

## CGIAR Centres' Proposal for funding stability in 2011

### Proposal tabled for discussion at the Fund Council meeting, November 2010

A funding safety net is required to allow Centre Boards to approve budgets for 2011 and maintain the research capacity of the Centres throughout the transition period until all CRPs are developed and operational and future funding priorities are decided. It is proposed that:

- The Fund Council provides an assurance the Centre Boards that for 2011 the Fund will provide “unrestricted funds” (through Windows 1, 2 or 3) equivalent to the unrestricted funds received by the Centre in 2009, according to the audited accounts for that year, plus 10% to adjust for inflation.
- Additional funds will be provided to any Centres whose level of unrestricted funds in 2010 exceeded the 2009 + 10% amount (so that the total funds provided equal whichever is the higher of 2009 + 10% or 2010 unrestricted funding) once audited accounts are available for 2010.

This level of funding, combined with ongoing receipt of committed restricted funds, should allow each centre to maintain its essential research capacity. The safety net funding mechanism will allow Centre Boards to approve 2011 budgets.

The Centres accept that the total 2011 allocations from the Fund to Centres across Windows 1, 2 and 3 will reflect the emerging priorities of the Consortium Board and the Fund Council, as the CRP proposals are developed and approved. The safety net approach suggested above fits **within** this funding pattern as a one-off transition process for 2011 only.

Funding by this mechanism will only occur where a centre has a funding shortfall caused by the timing of CRP decisions and contracts. Where a Centre receives unrestricted funds for 2011 exceeding the 2009/2010 levels through CRP funding decisions, no safety net funds will be required.

The following examples describe in more detail the mechanism to implement the proposal for funding stability. **The Consortium Board recommends to the Fund Council that the attached mechanism be agreed upon at its meeting in November 2010 to ensure the necessary funding stability and allow Boards to approve their 2011 budgets in a timely fashion.**

#### Two examples of how this could be implemented.

Centers would receive in 2011 at least the same level of funding of an “unrestricted” nature that they received in 2009 plus 10% to adjust for inflation in order to be able to maintain the necessary research capacity. This may be achieved in one of three ways:

- Via CRP funding
- From an individual donor through Window 3 of the Fund
- Through an allocation by the Fund Council from Window 1

In order to take into consideration the growth that may have taken place in Centres in 2010, when the audited statements for 2010 will be available (after May 2011) adjustments will be made where it is shown that unrestricted funding in 2010 is greater than the 2009 + 10% funding.

**First example:**

<b>Center A</b>			<b>US\$ receipts</b>
<b>2009</b>	<b>Unrestricted funding + 10%</b>		<b>10 m</b>
<b>2011</b>	<b>CRP funding</b>	<b>Centre A budget in CRP Proposals</b>	<b>Approved CRP Budgets</b>
	<b>CRP1</b>	<b>1 million</b>	
	<b>CRP3</b>	<b>4 million</b>	<b>4 million</b>
	<b>CRP5</b>	<b>2 million</b>	
	<b>CRP7</b>	<b>2 million</b>	<b>2 million</b>
	<b>Work outside CRPs</b>	<b>1 million</b>	
	<b>Total 2011 CRP funding</b>		<b>6 m</b>
	<b>Donor X through Window 3<sup>1</sup></b>		<b>2.5 m</b>
	<b>Residual funding Gap</b>		<b>1.5 m</b>

In the case of Center A, the difference between what they received as unrestricted funding in 2009 (+10%) and the level of CRP funding in 2011 is \$ 4 million. The assumption is that they are involved in four CRP's but only two are on stream in 2011. The funding gap should be filled through a combination of:

- an allocation by a donor through window 3
- an allocation from Window 1 to Center A by the Fund Council to cover the residual funding gap.

**Second example:**

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<sup>1</sup> Excluding infrastructure investments

<b>Center B</b>				<b>US\$ receipts</b>
<b>2009</b>	<b>Unrestricted funding + 10%</b>			<b>10 m</b>
<b>2011</b>	<b>CRP funding</b>	<b>Centre B budget in CRP Proposals</b>	<b>Approved CRP Budgets</b>	
	<b>CRP 2</b>	<b>2 million</b>	<b>2 million</b>	
	<b>CRP 4</b>	<b>3 million</b>	<b>3 million</b>	
	<b>CRP 6</b>	<b>2 million</b>	<b>2 million</b>	
	<b>CRP 7</b>	<b>2 million</b>	<b>2 million</b>	
	<b>Work outside CRP s</b>	<b>1 million</b>		
	<b>Total 2011 CRP funding</b>			<b>9 m</b>
	<b>Donor X through Window 3<sup>2</sup></b>			<b>1 m</b>
	<b>Residual funding Gap</b>			<b>0</b>

In the case of Center B, there is no difference between what it received as unrestricted funding in 2009 and what it will receive in 2011 either as CRP funding or through Window 3. No adjustment is, therefore, necessary.

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<sup>2</sup> Excluding infrastructure investments