Windows 1 & 2 Budget for 2025

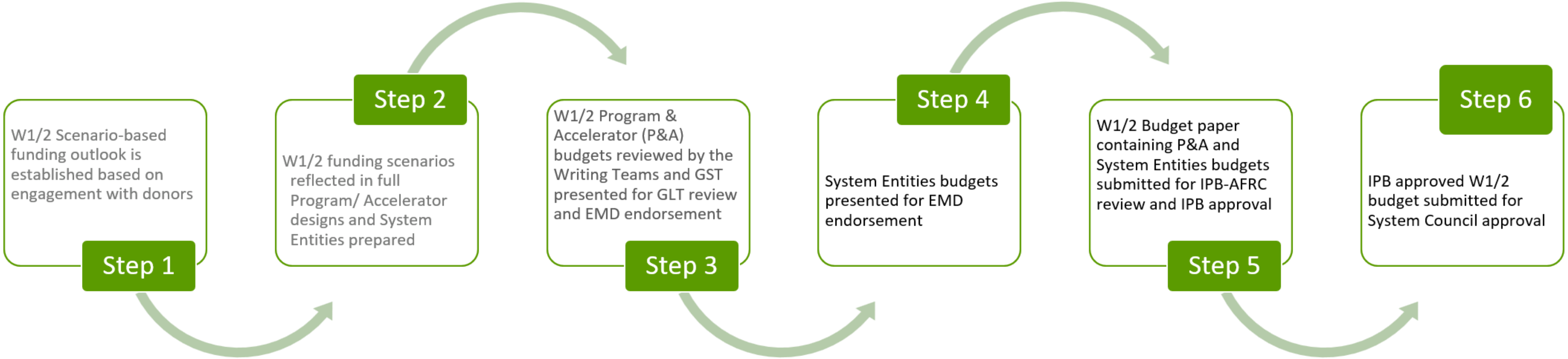
CGIAR IPB

25 November 2025

2025 Budget

W1 & 2 budget process

The process undertaken in preparing the budget is summarized in the diagram below. Key steps include obtaining donor indications and developing the budget envelope for each Program and Accelerator. In November, the high-level draft W1/2 budget paper is reviewed by the GLT, endorsed by the EMD and issued to the Audit Finance and Risk Committee for recommendation before presenting to the System Board and System Council for approval.



Our North Star: overarching goals for 2025

These goals set the direction for our proposed allocation of resources across and within functional areas. They serve as the North Star to ensure a focused and efficient deployment and subsequent accountability in the use of CGIAR's resources – human and financial. The goals will be reflected in cascading objectives and key results (OKR) and targets.

I. Deliver relevant and impactful research and innovations

- Ensure a timely and effective closeout of and final reporting on CGIAR's 2022—24 Portfolio of Research Initiatives and Impact Area Platforms.
- Successfully launch CGIAR's 2025—30 science and innovation Portfolio of Programs and Accelerators.
- Enhance CGIAR's partnerships and stakeholder engagement in support of a more relevant and more impactful CGIAR offer

II. Elevate CGIAR's funding and visibility on the global agendas

- Run a robust campaign targeting a cumulative US$4 billion between 2025 and 2027, towards reaching $2 billion annually by 2030.
- Enhance our presence and influence in key global forums while expanding trust and engagement with a wider group of donors.
- Implement the strategy by revitalizing investment opportunities and capitalizing on key events, culminating in COP30 in Brazil to drive funding efforts.

III. Ensure that CGIAR is fit for purpose and efficiently organized

- Continue to prioritize the shifting of funding towards science and improving efficiency in business enablers, as evidenced in the budget.
- Advance the risk and oversight action plan and continue identifying integration and coordination opportunities to drive additional synergies.
- Support the successful and timely implementation of the new governance arrangements and the newly adopted CGIAR organizational structure.

Key 2025 W1 & 2 budget highlights

First time in the past 5 years since 2019, Business functions are expected to be entirely funded from the Cost Sharing Percentage (CSP), without recourse to Window 1 funds.

Maintains innovations introduced in 2024 with focus on CGIAR's science and innovation priorities; detailed revenue planning and dual scenarios (baseline and surge); breakdown of available resources; and provides a preview of 2026 revenue and costs.

The 2025 budget will be developed in two phases. Phase I sets initial allocations based on current W1/2-funded work, ensuring continuity. Phase II refines these allocations through detailed planning, updated donor data, and prioritization, with results shared with donors and stakeholders.

Strengthened transparency, inclusion and collaboration, with time dedicated to deeper interaction, listening, and learning; aligned approach with the broader CGIAR-wide processes on portfolio design and governance.

Following **FMRG recommendations**, reintroduces Window 2 for Programs and Accelerators; Window 1 has been redefined to accept untied funds prioritized for Programs and Accelerators and can also accept designated funds for cross-cutting functions outside the Portfolio.

2025 Funding: Baseline Scenario

The **baseline scenario** for Windows 1 and 2 in 2025 results from two opposite trends: a positive pattern since 2020, accelerated by pledges made at COP28 now materializing, and a negative outlook affecting ODA budgets in a range of donor markets, compounded by the risk of USD appreciation against major currencies (see table 1).

Based on preliminary discussions with donors and the application of risk factors derived from historical data, the **Baseline Scenario for Windows 1 and 2 is set at $344M**. Of this, US$33M (9.5%) is carryover, US$9.8M (3%) comes from CSP collected on Window 3 and bilateral contributions, and US$301M (87.5%) is new Funder contributions for the year 2025

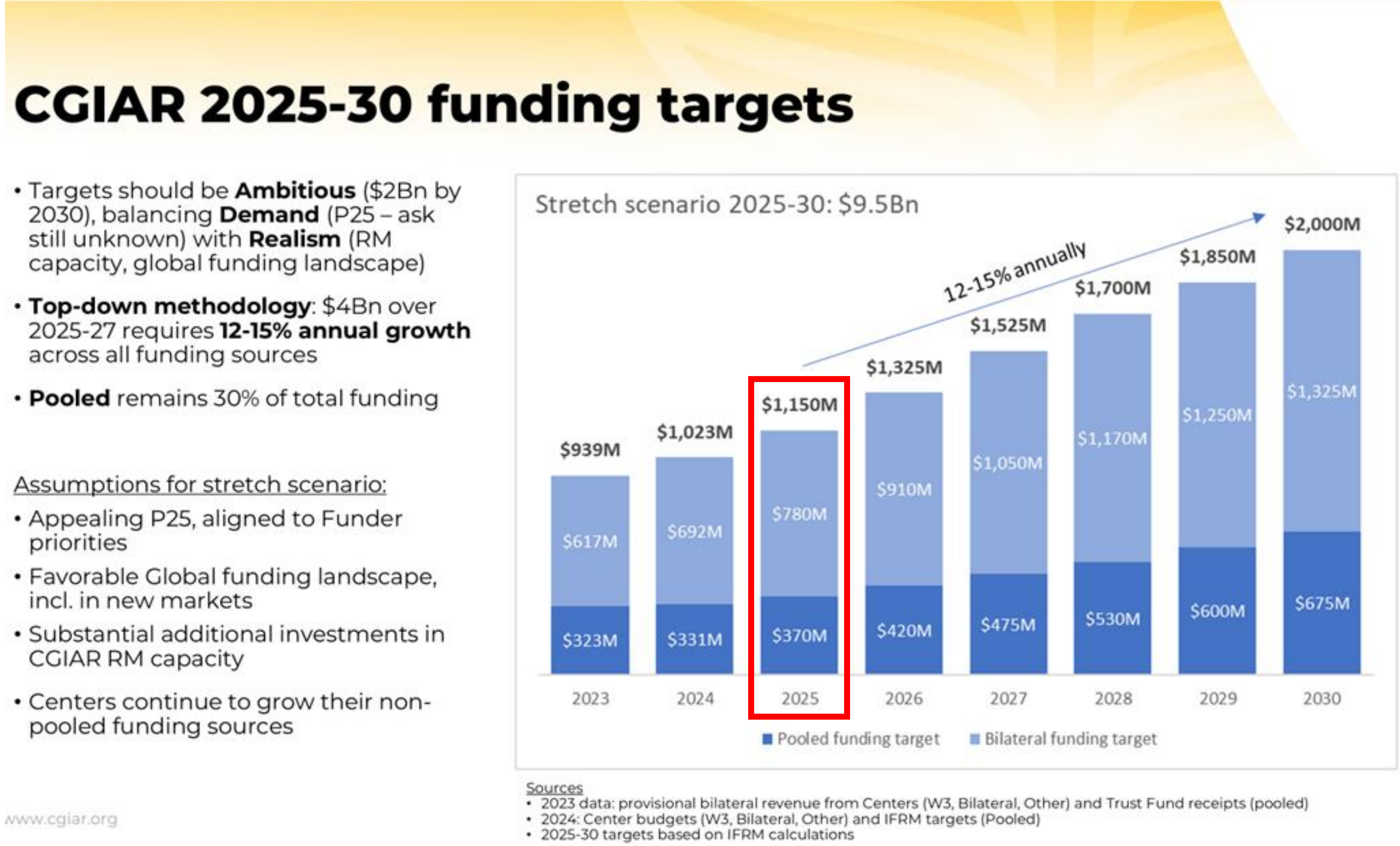
Table 1: Discounts applied to new funding projections for 2025	2025 Estimated Funding (US$m)	% certainty	Baseline Funding (Discounted) (US$m)
In-year for following-year	1.00	100%	1.00
USD Committed not paid [1]	31.45	100%	31.45
Non-USD Committed not paid [1]	25.73	96%	24.71
USD Pledged (‘indicated’) not committed [2]	85.97	95%	81.67
Non-USD Pledged (‘indicated’) not committed [2]	130.20	91%	118.48
- Prospective [3]	54.10	80%	43.28
Total new W.1/2	**328.46**		**300.59**

(1) Committed: Confirmed in writing but unpaid contributions are counted at 100% for USD amounts, supported by signed agreements and thus not subject to forex fluctuations. For non-USD contributions, a 4% deduction is applied to manage forex risk.
(2) Pledged: Based on donor conversations and historical data, pledged amounts are discounted by 5% for expected funding volatility, with an additional 4% reduction applied to non-USD amounts for forex adjustments.
(3) Prospective: Contributions under active engagement but without a pledge, with a 20% discount applied for conservatism.

2025 Funding: Surge Scenario

The surge scenario is anchored in ongoing discussions to further broaden the donor base and is expected to be boosted by emerging opportunities stemming from the constitution of CGIAR's new external engagement group – bringing together resource mobilization, innovative finance, communications, and advocacy – that will be fully effective, equipped, and retooled, in the course of 2025.

At $442M ($399m in new funding), the surge scenario sits comfortably above the $370M that – together with Window 3 and bilateral resources anticipated to reach $780M* – will set CGIAR on the way to secure cumulatively $4bn over 2025-2027, towards $2bn annually by 2030.



* A 10% year-over-year growth is projected based on actuals from 2020 to 2023 (including ICRISAT) and the 2024 forecasted budget provided by Centers. This also incorporates a stretch target of $20 million for 2025, with $10 million already confirmed from Google.

Spending

- ✓ All spending carefully reviewed to align with our overarching goals for the year
- ✓ Taking into account Funder designations and earmarks, and previously approved budgets for the governance & independent functions not under management responsibility, the following, revised allocations are proposed:

	2025 Budget: Baseline Funding	2025 Baseline Scenario	% of total	For ref.: 2024 budget	Variation from 2024
Science Programs	**I: Science & Innovation**	**303.64**	**88%**	**345.43**	-41.79
	I Science & Innovation: Programs & Accelerators	288.70	84%	322.93	-34.23
	Carryover	28.26	8%	47.53	-19.27
	New W1 funding	260.44	76%	275.40	-14.96
System Organization	I Science & Innovation: Other (Office of the Chief Scientist, D&D, Continental Structure)	14.94	4%	22.50	-7.56
	II. Business Functions (EMD/DEMDO, GDI, Legal, Risk, BO&F, P&C, DR&BD, Comms)	**15.74**	**5%**	**19.67**	-3.93
	III. Governance & independent functions	**21.49**	**6%**	**17.95**	+3.54
	IV. Special Projects	**2.65**	**1%**	**0.00**	+2.65
	Total	**343.52**		**383.05**	**-39.53**

System Entities 2025 Budget

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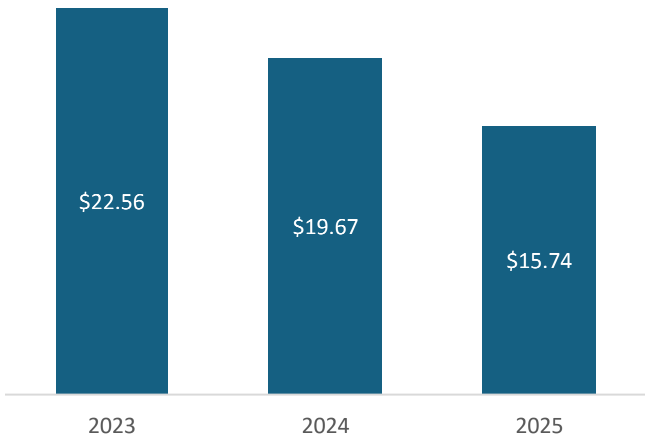
System Entities 2025 Budget

2023 – 2025 Overview

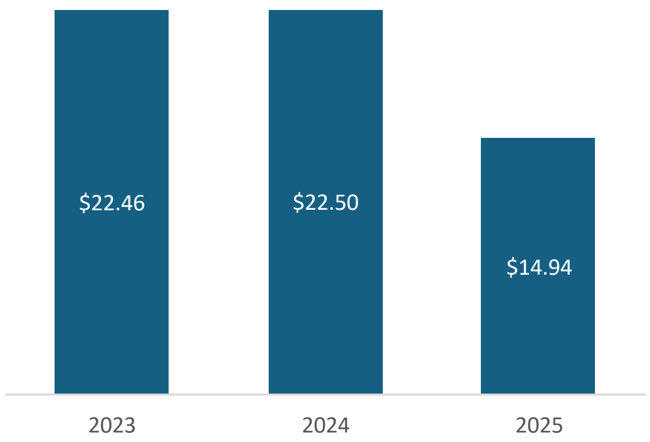
BUSINESS FUNCTIONS



Business Functions (formerly Enablers) are now fully funded by CSP in 2025. These units have undergone a 13% reduction in 2024, with a **further 20% permanent cut in 2025**. **First time fully paid by CSP since 2019.**

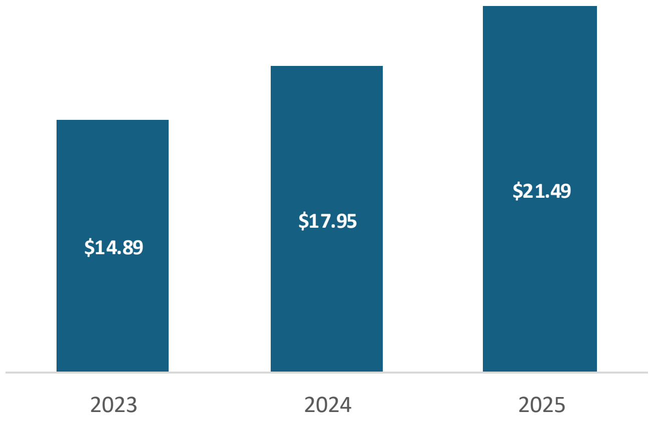
The reductions highlight Management's commitment to cost control, efficiency, and an operational structure prepared to deliver integration and coordination in areas emerging from the ICI process.

SCIENCE MANAGEMENT



In 2025, science management costs will be reduced by 34% due to the restructuring of the Science Managing Directors' offices into the Chief Scientist's office. This budget serves as a placeholder until the restructuring is finalized in Q1 2025.

GIFS



The 20% increase in GIFs in 2025 is due to the System Council's request for SPIA to significantly expand its efforts to institutionalize and scale country-level data on CGIAR reach, increasing coverage from 4 to 20 countries (decision SC/M18/DP3). Additionally, SPIA is carrying forward an unspent budget of $1.3 million from 2024.

SPIA is receiving **earmarked funding of $1.5 million from BMGF**, with a total pledge of $6 million covering the period 2024-2027.

System Entities 2025 Budget

The CGIAR System Organization manages staff and operating expenses for four entities – the System Entities: Science and Innovation Management, Programs and Accelerators leadership, Business Functions, Governance and Independent Functions, and system-wide special projects.

System Entities and Special Projects managed by the System Organization	2025 Budget (US$m)	% of total	2024 budget (US$m)	2025 Baseline vs. 2024 budget (US$m)
I. Science and innovation management	14.94	27.25%	22.50	*-7.56*
II. Business Functions	15.74	28.71%	19.67	*-3.93*
III. Governance & independent functions	21.49	39.20%	17.95	*3.54*
IV. Special Projects	2.65	4.83%	0.00	*2.65*
Total	**54.82**	**100%**	**60.12**	***-5.30***

Allocation to Programs and Accelerators

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Programs and Accelerators 2025 budget simulation

Program/ Accelerator	Baseline (US$m)	%	Surge (US$m)
Breeding for Tomorrow and Genebanks	78.30	27.1%	105.00
Sustainable Farming	36.04	12.5%	48.33
Sustainable Animal and Aquatic Foods	28.37	9.8%	38.05
Multifunctional Landscapes	18.73	6.5%	25.12
Better Diets and Nutrition	21.55	7.5%	28.89
Climate Action	18.12	6.3%	24.29
Policy Innovations	20.01	6.9%	26.83
Food Frontiers and Security	12.57	4.4%	16.86
Scaling for Impact	36.39	12.6%	48.79
Gender Equality and Inclusion	12.01	4.2%	16.10
Capacity Sharing	1.90	0.7%	2.55
Digital Transformation	4.70	1.6%	6.31
	288.70	100.0%	**387.11**

FMRG - The Funding Model

Final report concerning the two outstanding points raised during SC20

FMRG #7 24 June 2024: path forward towards a final proposal

In its final meeting post-SC20, on June 24, 2024, the FMRG working group agreed on the following steps regarding the two donor suggestions:

1. **Add 0.5% CSP to fund Genebanks?**

- Consult DGs to assess risks and opportunities for Centers
- Consult further donors, including non-SC and SC W3 and Direct donors to Centers, on acceptance of 0.5 % CSP in addition to Center-charged overhead, ideally the full 2.5% CSP on top of Center OH (e.g. with BMGF's 15% OH cap, would a 0.5% increase be accepted?)
- Confirm agreement, align the CGIAR System Cost Financing Policy and obtain SB/SC approval

2. **Allow allocation to Work Areas up to a maximum of 50% of W2 contributions to limit transaction costs and maintain the integrity of the Portfolio**

- Confirm with donors commitment to announce earmarking ahead of funding year, in order to produce relevant heat map
- Confirm with donors consensus around Work Area 50% allocation rule

3. **Submit a Final report to SC concerning these two outstanding points**

4. **Implement the Model (without these two points) in the meantime**

Final report to SC: what has been agreed after consultations

1. **Consultation 1: add 0.5% CSP to fund Genebanks ?**

   - Center DGs consulted – 11 out of 12 DGs objected to the additional 0.5% CSP to fund Genebanks

   --> CSP will remain at 2%. It continues to primarily finance Business functions and can also fund Assets as the ICI integration agenda delivers efficiency gains and overall funding increase translates into greater CSP.

2. **Consultation 2: allow allocation to Work Areas up to a maximum of 50% of W2 contributions to limit transaction costs and maintain the integrity of the Portfolio ?**

Funders were consulted and the majority agreed to:

- Besides Windows 2 designations to Programs and Accelerators, designations to Window 2 may also be directed to specific Areas of Work
- Such tightly earmarked designations are capped at 50% (except for genebanks-related Areas of Work)[1], meaning that for every dollar designated by a donor to an Area of Work, at least an equivalent amount from that donor must be allocated to Window 1 and/or to the Program / Accelerator / Genebanks level of Window 2
  - Note: USAID requested an additional allocation by crop and geography, which was not part of the original FMRG consultation. This is under review, and a final decision will be shared with the donor.
- These designations would need to be announced by November of the year preceding budget implementation to ensure stability and alignment with Programs / Accelerators / Genebanks established workplans

[1] CGIAR Donors retain the ability to earmark CGIAR Trust Fund Window 2 (W2) contributions to the genebanks Pillar (comprising the five genebanks-related AoWs). Such earmarked contributions are not subject to the restrictions applied to other AoW-level contributions (which cannot exceed 50% of a Donor's total W1/2 contributions).

Annex

Process for allocation to Programs and Accelerators

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What was agreed by the GLT

- During its meeting on October 10, 2025, the task team agreed to propose a methodology for W1/2 budget allocations based on ROI, performance, potential for leveraging W3/Bilateral funds and other principles.

- Once approved by the GLT, the **new long-term budget allocation approach and methodology will be implemented starting from the Q2 2025 budget review**, which will draw on more complete data on intended Funder contributions and earmarks as well as completed prioritisation exercises at the Program/ Accelerator level.

- In the meantime, **initial 2025 allocations to Programs and Accelerators will be based on the mapping of current W1/2 funded work to the new Portfolio**, on the understanding that any continuing W1/2-funded work that was delivered by a Center in 2024 will continue to be delivered by the same Center in 2025.

- The System Organization IFRM and the Finance teams will provide different funding scenarios for 2025:

  - <u>Baseline scenario</u>: The baseline Scenario will be defined using a risk-based approach, where individual confidence ratings will be calibrated based on a donor's business cycle and the agreements or indications they have shared through the IFRM/Finance budgeting process.

  - <u>Surge scenario</u>: representing the envelope of resources that would be available should potential revenues materialize in full. **Surge funds will be allocated solely to Programs, Accelerators, and crosscutting functions (e.g. SPIA, Melia, AFC secretariat, etc).**

  - <u>A third scenario - scale scenario – will be introduced in the H1 budget allocation review</u>

Mapping Initiatives & Platforms to Progs & Accels

CGIAR

- Since March, there has been consistent demand internally and from Funders for a clear mapping of the current, 2022—24 Initiatives and Platforms to the new Portfolio of Programs and Accelerators. This helps us and Funders understand where any continuing, W1/2-funded work will take place in the new Portfolio and plan accordingly. **To be clear:** the intention here is not to signal that everything continues

- Further to the rough mapping that was included in the May Portfolio Narrative, and consistent with Writing Teams' latest thinking on each Program's and Accelerator's scope of work, the Work Packages of the current 32 Initiatives and 5 Platforms have now been mapped – fully or partially – to a Program or Accelerator

2025 funding simulation: methodology

- Based on the mapping indicated on the previous slide, and W1 funding/ Work Package over 2022—24, a 2025 simulation was provided as a starting point to help Writing Teams complete their 12 September submissions, including their thinking on funding by Area of Work.

- Like any simulation, this has obvious shortcomings, including but not limited to **(i)** limited allocation to new Programs/ Accelerators (e.g. CapSha), **(ii)** not considering the fixed nature of e.g. Genebanks costs, which may not increase proportionately with each scenario, **(iii)** fixing the funding shares of each Program/ Accelerator regardless of scenario, **(iv)** not distinguishing between “Portfolio” and “Designated” contributions, etc.

Total 2025 funding (baseline & surge scenarios above) × Initiative/ Platform Work Package % of total, average W1 funding in 2022—24 = Work Package values recalculated for 2025 scenarios × % of Work Package mapped to Program/ Accelerator = sum of WPs’ funding mapped to Program/ Accelerator

Mapping: detailed view