTP but is 5% above the 2001 estimate. The key operating financial indicators remain stable over the plan period. Programmatically, WARDA's plan seeks to build on its past achievements in rice research but recognizing that its research agenda could well be adjusted during the period in response to the HIV/AIDS pandemic threatening the West and Central Africa region because of its direct and substantial effect on agriculture and agricultural productivity. The Association's 2002-2004 MTP will be implemented as a portfolio of 14 projects, 2 fewer than in the last MTP.

#### **Financial Highlights**

2000 Outcome: Actual investment was \$9.4 million, 14% lower than the 1999 level. In spite of funding pressures WARDA managed a small operating surplus (\$0.3 million), and reduced its accumulated deficit. Another source of pressure on the Association was the continuing political turmoil in the host country which had the result of disrupting WARDA's work program, and made recruitment and retention of staff more difficult. Still, the Association was able to recruit an impact assessment economist as recommended by the recent EPMR. In terms of capital development, WARDA's Information and Documentation Center with a library and conference facilities became functional in 2000.

2001 Outlook: WARDA estimates total investment of \$13 million in 2001, the same as the financing plan, but a substantial increase of 38% over 2000. This estimate is dependent on actual funding. In terms of staffing, WARDA is recruiting a vegetable production specialist to work on intensification and diversification of lowlands through rice-based vegetable production.

2002 Proposal: The proposed investment of \$13.7 million while only 5% higher than the 2001 estimate is significantly (46%) higher than the 2000 actual.

CGIAR share: 2000 actual: 2.8%; 2001 estimate: 3.4%; 2002 proposed: 3.5%; (last year's plan: 3.5%).

#### **2002 Program Highlights:**

WARDA has implemented or is in the process of implementing the recommendations from its fourth EPMR, including the merger of the Policy Support and the Systems Development and Technology Transfer programmes, as well as the recruitment of a number of key staff. Some projects have also been merged while others have ended after achieving their objectives. An example, the project "Reducing Human Health Risks in Lowland Rice Ecosystems. Against this back drop, WARDA is poised to implement its 2002-2004 MTP using a fourteen project portfolio.