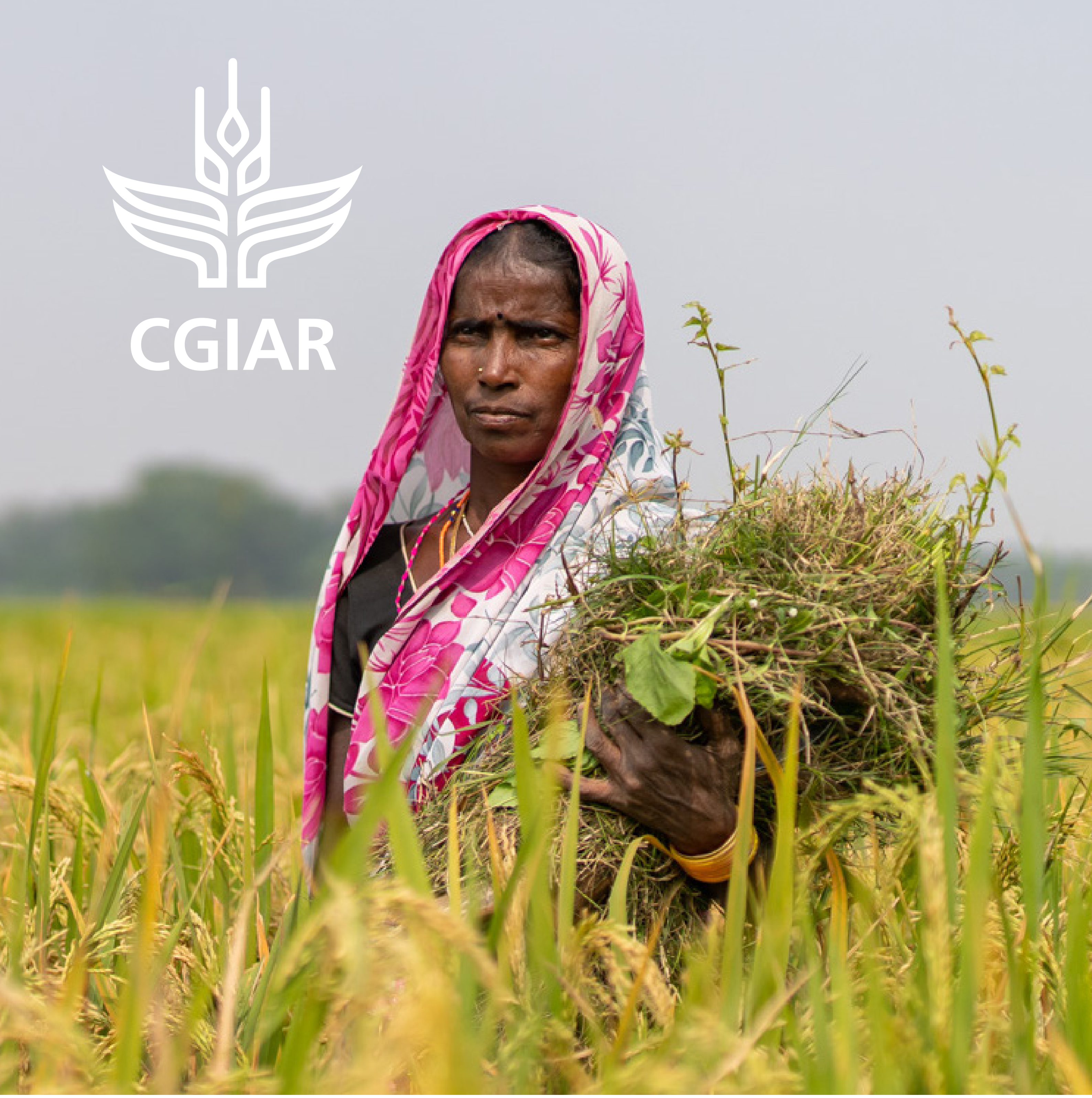

CGIAR SYSTEM ORGANIZATION
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Year ended 31 December 2020

To the members of the CGIAR System Management Board

In compliance with the assignment entrusted to us by you, we hereby report to you, for the year ended 31 December 2020 on the audit of the accompanying financial statements (hereafter "the Financial Statements") of CGIAR System Organization as attached to this report.

Due to the global crisis related to the Covid-19 pandemic, the Financial Statements have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

These Financial Statements were prepared under the responsibility of the Management. Our role is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the Financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Financial Statements give, in all material respects, a true and fair view of the assets and liabilities and of the financial position of the CGIAR System Organization as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union.

Marseille, May 3, 2021

PricewaterhouseCoopers Audit

Vincent Thyssen
Partner

PricewaterhouseCoopers Audit, Les Docks-Atrium 10.1, 10, place de la Joliette 13567 Marseille Cedex 2
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CGIAR System Board

2020 saw changes in the legal name and membership of the Board of the CGIAR System Organization ('Board'), based on amendments to the Charter of the CGIAR System Organization ('Charter') undertaken pursuant to Article 15[1].

These amendments were made as a result of a decision of the Board taken in October 2019 to move to One CGIAR as a more integrated external vision for CGIAR stakeholders, while maintaining the legal personality of each of CGIAR's legal entities, including the CGIAR System Organization.

The Board's name was amended from 'System Management Board' to 'CGIAR System Board' with effect as of September 01, 2020. Also from September 01, 2020, the Board's membership changed to that set out in Table 1 below. Those appointments were the last time that CGIAR's Centers appointed members of the Board, as changes to the Charter adopted from that same date put in place the authority of the Board to self-appoint its members.

Table 1: Board composition from September 01, 2020

Name	Role	Term end
Marco Ferroni	Chair; voting member	Until August 31, 2023
Alice Ruhweza	Voting member	Until August 31, 2023
Alyssa Jade McDonald-Baertl	Voting member	Until August 31, 2023
Hilary Wild	Voting member	Until August 31, 2023
Neal Gutterson	Voting member	Until August 31, 2023
Patrick Caron	Voting member	Until August 31, 2023
Shenggen Fan	Voting member	Until August 31, 2023
Ismahane Elouafi	Voting member	Until November 15, 2020 (seat vacant from November 15, 2020 to December 31, 2020)
Clarissa van Heerden	Ex-officio non-voting member (Independent Chair, Audit & Risk Committee of the CGIAR System Board)	Until August 31, 2021
Elwyn Grainger-Jones	Ex-officio non-voting member (in capacity as Executive Director, CGIAR System Organization)	For length of term in office

Table 2: Board composition from January 01, 2020 until August 31, 2020

Name	Role
Marco Ferroni	Chair- independent member
Isatou Jallow	Independent member
Kanayo F. Nwanze	Independent member
Amos Namanga Ngongi	Center-affiliated member
Barbara Wells	Center-affiliated member
Claudia Sadoff	Center-affiliated member
Hilary Wild	Center-affiliated member
Matthew Morell	Center-affiliated member
Yvonne Pinto	Center-affiliated member
Elwyn Grainger-Jones (ex-officio non-voting)	Executive Director, CGIAR System Organization

[1] Decision Reference SMB/M17 EDP9. A full register of decisions of the Board are available at https://www.cgiar.org/how-we-work/governance/system-organization/system-board/board-decision-register/

Unified Governance arrangements in CGIAR (One CGIAR)

The Board of the CGIAR System Organization took a decision in October 2019 to move to One CGIAR as a more integrated vision for CGIAR stakeholders, while maintaining the legal personality of each of CGIAR's legal entities, including the CGIAR System Organization. As one of five key pillars of One CGIAR, 11 of CGIAR's Centers and Alliances appointed the eight voting members of the CGIAR System Board onto their own Boards as a two-thirds voting majority, thus completing a key step towards operating with unified governance.

Following these decisions, those members represent a two-thirds majority of voting membership on each Center/Alliance Board. In their respective roles on Center/Alliance Boards, each member serves in their personal capacity and not as a representative of the CGIAR System Board or any other body. CGIAR obtained an external Legal Opinion on Delivering Unified Governance under One CGIAR from Lalive Law, which advised, inter alia, that "the 2/3rd common voting membership across the Centers' Boards would maintain decisional and executive organs within each Center; it has no bearing on Centers' autonomy and independence from a legal standpoint, i.e. in terms of their legal personality and statutory organs."

[2] AfricaRice center, International Maize and Wheat Improvement Center (CIMMYT), International Potato Center (CIP), International Center for Agricultural Research in the Dry Areas (ICARDA), International Food Policy Research Institute (IFPRI), International Institute of Tropical Agriculture (IITA), International Livestock Research Institute (ILRI), International Rice Research Institute (IRRI), International Water Management Institute (IWMI), WorldFish Center, The Alliance of Bioversity International and the International Center for Tropical Agriculture (CIAT).

Letter from the chair of the board

In 2020, the move to One CGIAR gathered real momentum. With an ambitious aim to further integrate CGIAR's assets, partnerships and operations to deliver greater impact, One CGIAR will ensure that we can fully and effectively respond to new and emerging global challenges. As these statements reflect, the financial resources of the CGIAR System Organization ("System Organization") were strategically utilized through 2020 to support and advance CGIAR's vision and mission and evolution of a more impactful CGIAR.

As part of this transformation, in January, a Transition Consultation Forum was formed to allow for multi-stakeholder input and advice on the transition, along with thematic Transition Advisory Groups and a Transition Program Management Unit.

Also in 2020, welcome steps toward unified governance under One CGIAR were made. The System Board was reconstituted in September, at which time the three members of the Executive Management Team ('EMT') began their tenure. The EMT will further steer the transition to One CGIAR, under the oversight of the System Board. The majority of CGIAR's boards have since appointed the same voting members of the System Board to their respective boards to support alignment in strategy setting and delivery of One CGIAR.

A major milestone in December 2020 was the development and approval by the System Council of the new CGIAR 2030 Research and Innovation Strategy and the CGIAR Performance and Results Management Framework, which constitute a bold and relevant framework for research and results with the potential for transformative changes.

The System Organization was resolute in its determination to respond to the novel coronavirus (COVID-19) pandemic and was quick to mobilize its resources and pivot its work to address the crisis. In collaboration with the London School of Hygiene and Tropical Medicine, CGIAR established the COVID-19 Hub, hosted by the CGIAR Research Program on Agriculture for Nutrition and Health, to fully leverage the impact CGIAR can make to those most exposed to and affected by COVID-19.

Two-thirds of CGIAR research was already relevant to the pandemic response prior to the outbreak, and the Hub has been a valuable way in which CGIAR can coordinate research that contributes to the response, recovery and resilience-building phases of the crisis.

The world will continue to confront the profound effects of COVID-19 for some time. CGIAR's institutional transformations and evidence-based research have ensured, and will continue to maintain, its relevance to the global recovery after the pandemic, with an aim to build a more resilient world in the future. With a new course set in 2020 for One CGIAR, a firm foundation has been established for what will be an exciting, key transition year in 2021.

Marco Ferroni
Chair, CGIAR System Board

Statement on risk management

Our approach to risk

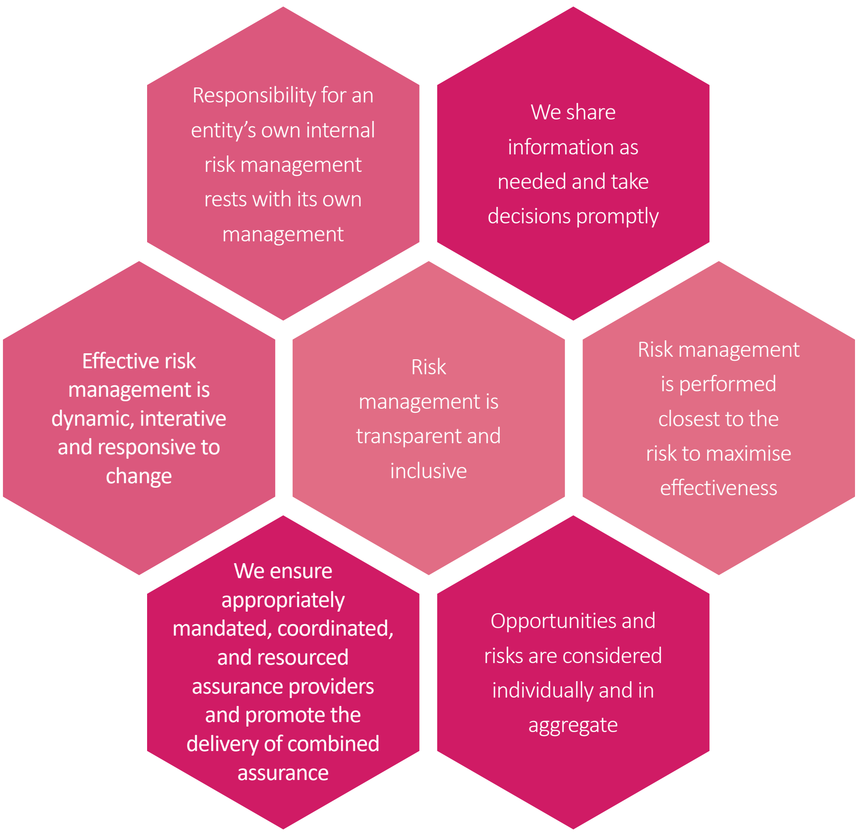
CGIAR recognizes that taking and managing risks is an integral part of delivering on its strategy. As an innovation-driven system, CGIAR cannot succeed without taking risks and pursuing opportunities. The scope of CGIAR's operations is significant, involving multiple national, regional, and international partners and a geographic footprint that extends across the globe including into some of the world's most challenging environments. The CGIAR System Organization, being one constituent part of the CGIAR System, cannot deliver on its mission without collective awareness of the evolving risks faced as opportunities are pursued. The CGIAR System Organization recognizes that effective risk management is critical to its success and is a key element of good governance.

How we manage and monitor risk

The System Board has ultimate responsibility for ensuring that the CGIAR System Organization has in place appropriate risk management and internal control systems and practices, and for determining the nature and extent of risk it is willing to take for the Organization to achieve its strategic objectives. The schedule of matters reserved to the System Board ensures that timely information on risk is provided for the Board to discharge its responsibilities.

Based on the CGIAR System Risk Management Framework, CGIAR System Organization collaborates on risk management across the System according to the following principles.

Figure 1 – CGIAR risk management principles



How we managed risk in 2020

In 2020 CGIAR System Organization took actions to strengthen its risk management capabilities. On the other side, the organization moved into a transition phase towards One CGIAR, giving rise to additional risks. Furthermore, the COVID-19 pandemic brought additional challenges and risks to our operations. CGIAR System Organization contributed into a common System-wide approach and response to these risks, but taking into account that a majority of planned improvements in the risk process are expected to fully materialise along with transition to One CGIAR, the overall risk profile for the organization remained amplified during the previous twelve months.

Strengthening our risk management capabilities and culture

Appointment of a senior advisor, risk management at the CGIAR System Organization brought additional capacity and resources in risk management, reinforced tone at the top and strengthened risk ownership.
The Risk Community of Practice[3] members across CGIAR worked together on System-wide initiatives aiming to increase alignment on how we approach risk management
The Risk Management and Internal Audit functions worked together to ensure we remain aligned and benefit from synergies.
The Board determined what a future stronger ethical framework should look like and has mandate management to implement this from early 2021.

Dealing with uncertainty

One CGIAR transition
Set up a process to identify and manage risks and opportunities in relation to our transition to One CGIAR and engaged external expertise to assist in the management of the CGIAR program.

COVID-19 pandemic
At an early stage, identified four key risk areas (effective personnel management support, coordinated research and communication response, proactive financial preparedness and One CGIAR implementation) and put in place a global network of risk community of practice members and focal points for COVID-19 that worked on risk identification and mitigation, shared practices on managing risks, communicated helpline support, developed a guide for resuming operation post-lockdown and captured lessons learned.

Outlook and developments for 2021

2021 will bring significant change, opportunities, and risks as to how the CGIAR System staff (including staff of the System Organization) are organized, and how the work they deliver will be aligned to the planned One CGIAR organizational structure from early 2022.

Continued disruption due to the COVID-19 pandemic and associated risks will require maintaining agility and responsiveness while ensuring that we remain focused on staff well-being and delivery of our objectives.

The development of the 2022-24 Investment Plan provides a great opportunity to integrate risk management further in the delivery of CGIAR's research initiatives. Work is already underway in this area, and this will remain a priority for the year ahead. The risk management function of the System Organization will continue to support the work initiated in 2020 for an aligned approach to risk management across the CGIAR System. This work is expected to benefit significantly by the integration of risk management at different levels within the new One CGIAR operational structure.

Building on decisions taken at the end of 2020, the System Organization will be strengthened through a more visible ethics function fostering the unity of CGIAR culture of operating at the highest standards of integrity, and driving practices that embed a culture of ethical and compliant behavior. As in previous years, in 2021 the Audit and Risk Committee will continue to operate with strongly qualified members, including experienced practitioners in risk management, and provide reports to the CGIAR System Board at every meeting.

[3] A community of risk management experts with members from all our Centers and Alliances

Management statements of responsibility for financial reporting

Management has direct responsibility for the accounting of all System Organization expenditures and has maintained a system of internal controls designed to provide reasonable assurances that assets are safeguarded and that the financial records of the System Organization are properly kept. On June 17, 2016, the CGIAR Centers and Funders adopted a 'CGIAR System Framework' that sets out the overall governing framework of the CGIAR System and provides for a System Council and a CGIAR System Organization with its two constituent parts, a CGIAR System Management Board and CGIAR System Management Office.

The accompanying annual financial statements of the CGIAR System Organization for the year ended December 31, 2020, have been prepared in accordance with International Financial Reporting Standards (IFRS). PricewaterhouseCoopers Audit (PwC) has been engaged to examine and report on the financial statements of the CGIAR System Organization. The firm's examination is conducted in accordance with International Standards on Auditing (ISAs). PwC's report accompanies these 2020 Financial Statements.

The System Organization has fiduciary responsibility for all Window-1 and Window-2 funds disbursed from the CGIAR Trust Fund managed by the World Bank to Centers that are leading or participating in CGIAR Research Programs and Platforms. Consistent with prior years, these funds are not reflected in the Financial Statements of the System Organization. These funds are for the implementation of CGIAR Research Programs and Platforms, and are reported in the financial statements of the respective Centers.

The System Organization's Chief Audit Executive performs internal audit assurance and advisory engagements according to a Charter approved by the CGIAR System Board pursuant to the International Standards for the Professional Practice of Internal Auditing. Internal Audit delivers findings and provides recommendations regarding the adequacy of the System Organization's policies and procedures and the effectiveness of their implementation.

Separately, the System Organization prepares aggregated CGIAR System level financial information and financial dashboards which are based on the audited financial statements of all CGIAR Centers and the System Organization. The CGIAR System financial information presents System Organization and Center management, the CGIAR System Board and the System Council, with an accurate view of the System's financial operations, which enables identification and discernment of strategic opportunities and risks.

Elwyn Grainger-Jones
Executive Director

Luis Felipe Mendes
Controller

CGIAR System Organization

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Contents

CGIAR System Organization

STATEMENT OF FINANCIAL POSITION

For the years ended 31 December 2020 and 2019

(all figures expressed in thousands of US dollars)

	Note	2020 USD	2019 USD
Assets			
Current Assets			
Cash and Cash Equivalents	7	8,675	6,990
Accounts Receivable	8		
Funders	8.1	-	2,226
Employees	8.2	-	2
CGIAR Centers	8.3	918	889
Others	8.4	181	222
Prepaid Expenses	9	112	95
Accrued Income	10	2	18
Total current Assets		**9,888**	**10,442**
Non-Current assets			
Property, Plant and Equipment	11	10	12
Total Assets		**9,898**	**10,454**
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	12		
Funders	12.1	7,070	5,789
Employees	12.2	6	41
CGIAR Centers	12.3	362	138
Others	12.4	692	649
Accruals and Provisions	13	969	2,545
Total current liabilities		**9,099**	**9,162**
Undesignated Net Assets		799	1,292
Total Liabilities and Net Assets		**9,898**	**10,454**

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS)

CGIAR System Organization

STATEMENT OF ACTIVITIES AND OTHER COMPREHENSIVE INCOME

For the years ended 31 December 2020 and 2019

(all figures expressed in thousands of US dollars)

		2020				2019			
	Note	Unrestricted Non-Portfolio USD	Restricted Portfolio USD	Restricted Non-Portfolio USD	Total USD	Unrestricted Non-Portfolio USD	Restricted Portfolio USD	Restricted Non-Portfolio USD	Total USD
Revenue and Gains									
Grant Revenue	14								
Window 1 & 2	14.1	-	1,033	12,148	**13,181**	-	-	12,559	**12,559**
Bilateral	14.2	-	-	5,056	**5,056**	-	-	1,728	**1,728**
Total Grant Revenue		**-**	**1,033**	**17,204**	**18,237**	**-**	**-**	**14,287**	**14,287**
Other Revenue	15	2,468	-	-	**2,468**	240	-	16	**256**
Total Revenue and Gains		**2,468**	**1,033**	**17,204**	**20,705**	**240**	**-**	**14,303**	**14,543**
Expenses									
CGIAR Collaboration	16	315	212	1,278	**1,805**	-	-	2,405	**2,405**
Non-CGIAR Collaboration	17	287	118	860	**1,265**	-	-	-	**-**
General and Administration		1,866	703	15,618	**18,187**	-	-	12,487	**12,487**
Total Operating Expenses	18	**2,468**	**1,033**	**17,756**	**21,257**	**-**	**-**	**14,892**	**14,892**
Financial Incomes	19	217	-	-	**217**	250	-	-	**250**
Financial Expenses	19	158	-	-	**158**	(52)	-	-	**52**
		59	**-**	**-**	**59**	**198**	**-**	**-**	**198**
Surplus (Deficit) for the year		**59**	**-**	**(552)**	**(493)**	**438**	**-**	**(589)**	**(151)**

CGIAR System Organization

STATEMENT OF CASH FLOWS

For the years ended 31 December 2020 and 2019

(all figures expressed in thousands of US dollars)

	2020 USD	2019 USD
Cash flows generated from / (used in) operating activities		
Deficit for the year	(493)	(151)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Decrease (increase) in assets		
Accounts receivable	2,239	(2,329)
Prepaid expenses	(16)	234
Accrued Income	16	(18)
Property, Plant and Equipment	2	(12)
Increase (decrease) in liabilities		
Accounts payable	1,512	315
Accruals and provisions	(1,575)	1,667
Net cash generated from (used in) operations	**1,685**	**(295)**
Cash and cash equivalents at the beginning of the year	**6,990**	**7,285**
Cash and cash equivalents at the end of the year	**8,675**	**6,990**

CGIAR System Organization

STATEMENT OF CHANGES IN NET ASSSETS

For the years ended 31 December 2020 and 2019

(all figures expressed in thousands of US dollars)

	2020 USD	2019 USD
Balance as of January 01	1,292	1,443
Deficit for the year	(493)	(151)
Balance as of December 31	**799**	**1,292**

 (THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS)

NOTES TO FINANCIAL STATEMENTS

For the years ended 31 December 2020 and 2019

(all figures expressed in thousands of US dollars)

1. General information

As defined in the Charter of the CGIAR System Organization' ("Charter"), the purpose of the System Organization is to provide support to the CGIAR System. Led by the Executive Director, the System Organization manages the day-to-day operations of the System Organization, the System Management Board and the System Council, and facilitates collaboration within the CGIAR System.

The CGIAR System Organization is an independent international organization with such international legal personality as may be necessary for the exercise of its functions and powers, and the fulfilment of its purposes, including without prejudice to the generality of the foregoing, the legal capacity:

(a) to enter into treaties, agreements, arrangements and contracts;
(b) to acquire and dispose of movable and immovable property;
(c) to institute and respond to legal proceedings.

The System Organization is not subject to statutory laws and regulations which would require the entity to prepare a full set of annual financial statements. However, due to decisions taken by the CGIAR System Council and the System Management Board in July 2016, the System Organization continued to operate pursuant to the 'Joint Agreement entered into between the CGIAR Consortium and the Fund Council of the CGIAR Fund represented by the World Bank'[4]. Pursuant to article 19.3 of the Joint Agreement, the System Organization is required to present a full set of annual financial statements to provide all its stakeholders with a comprehensive annual review of its business performance and financial positions.

1.1 Headquarters Agreement with the French Government

On March 04, 2013, the Consortium of International Agricultural Research Centers signed an Agreement with the French Government regarding "Headquarters of the Consortium and its privileges and immunities in the French Territory"[5]. On March 31, 2015, an agreement was signed with the Région Occitanie (formerly titled Languedoc-Roussillon) providing an office building located at 1000, avenue Agropolis, F-34394 Montpellier Cedex 5, France, from where the System Organization operates. The building includes 790 sqm of office, meeting and open space, and the facility is built on a piece of land of approximately 1,000 sqm, which is part of the Agricultural Agropolis Park. The facility is provided by the Région Occitanie free of charge except for an agreed upon late modification for which the System Organization agreed to reimburse the Région with a payment of Euro 10,474 during the first five years of occupation. The agreement is in place for a duration of 20 years and, if not renewed, the facility shall be returned to the Région Occitanie.

2. Vision

CGIAR's vision is a world with sustainable and resilient food, land, and water systems that deliver diverse, healthy, safe, sufficient, and affordable diets, and ensure improved livelihoods and greater social equality, within planetary and regional environmental boundaries.

[4] Approved by the Fund Council on April 05, 2011, and the System Management Board July 2016

[5] As now amended by the French Government in December 2016, to reflect the June 2016 governance transition and the new operating name of the CGIAR System Organization.

3. Mission

CGIAR's mission is to deliver science and innovation that advance the transformation of food, land, and water systems in a climate crisis.

4. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Basis of preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). IFRS also cover all International Accounting Standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee, previously called the "Standard Interpretation Committee" (SIC).

The financial statements as of and for the year ended December 31, 2020 ("**Financial Statements**"), have been prepared on a going concern basis. The approach adopted by the System Organization for the management of financial risks is discussed in Note 4 "Management of Financial Risks" below.

Financial statement formats and related classification criteria adopted by the Organization, in accordance with IAS 1 – Presentation of Financial Statements, are as follows:

Statement of Financial Position has been prepared using the current/non-current distinction;

Statement of Activities and Other Comprehensive Income has been prepared by classifying expenses based on their function;

Cash Flow statement presents the cash flows generated by operating activities using the "indirect method".

4.2 Other accounting policies

A brief description of the accounting policies and principles adopted in preparing the Financial Statements is provided in the following pages.

a) Foreign currency translations

Functional and presentation currency

Items included in the Financial Statements are measured in US Dollars, the currency of the primary economic environment in which the System Organization operates (the "functional currency"). Assets and liabilities denominated in other currencies are converted at the exchange rate in effect at the end of each fiscal year. Grants received in currencies other than US dollars are recorded at market exchange rates in effect at the time the grant is received or, if outstanding as of December 31, revalued at the market exchange rate in effect on that day.

Transactions and balances

Transactions denominated in foreign currency are translated into the functional currency using the prevailing exchange rate on the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the income statement.

b) Revenue recognition

Grant revenues

Most of the revenues are derived through the recognition of revenue from restricted grants. Restricted grants are those that are received from a transfer of resources, including Window 1 funds transferred from the CGIAR Trust Fund, in return for past or future compliance with specific conditions. These grants are recognized as revenue once there is reasonable assurance that the System Organization has complied with the conditions attached. Restricted grants are recognized as revenue to the extent of expenses for that grant are incurred.

Other revenues

Other revenues are measured at the fair value of the consideration received or receivable. The System Organization recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the System Organization and risks and rewards of the underlying goods or services have been transferred.

c) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

d) Accounts receivable

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment.

Receivables are generally defined as claims held against others for the future receipt of money, goods or services, and include claims from Funders, advances to employees, and advances to CGIAR Centers and claims against third parties for services rendered.

Accounts receivable from Funders consist of claims from Funders for grants pledged in accordance with the terms specified by the Funder. It also pertains to claims for expenses paid on behalf of projects more than cash received from Funders.

Recognition

- *Unrestricted grants*: receivables from unrestricted grants are recognized in full in the period specified by the Funder.
- *Restricted grants*: receivables from restricted grants are recognized in accordance with the terms of the underlying contract.
- Receivables from employees are recognized as they arise and settled when payment is received.
- Advances to CGIAR Centers are recognized when the cash or other assets are delivered to the Center or when a payment is made to settle a Center's liability.
- Other receivables are recognized upon the occurrence of an event or transaction which gives the System Organization a legal claim against others.

e) Property, plant and equipment

Property, plant and equipment are valued at acquisition cost, net of the corresponding accumulated depreciation, and accumulated losses for impairment that:

- Are held by the System Organization for the delivery of its mission;
- Are expected to be used for more than one year; and
- Have an individual purchase price of $5,000 or greater including VAT, freight and installation costs.

All acquisitions that do not meet these criteria will be defined as 'controllable assets' and expensed in the period of purchase.

Depreciation

Depreciation is the systematic allocation of the depreciable amount of an individual asset over its useful life. The System Organization will recognize depreciation on the straight line basis as follows:

1. Office equipment, furniture and fixtures .... 5 years
2. Computer, network systems, and telecommunication equipment .... 3 years

Disposals

An item of property, plant and equipment and any significant part is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of activities and other comprehensive income.

The proceeds from the sale of controllable assets is recognized as 'other unrestricted revenue' in the statement of activities and other comprehensive income.

f) Accounts payables

These amounts represent liabilities for goods and services provided to the System Organization which are unpaid. Trade and other payables constitute current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

g) Provisions

Provisions are recognized when the System Organization has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating costs.

Provisions are measured at the present value of management's best estimate of the transfer of resources required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

When the System Organization expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of financial activity net of any reimbursement.

h) Employee benefits

i. Short-term employee benefits

Liabilities for wages and salaries, including bonuses (if any) that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Defined contribution plan

The System Organization contributes to a defined contribution retirement benefit plan for all qualifying employees. The contribution is 16% of gross salary. Contributions to the defined contribution plan are recorded as expenses as incurred. The assets of the defined contribution plan are held separately from those of the organization in the name of the Trustees.

i) Net assets
Net assets include general undesignated reserves in their utilization.

j) Rounding of amounts
All amounts disclosed in the Financial Statements and notes have been rounded off to the nearest thousand unless otherwise stated.

k) Accrual basis
The System Organization adopts an accrual basis of accounting. Under the accrual basis of accounting, transactions and events are recognized when they occur (and not when cash or its cash equivalent is received or paid) and these are recorded in the accounting records and reported in the Financial Statements during the periods to which they relate. Expenses are recognized in the Statement of Activities and Other Comprehensive Income based on direct association between the costs incurred and the earnings of specific items of revenue.

l) Income Taxes
Pursuant to the Headquarters agreement with the French Government (see Note 1), the organization is exempt from income taxes. Consequently, the organization does not account for income tax in its financial statements.

4.3 New and Amended International Financial Reporting Standards

The following standards and interpretations issued by the International Accounting Standards Board (IASB) have mandatory application in 2019 and have been applied in the preparation of these statements.

a) International Financial Reporting Standards (IFRS) 16 – International Financial Reporting Standards 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 replaces IAS 17 effective January 01, 2019, with earlier application permitted. IFRS 16 has the following transition provisions:

- Existing finance leases: continue to be treated as finance leases.
- Existing operating leases: option for full or limited retrospective restatement to reflect the requirements of IFRS 16.

Based on CGIAR System Management Office's analysis, the CGIAR System Organization does not have any leasing contract that should be considered under the IFRS 16 standard.

As mentioned in "1.1. Headquarters Agreement with the French Government", in accordance with the agreement signed on March 31, 2015 with the Région Languedoc Roussillon, the Headquarters of the CGIAR System Organization is provided by the Région Occitanie free of charge. Therefore, there are no right of use asset and no debt to recognize under IFRS 16.

5. Management of Financial Risks

The activities of the System Organization are exposed to the following financial risks: Market risk (including exchange rate risk), credit risk, and liquidity risk.

Management of the System Organization identifies, evaluates hedges financial risks in accordance with the CGIAR System Organization Risk Management Policy[6], Risk Management Framework of the CGIAR System[7], and the accompanying Risk Management Guidelines of the CGIAR System[8].

[6] CGIAR System Organization Risk Management Policy
[7] Risk Management Framework of the CGIAR System
[8] Risk Management Guidelines of the CGIAR System

5.1 Market risk

The System Organization is exposed to market risks associated with exchange rates.

a) Exchange rate risk

The System Organization operates internationally and is exposed to foreign exchange risk arising when its business transactions are in currencies other than US Dollars, the latter being the currency with which the organization predominantly operates. The sensitivity of the Statement of Activities and Other Comprehensive Income to changes in the exchange rate arises mainly from EUR denominated cash and cash equivalents, accounts receivable and payables.

The System Organization monitors the exposure to foreign currency risk arising from operating activities and reduces its exposure to EUR fluctuations by maintaining cash inflows and outflows in the same currency to the maximum extent possible. Based on the limited transactions in foreign currencies, the organization does not use derivative financial instruments to hedge its foreign exchange exposure in relation to investments or cash flows.

The impact on the net surplus (deficit) of the organization of a reasonably possible change in the USD exchange rate in comparison to the Euro can be determined by considering the impact of a 10% shift in the exchange rate:

December 31, 2020	**Exchange Rate to USD**			**Sensitivity Impact on Surplus (Deficit)**		
	December 31 Rate	10% Higher	10% Lower	High	Low	Range
				USD	USD	USD
Euro	0.81	0.89	0.74	39	(35)	74

December 31, 2019	**Exchange Rate to USD**			**Sensitivity Impact on Surplus (Deficit)**		
	December 31 Rate	10% Higher	10% Lower	High	Low	Range
				USD	USD	USD
Euro	0.89	0.98	0.81	10	(27)	37

b) Price risk

The System Organization does not hold any financial instruments subject to price risk.

c) Interest rate risk

The System Organization is not subject to any significant interest rate risk as the only maturing interest rates are on the funds held in the bank accounts.

5.2 Credit risk

The System Organization's credit risk represents the exposure of the organization to potential losses due to counterparty inability to discharge the obligations undertaken. This exposure mainly relates to trade receivables deriving from claims for grants promised or pledged or for expenses paid on behalf of its operation or projects more than cash received from Funders.

The credit risk for the System Organization's operation is considered low since its primary function is that of a secretariat and not an implementer of projects. In addition, Funders consist primarily of large international organizations, and governments. In the ordinary course of business, the System Organization faces the risk that receivables from CGIAR Centers may not be paid on the due date leading then to an increase in their age.

To mitigate the credit risk associated with its counterparties, System Organization management constantly reviews its credit exposure and monitors the collection of receivables on the contractually agreed due dates. The assets are reported gross of impairment losses calculated based on the default risk of the counterparties, considering the information available on solvency as well as historical data. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The organization mitigates this risk by ensuring that funds are maintained only in reputable well-established financial institutions.

For trade receivables:

- Reviews of aging reports are carried out monthly and provisions for doubtful amounts made for any potentially unrecoverable amounts. A provision will be included in the accounts made for all receivables that are past due, and not supported with an agreed upon settlement plan, on the following basis:

  - 10% provision for receivables or services outstanding between 6 months and 9 months
  - 50% provision for receivables or services outstanding between 9 months and 12 months;
  - 100% provision for receivables outstanding more than 12 months.

If a payment is received for a debt that was previously provisioned, the payment is recorded in the receivables sub-ledger and the provision is reversed.

- Advances to partner and hosted Centers are subject to the System Organization's internal requirements to limit losses arising from funds advanced by the System Organization.

	As of December 31	
	2020	**2019**
	USD	**USD**
Not yet overdue	930	290
Overdue 1–30 days	-	66
Overdue 30–90 days	18	139
Overdue 91–120 days	-	30
Overdue by more than 120 days	153	112
Total	**1,101**	**637**

5.3 Liquidity risk

Liquidity risk takes place when the System Organization has insufficient financial resources available to meet its financial obligations and commitments when due. The System Organization's management of liquidity risk in the ordinary course of business involves maintaining a sufficient level of cash to maximize the efficiency of management of financial resources.

Cash flows required to settle other financial liabilities do not differ significantly from the recognized carrying amount. In this regard, it is noted that there is no significant concentration of liquidity risk, either in relation to financial assets or in relation to the sources of finance due to short-term period:

As of December 31, 2020	Carrying amount	Within 12 months	Between 1 and 5 years	Over 5 years
	USD	USD	USD	USD
Payables	8,130	8,130	-	-
Other current and non-current liabilities	969	969	-	-
Total	**9,099**	**9,099**	-	-

As at 31 December 2019	Carrying amount	Within 12 months	Between 1 and 5 years	Over 5 years
	USD	USD	USD	USD
Payables	6,558	6,558	-	-
Other current and non-current liabilities	2,545	2,545	-	-
Total	**9,103**	**9,103**	-	-

6. Use and Estimate assumptions

Preparation of financial statements requires that accounting standards and methods be applied, which in certain cases depend on subjective measurements and estimates based on past experience as well as assumptions which, on a case-by-case basis, are considered reasonable and realistic in the specific circumstances. The use of such estimates and assumptions influences the amounts reported in the statement of financial position, the comprehensive statement of activities and other comprehensive income, the statement of cash flows and the explanatory notes. Actual results for such items may differ from the amounts reported in the Financial Statements due to the uncertainties that characterize the assumptions and conditions on which such estimates were made.

7. Cash and cash equivalents

The following table sets forth a breakdown of Cash and cash equivalents:

	As of December 31	
	2020	**2019**
	USD	**USD**
Bank accounts held in USD	2,275	657
Certificates of Deposit ('CoD') in USD (i)	4,000	6,097
Bank accounts held in EUR	2,400	235
Cash	-	1
Total	**8,675**	**6,990**

(i) The following Certificates of Deposit ('CoD') with maturity dates in the year 2021 were made with BNP Paribas with the objective to preserve the System Organization operating funds.

Deposit Date	Maturity Date	Rate	Amount	Expected Interest
			USD	USD
Sep. 08, 2020	Jan. 29, 2021	0.53%	1,000	2
Sep. 08, 2020	Feb. 26, 2021	0.53%	1,000	2
Sep. 08, 2020	Mar. 30, 2021	0.46%	1,000	3
Sep. 08, 2020	Apr. 30, 2021	0.46%	1,000	3
Total			**4,000**	**10**

8. Accounts receivable

All receivable balances are valued at their net realizable value, that is, the gross amount of receivable minus, if applicable, allowances provided for doubtful accounts.

8.1 Accounts receivables – Funders

	As of December 31	
	2020	**2019**
	USD	**USD**
Window 1 & 2 Funds	-	2,221
Gender II Management and Administration (IDRC – Canada)	-	5
Total	**-**	**2,226**

'Accounts receivables – Funders' consist of claims for grants promised from Funders or pledged in accordance with the terms specified by the Funder. It also pertains to claims from Funders for expenses paid on behalf of projects in excess of cash received.

8.2 Accounts receivables – Employees

	As of December 31	
	2020	**2019**
	USD	**USD**
Employees	-	2

8.3 Accounts receivables – CGIAR Centers

	As of December 31	
	2020	2019
	USD	USD
Africa Rice	2	23
Bioversity (i)	505	213
CIAT	6	1
CIFOR	8	19
CIMMYT	5	2
CIP	15	10
ICARDA	23	31
ICRISAT	10	12
IFPRI (ii)	92	252
IITA	3	59
ILRI	58	101
IRRI	1	15
IWMI	33	15
World Agroforestry (ICRAF) (iii)	152	118
WorldFish	5	18
Total	**918**	**889**

'Accounts receivables – CGIAR Centers' mainly consist of receivables for hosting arrangements and shared services.

(i) Includes advances to cover System Organization and CGIAR Advisory Services Shared Secretariat activities hosted by Bioversity.
(ii) Includes the receivables from Big Data Platform as reimbursement of staff hosting expenses at the System Organization.
(iii) Consists of receivables for OSU (OCS Support Unit) activities hosted by the System Organization.

8.4 Accounts receivables – Others

	As of December 31	
	2020	2019
	USD	USD
Sundry Accounts Receivable	38	7
VAT Reclaimable from French Government	70	67
AIARC (i)	58	125
Advance to Trade Creditors	17	23
Total	**183**	**222**

(i) Advances to a third-party supplier (AIARC- the Association of International Agricultural Research Centers, a not-for-profit 501(c)(3) membership corporation, headquartered in Alexandria, Virginia, USA), for processing the monthly payroll, pension contributions and health insurance premiums for the System Organization personnel.

9. Prepaid expenses

	As of December 31	
	2020 USD	2019 USD
CGIAR System Organization	112	73
Administratively Hosted Activities		
Internal Audit Support Services	-	22
Total	**112**	**95**

10. Accrued Income

Accrued income relates to interest earned on investments namely Certificates of Deposit (CoD) for the period of October to December 2020 deposited in the CGIAR System Organization bank account in January 2021.

11. Property, plant and equipment

The following table sets forth a breakdown of property, plant and equipment:

	2020	2019
	Total USD	Total USD
Cost		
Balance on January 01	12	-
Additions		12
Balance as of December 31	**12**	**12**
Accumulated depreciation		
Balance on January 01	-	-
Charge for the year	2	-
Balance as of December 31	**2**	**-**
Net carrying value	**10**	**12**

There were no additions in the year 2020.

12. Accounts payable

12.1. Funders

	As of December 31	
	2020	2019
	USD	USD
CGIAR Centers Board Orientation Program (i)	**79**	**79**
4 per 1000 Initiative (ii)	**112**	**261**
ACIAR - Australian Centre for International Agricultural Research		
Gender II Management and Administration	-	51
Bill & Melinda Gates Foundation		
CGIAR Strategic Modernization Funding Initiative (iii)	608	5,236
Gender II Management and Administration	-	103
European Commission		
Institutional support for transition to One CGIAR (iv)	2,237	-
CGIAR Trust Fund		
W1 & 2 funds (v)	4,034	-
Total	**7,070**	**5,730**

These include grants received from Funders which conditions for revenue recognition are not yet met and amounts payable to Funders in respect of any unexpended funds received in advance for signed contracts:

(i) These funds are held in trust by the System Organization on behalf of Centers and will be used in 2021 to support continued professional development of board members of the System Board and One CGIAR Center Boards.

(ii) The System Board authorized the Executive Director to sign, on behalf of the System Organization, an agreement for the hosting of the Secretariat of the 4 per 1000 Initiative, with effect from June 2017. Such agreement was terminated by both parties in December 2020. The remaining balance will be transferred to the Initiative's new hosting institution in the first quarter of 2021.

(iii) In 2018 the CGIAR System Council established the System Reference Group (SRG) to bring together Funders, Centers, and partner countries to develop forward-looking recommendations on CGIAR's research focus, delivery model, and institutional structure. The SRG recommendations were unanimously endorsed by the CGIAR System Council, at its 9th meeting on November 13-14, 2019. The actions set out in the recommendations of the System Reference Group (SRG) are supported by the CGIAR Strategic Modernization Funding Initiative granted by the Bill & Melinda Gates Foundation in October 2019 and expiring in October 2021.

(iv) Initial payment of Grant No. FOOD/2020/419-368 (Institutional support for transition to One CGIAR) from the European Commission for institutional transition support to One CGIAR. The grant covers off the period from January 2021 to July 2022.

(v) Remaining balance of Window 1 & 2 funds received from the CGIAR Trust Fund in 2020 will be used to fund the 2021 operating budget of the System Organization.

12.2. Accounts payable – Employees

	As of December 31	
	2020 USD	2019 USD
Employees	6	41

'Accounts payable – Employees' mainly consists of school fees allowances claims to be reimbursed to System Organization employees.

12.3. Accounts payable – CGIAR centers

	As of December31	
	2020 USD	2019 USD
Bioversity	-	29
CIMMYT	25	-
CIAT	60	5
CIFOR	-	2
ICARDA	-	3
ICRISAT	-	24
IFPRI	153	47
IITA	-	6
ILRI	124	3
World Agroforestry (ICRAF)	-	16
WorldFish	-	3
Total	**362**	**138**

'Accounts payable – CGIAR Centers' mainly consist of reimbursement of expenses incurred by CGIAR Centers to host System Organization employees.

12.4. Accounts payable – Others

	As of December 31	
	2020 USD	2019 USD
Trade Creditors	692	649

13. Accruals and Provisions

	As of December 31	
	2020	2019
	USD	USD
CGIAR System Organization	703	327
System Council	-	12
Administratively Hosted Activities		
CGIAR System Internal Audit Function	22	31
OCS Support Unit (OSU)	20	-
CGIAR Advisory Services (CAS)[9]	24	138
CGIAR System Internal Audit Support Service	-	1
Big Data	42	27
4 per 1000 Initiative	7	-
Bilateral Grants	**151**	**9**
Special Alliances Fund Initiative		
Alliance Fund CIFOR/ICRAF	-	255
Alliance Fund Bioversity/CIAT	-	1,366
Alliance Fund AfricaRice/IRRI	-	379
Total	**969**	**2,545**

'Accruals' consist of contracts for the delivery of goods and services fully executed as of December 31, 2020, but not invoiced by suppliers, staff leave balances as of December 31, 2020 and accrual of staff repatriation allowances as defined in the System Organization Personnel Policy Manual Implementation Guidelines, amendment no. 8.

14. Grant Revenue

14.1. Window 1 & 2 Revenues

- **Restricted Portfolio:**
  Window 1 & 2 funds received from CGIAR Research Programs or Platforms that are recognized as revenue only as expenses are incurred in support of the specific activities supported by the CGIAR Research Programs or Platform.

- **Restricted Non-portfolio:**
  Window 1 & 2 funds received from the CGIAR Trust Fund that are recognized as revenue only as expenses are incurred in support of the operations of the System Organization.

[9] The CGIAR Advisory Services (CAS) comprise the Independent Science for Development Council (ISDC), the Standing Panel on Impact Assessment (SPIA), and an independent evaluation function implemented at the request of CGIAR System Council. Together CAS provides external, impartial, and expert advice related to strategy and positioning, program evaluation, and impact assessment. The CGIAR Advisory Services Shared Secretariat (CAS Secretariat) facilitates and supports these independent advisory services. The CAS Secretariat delivers operational support to ISDC and SPIA and executes the System's multi-year evaluation workplan.

	2020		2019	
	Restricted portfolio USD	Restricted Non-portfolio USD	Restricted portfolio USD	Restricted Non-portfolio USD
CGIAR System Organization	-	9,861	-	9,887
Administratively Hosted Activities				
Big Data (i)	261	-	-	396
CGIAR Advisory Services (CAS) (ii)	772	2,287	-	2,276
Total	**1,033**	**12,148**	-	**12,559**

(i) Big Data reclassified to Restricted Portfolio in 2020.
(ii) Includes $1,292 from the Big Data Platform designated for the Standing Panel on Impact Assessment (SPIA) activities administered by the CGIAR Advisory Services in 2020.

14.2. Bilateral Revenue

- **Restricted Non-portfolio:**
  Funding that flow directly from individual Funders to the System Organization.

	2020	2019
	Restricted Non-portfolio USD	Restricted Non-portfolio USD
CGIAR System Organization	4,827	1,478
Administratively Hosted Activities		
4 per 1000 Initiative	229	250
Total	**5,056**	**1,728**

15. Other Revenues

	2020		2019	
	Unrestricted USD	Restricted Non-portfolio USD	Unrestricted portfolio USD	Restricted Non-portfolio USD
Internal Tax (i)	252	-	235	
Centers' Board Orientation Program	-	-	-	16
Others- reimbursement of expenses	3	-	5	-
FAO ISPC Trust Fund (ii)	2,213			
Total	**2,468**	**-**	**240**	**16**

(i) The System Organization has a policy that an internal tax of 5.5% of gross salaries is applied to all staff members.
Balance received from the Food and Agriculture Organization of the United Nations (FAO) upon termination of Independent Science and Partnership Council ('ISPC') and the Independent Evaluation Arrangement ('IEA') hosting arrangement with FAO.

16. Expenses: CGIAR collaboration

Grants and collaborations with CGIAR Centers.

	2020		2019	
	Restricted portfolio USD	Restricted Non-portfolio USD	Restricted portfolio USD	Restricted Non-portfolio USD
CGIAR System Organization (i)	-	515	-	1,011
Administratively Hosted Activities	**-**	**-**	**-**	**-**
Gender II Management and Administration	-	42	-	76
CGIAR Advisory Services (CAS)	212	234	-	251
Restricted Projects	**-**	**-**	**-**	**-**
CGIAR Strategic Modernization Funding Initiative	-	487	-	1,067
Total	**212**	**1,278**	**-**	**2,405**

(i) Mainly consist of grants to CGIAR Centers under COVID 19 research hub funded by the System Organization and collaboration between the CGIAR Advisory Services and CGIAR Centers.

17. Expenses: Non - CGIAR collaboration

	2020		2019	
	Restricted portfolio USD	Restricted Non-portfolio USD	Restricted portfolio USD	Restricted Non-portfolio USD
CGIAR System Organization	-	50	-	-
Administratively Hosted Activities	**-**	**-**	**-**	
CGIAR Advisory Services (CAS)	118	810	-	-
Total	**188**	**860**	**-**	**-**

18. Expenditures by Natural classification

The following table sets forth a breakdown of Operating Expenses

	2020				2019			
	Unrestricted	Restricted portfolio	Restricted Non-portfolio	Total	Unrestricted	Restricted portfolio	Restricted Non-portfolio	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Personnel	815	595	8,010	9,420	-	-	6,710	6,710
CGIAR Collaboration	315	212	1,278	1,805	-	-	2,405	2,405
Non-CGIAR Collaboration	287	118	860	1,265	-	-	-	-
Supplies & Services	1,022	105	7,424	8,551	-	-	4,776	4,776
Travel	29	3	184	216	-	-	1,001	1,001
Total	**2,468**	**1,033**	**17,756**	**21,257**	**-**	**-**	**14,892**	**14,892**

In 2020, the move to a unified CGIAR (One CGIAR) gathered real momentum and additional investments were made to support and advance this transformation, including new staff hiring and communications, legal, project management and other consultants. These actions were mainly supported by the CGIAR Strategic Modernization Funding Initiative granted by the Bill & Melinda Gates Foundation in 2019.

The following table sets forth a breakdown of expenses incurred with the move to a unified CGIAR (One CGIAR) and System Organization operating costs.

	2020			2019		
	System Organization Operating Costs	One CGIAR Transition Costs	Total	System Organization Operating Costs	One CGIAR Transition Costs	Total
	USD	USD	USD	USD	USD	USD
Personnel	8,654	766	9,420	6,661	49	6,710
CGIAR Collaboration	1,318	487	1,805	1,338	1,067	2,405
Non-CGIAR Collaboration	1,265	-	1,265	-	-	-
Supplies & Services	5,196	3,355	8,551	4,748	28	4,776
Travel	196	20	216	985	16	1,001
Total	**16,629**	**4,628**	**21,257**	**13,732**	1,160	**14,892**

19. Financial Incomes and Financial Expenses

Represent realized and unrealized exchange gains and losses during the year, interest earned on short-term investments and all bank charges.

20. The entity's ability to continue as a going concern

The COVID-19 pandemic developed rapidly in 2020. Notwithstanding, various government lockdowns and other measures to contain the virus have not affected the CGIAR System Organization financially nor the ability to deliver on its mission. Confirming System Organization's rapid response to the pandemic, the organization mobilized $0.5M from its reserves to establish the CGIAR COVID-19 Hub – a coordinated initiative aiming to ensure that a research-informed response to the pandemic effectively reaches the world's most vulnerable.

In 2020, the move to a unified CGIAR (One CGIAR) gathered real momentum. A major milestone for the CGIAR System Organization on this transformation was the approval of the new CGIAR 2030 Research and Innovation Strategy and the CGIAR Performance and Results Management Framework.

The System Organization had an increase of 39% in revenue in 2020 ($20.2M comparable with $14.5M in 2019) and successful fundraising results with the confirmation of incremental funding from the European Commission ($3M) for the period 2021-2022 and W1 contributions of $2.4M earmarked to supporting the transition to One CGIAR

With Funders increasing confidence in One CGIAR a further 29% revenue growth ($26M total budget) is targeted in 2021 with 90% ($24M) of funding already secured.

This growth poses an immediate requirement for increasing capacity to deliver the organization's mission. Seven new employees were hired in 2020 and eleven new positions will be placed in the first half of 2021.

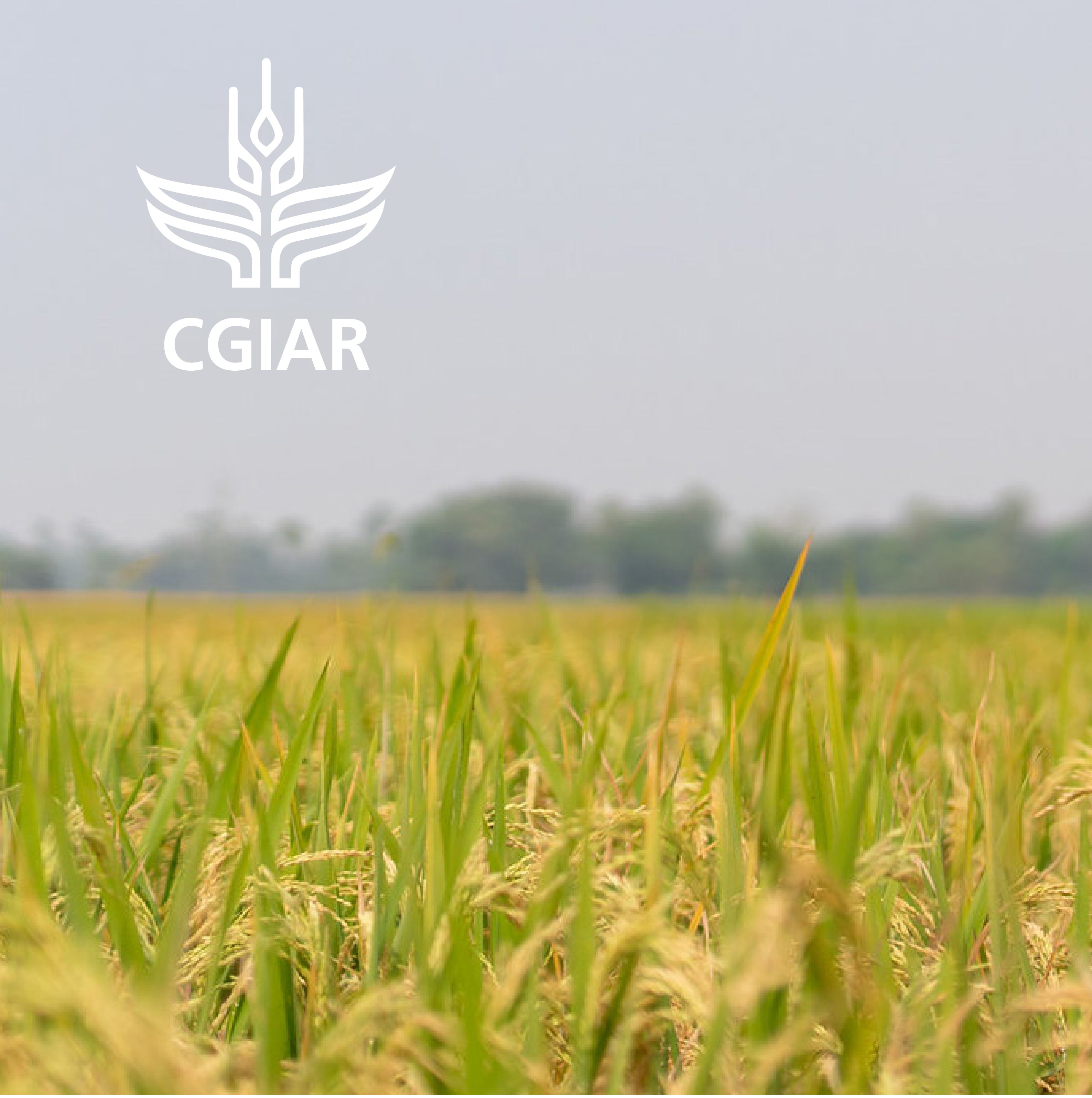
As a result of these developments, management is confident in the organization's ability to continue operating for the foreseeable future and realize its assets and discharge its liabilities and commitments in the ordinary course of business.

SCHEDULE I — RESTRICTED PROJECTS

FUNDER AND PROGRAM PROJECTS	funding type	start date	end date	grant pledged USD	expenditures prior year USD	2019 expenditures USD	total expenditures & reimbursement USD	balance USD
Restricted projects: Bilateral								
Bill & Melinda Gates Foundation								
CGIAR Strategic Modernization Funding Initiative	Bilateral	7 / 10 / 19	31 / 10 / 21	9,906	1,160	4,628	5,788	4,118
Gender II Management and Administration	Bilateral	8 / 9 / 18	31 / 3 / 20	300	198	102	300	-
Education and Advocacy	Bilateral	1 / 1 / 20	31 / 12 / 20	45	-	45	45	-
Total				**10,251**	**1,358**	**4,775**	**6,133**	**4,118**
ACIAR - Australian Centre for International Agricultural Research								
Gender II Management and Administration	Bilateral	11 / 2 / 15	31 / 12 / 20	145	97	48	145	-
Total				**145**	**97**	**48**	**145**	**-**
Total Restricted Projects				**10,396**	**1,455**	**4,823**	**6,278**	**4,118**

SCHEDULE II — HOSTED ACTIVITIES

FUNDER AND PROGRAM PROJECTS	funding type	start date	end date	grant pledged	expenditures prior year	2020 expenditures	total expenditures & reimbursement	balance
Hosted activities: Bilateral								
Institut de Recherche pour le Développement (IRD-France)								
4 per 1000 Initiative	Bilateral	25 / 11 / 19	24 / 11 / 20	111	66	45	111	-
4 per 1000 Initiative	Bilateral	23 / 11/ 20	22 / 11 / 21	238	-	148	148	90
Total				**349**	**66**	**193**	**259**	**90**
The Ministry of Agriculture, Fisheries and Food of Spain								
4 per 1000 Initiative	Bilateral	28 / 12 / 20	7 / 10 / 20	25	-	25	25	-
Total				**25**	**-**	**25**	**25**	**-**
Danone S.A.								
4 per 1000 Initiative	Bilateral	22 / 1 / 20	7 / 10 / 20	11	-	11	11	-
Total				**11**	**-**	**11**	**11**	**-**
Total Hosted Activities				**385**	**66**	**229**	**295**	**90**



CGIAR is a global research partnership for a food-secure future. CGIAR science is dedicated to reducing poverty, enhancing food and nutrition security, and improving natural resources and ecosystem services. Its research is carried out by 15 CGIAR Research Centers in close collaboration with hundreds of partners, including national and regional research institutes, civil society organizations, academia, development organizations and the private sector.

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