

# CGIAR Financing Update for 2011

Consortium Office, June 2011

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  - the general landscape: how this year differs; how it is similar
  - best estimates of resources for CRP in 2011 and for year 1
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  - a new initiative: specific genebank financing for 2011/beyond
  - the CRP timetable and issues
  - CRP acceleration and a **financing plan for 2012**
  - additional financial policy work needed in the new CGIAR

# 2010 Financial Results

## (CGIAR Centers)

### HIGHLIGHTS

- The official CGIAR financial report for 2010 is still under preparation – to be issued shortly;
- External financing growth was 10% overall with a significant increase especially for restricted funding;
- Unrestricted funds per centers' FS was \$200 million;
- Restricted funding was \$445 million (unadjusted for inter-center transfers);
- Earned income (unrestricted) was \$23 million;
- Total expenditure was \$629 million;
- Operating surplus was \$39 million;
- Year-end reserves were \$314 million representing 141 days (or 4.5 months) of expenses. Range was from 84 days to 199 days and from \$8 million to \$38.5 million.

# Center Income for 2010

	External Financing			Earned Income	Total Resources
	Unrestricted	Restricted	Total		
AfricaRice	7.6	14.3	21.9	0.1	22.0
Bioversity	16.3	21.8	38.1	0.0	38.1
CIAT	13.4	42.7	56.1	6.1	62.2
CIFOR	11.5	15.5	27.0	0.2	27.1
CIMMYT	14.3	44.8	59.1	2.0	61.1
CIP	11.4	22.4	33.8	0.6	34.3
ICARDA	12.0	26.2	38.2	0.7	38.9
ICRISAT	14.3	45.6	60.0	4.8	64.7
IFPRI	17.2	53.2	70.5	-0.4	70.0
IITA	16.0	36.5	52.4	0.8	53.2
ILRI	18.4	23.8	42.3	3.3	45.6
IRRI	15.2	41.6	56.8	1.7	58.5
IWMI	10.3	20.6	30.9	0.6	31.5
World AgroForestry	14.2	26.7	40.9	2.1	43.1
WorldFish	7.8	9.3	17.2	0.5	17.7
<b>TOTAL CENTERS</b>	<b>200</b>	<b>445</b>	<b>645</b>	<b>23</b>	<b>668</b>

# Center Expenditure and Results for 2010

Center	Expenditure			2010
	Unrestricted	Restricted	TOTAL	Surplus
Africa Rice	5.5	14.3	19.8	2.2
Bioversity	15.4	21.8	37.2	1.0
CIAT	13.3	42.7	56.0	6.1
CIFOR	9.5	15.5	24.9	2.2
CIMMYT	11.6	44.8	56.3	4.8
CIP	10.8	22.4	33.2	1.2
ICARDA	11.6	26.2	37.8	1.0
ICRISAT	15.6	45.6	61.2	3.5
IFPRI	12.9	53.2	66.2	3.9
IITA	16.5	36.5	53.0	0.3
ILRI	20.6	23.8	44.4	1.2
IRRI	15.7	41.6	57.3	1.2
IWMI	7.0	20.6	27.6	3.9
WorldAgroforestry	11.2	26.7	37.9	5.2
WorldFish	6.9	9.3	16.2	1.5
<b>Totals</b>	<b>184</b>	<b>445</b>	<b>629</b>	<b>39</b>
	<b>29%</b>	<b>71%</b>	<b>100%</b>	

# Challenge Program Results and Balances

Program	Cash		Result	Balances	Balances
	Receipts	Expenditure		31/12/2009	31/12/2010
Harvest Plus	37,802	18,751	19,051	27,484	46,535
Water and Food	10,240	9,342	898	4,657	5,555
Generation (GCP)	17,912	16,290	1,622	13,258	14,880
Sub-Saharan Africa (SSA)	4,736	5,981	(1,245)	2,576	1,331
CCAFS	14,115	8,866	5,249	1,166	6,415
<b>Total Challenge Programs</b>	<b>84,805</b>	<b>59,230</b>	<b>25,575</b>	<b>49,141</b>	<b>74,716</b>

# 2011 Financing

# How this year differs

- No traditional Medium Term Plan “backbone” as guiding forecast;
- Reform taking longer than anticipated;
  - New issues not anticipated – legal conditionality, for example;
  - Transition from center-based programming to CRP not predictable;
  - Uncertain forecast for FUND resources;
  - Timetable for completion of “CRP preliminaries” still not known (recommendation by Consortium, vetting by ISPC, approval by Fund Council, surprisingly complex legal paperwork once approved, etc.).
- The need for a safety net (“stability funding”) requires not only modeling and precision but also careful management at the centers – the cross-walk has some pot-holes in it;
- Fund flow delays will prove challenging for some centers soon.

# How this year is familiar

- Most centers continue to operate *de facto* medium-term plan leading to integration to CRP;
- Centers continue effective fund-raising for bilateral support – estimates are for additional growth in dollar terms for 2011;
- Center managements remain conservative and financially cautious in planning full integration to CRP (e.g. provision to start spending 6 months before CRP approval is not considered a realistic or appropriate action).

# Genebank Financing for 2011

Center	Total	GCDT	CGIAR Fund
AfricaRice	0.3	0.0	0.3
Bioversity	1.0	0.2	0.8
CIAT	2.4	0.3	2.1
CIMMYT	1.2	0.3	0.9
CIP	3.2	0.2	3.0
ICARDA	1.3	0.3	1.0
ICRISAT	2.5	0.3	2.1
IITA	1.1	0.2	0.9
ILRI	0.8	0.1	0.8
IRRI	1.4	0.3	1.1
<b>Total</b>	<b>15.2</b>	<b>2.2</b>	<b>13.1</b>

# Stability Financing

## (January –June 2011)

AfricaRice	
Bioversity International	4.3
CIAT	1.3
CIFOR	4.8
CIMMYT	4.4
CIP	1.9
ICARDA	3.6
ICRISAT	3.9
IFPRI	6.6
IITA	4.9
ILRI	5.3
IRRI	
IWMI	3.6
WorldAgroforestry	3.5
WorldFish	3.0
<b>Centre Sub-total</b>	<b>51.1</b>
Generation CP	3.0
Water and Food CP	3.5
<b>CP Total</b>	<b>6.5</b>
<b>CGIAR Total</b>	<b>57.6</b>

# January-June approved CRP budgets

	GRiSP	CCAFS	TOTAL
AfricaRice	5.8	0.1	5.9
Biodiversity International		1.8	1.8
CIAT	2.2	4.0	6.2
CIFOR		0.3	0.3
CIMMYT		2.1	2.1
CIP		0.9	0.9
ICARDA		0.7	0.7
ICRISAT		1.7	1.7
IFPRI		1.0	1.0
IITA		0.4	0.4
ILRI		2.6	2.6
IRRI	9.4		9.4
IWMI		1.6	1.6
WorldAgroforestry		2.7	2.7
WorldFish		0.2	0.2
<b>Total</b>	<b>17</b>	<b>20</b>	<b>38</b>

# Center estimates for CRP bilateral funding (from November 2010)

	<b>2011 est</b>	<b>2010</b>	<b>2009</b>
AfricaRice	14.8	14.3	
Bioversity	23.3	21.8	
CIAT	43.0	42.7	
CIFOR	19.2	15.5	
CIMMYT	57.6	44.8	
CIP	19.7	22.4	
ICARDA	22.1	26.2	
ICRISAT	38.8	45.6	
IFPRI	55.6	53.2	
IITA	35.6	36.5	
ILRI	28.4	23.8	
IRRI	49.3	41.6	
IWMI	22.2	20.6	
World Agroforestry	25.6	26.7	
WorldFish	11.4	9.3	
<b>Sub-total</b>	<b>467</b>	<b>445</b>	<b>406</b>

# Bilateral financing for CRP – potential

		November 2010 estimates			Year 1	Confirmed	Total
		Confirmed	Probable	TOTAL	CRP	% of CRP	% of CRP
CRP 1.1	Production systems / dry areas	18.4	4.2	22.6	18.4	100%	123%
CRP 1.2	Humid tropics	16.4	10.5	26.9	27.1	61%	99%
CRP 1.3	Aquatic agricultural systems	2.3	2.9	5.2	8.4	27%	62%
CRP 2	Policies, inst., & markets	40.0	14.2	54.3	52.4	76%	104%
CRP 3.1	WHEAT	9.0	14.1	23.1	36.9	24%	63%
CRP 3.2	MAIZE	23.4	16.4	39.8	39.8	59%	100%
CRP 3.3	GRiSP (rice)	37.9	31.0	68.9	64.0	59%	108%
CRP 3.4	Roots tubers & bananas	18.1	13.0	31.1	19.8	91%	157%
CRP 3.5	Grain legumes	13.6	4.1	17.7	21.4	64%	83%
CRP 3.6	Dryland cereals	14.2	0.7	14.9	14.9	95%	100%
CRP 3.7	Meat, milk, and fish	9.6	4.6	14.2	19.4	50%	73%
CRP 4	Nutrition & health	17.0	8.4	25.4	41.6	41%	61%
CRP 5	Water, land, & ecosystems	36.0	13.0	49.1	37.7	96%	130%
CRP 6	Forest and trees	27.6	12.6	40.2	42.5	65%	95%
CRP 7	CCAFS	16.3	6.4	22.7	21.8	75%	104%
	Other	8.9	1.8	10.7			
<b>TOTALS</b>		<b>309</b>	<b>158</b>	<b>467</b>	<b>466</b>	<b>66%</b>	<b>100%</b>

# W3 / bilateral & W1-2 fund allocations, as known and estimated at mid-year 2011

	W3 and bilateral	Genebank	Jan-June Stability	Jan-June CRP	July-Dec Stability	July-Dec CRP	TOTAL
AfricaRice	2.7	0.3	0.0	5.9			8.9
Bioversity	3.2	0.8	4.3	1.8			10.2
CIAT	2.4	2.1	1.3	6.2			12.0
CIFOR	1.9		4.8	0.3			6.9
CIMMYT	2.0	0.9	4.4	2.1			9.3
CIP	4.0	3.0	1.9	0.9			9.9
ICARDA	2.3	1.0	3.6	0.7			7.6
ICRISAT	2.7	2.1	3.9	1.7			10.4
IFPRI	3.5		6.6	1.0			11.0
IITA	3.5	0.9	4.9	0.4			9.8
ILRI	3.8	0.8	5.3	2.6			12.4
IRRI	2.4	1.1	0.0	9.4			12.9
IWMI	1.6		3.6	1.6			6.7
World AgroForestry	3.4		3.5	2.7			9.6
WorldFish	1.5		3.0	0.2			4.7
<b>TOTAL CENTERS</b>	<b>41</b>	<b>13</b>	<b>51</b>	<b>38</b>	<b>0</b>	<b>0</b>	<b>143</b>
Generation CP			3.0				3.0
CP - Water & Food			3.5				3.5
<b>TOTAL CP</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>TOTAL CGIAR</b>	<b>41</b>	<b>13</b>	<b>58</b>	<b>38</b>	<b>0</b>	<b>0</b>	<b>149</b>

# Summary - 2011 Fund Resource Requirement (windows 1 and 2 only)

	Genebank	Jan-June Stability	Jan-June CRP	July-Dec Stability	July-Dec CRP	TOTAL
AfricaRice	0.3	0.0	5.9			
Bioversity	0.8	4.3	1.8			
CIAT	2.1	1.3	6.2			
CIFOR	0.0	4.8	0.3			
CIMMYT	0.9	4.4	2.1			
CIP	3.0	1.9	0.9			
ICARDA	1.0	3.6	0.7			
ICRISAT	2.1	3.9	1.7			
IFPRI	0.0	6.6	1.0			
IITA	0.9	4.9	0.4			
ILRI	0.8	5.3	2.6			
IRRI	1.1	0.0	9.4			
IWMI	0.0	3.6	1.6			
World AgroForestry	0.0	3.5	2.7			
WorldFish	0.0	3.0	0.2			
<b>TOTAL CENTERS</b>	<b>13</b>	<b>51</b>	<b>38</b>	<b>25</b>	<b>75</b>	<b>202</b>
Generation CP		3.0				
CP - Water & Food		3.5				
<b>TOTAL CP</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>13</b>
<b>TOTAL CGIAR</b>	<b>13</b>	<b>58</b>	<b>38</b>	<b>28</b>	<b>79</b>	<b>215</b>

		Year 1							
		Base Level, of which				Growth level, of which			
CRP	CRP Title	Total	W1-2	% w1-2	Other	Total	W1-2	% w1-2	Other
1.1	Ag production systems in dry areas	37	19.0	51%	18.4				
1.2	Integrated systems for the humid tropics	42	15.4	36%	27.1				
1.3	Aquatic ag systems for the poor/vulnerable	17	8.9	51%	8.4				
2	Policies, institutions, markets	82	29.9	36%	52.4				
3.1	Wheat	50	13.0	26%	36.9	51.5	14.5	28%	36.9
3.2	Maize	54	14.3	26%	39.7	54.0	10.9	20%	43.0
3.3	GRiSP - A global rice science partnership	98	34.9	36%	64.0	98.2	34.9	35%	64.0
3.4	Roots, tubers, and bananas	58	38.5	66%	19.8	71.3	50.9	71%	20.4
3.5	Grain legumes	42	20.8	49%	21.4				
3.6	Dryland cereals	22	7.4	33%	14.9				
3.7	More meat, milk, and fish	30	10.3	35%	19.4	29.7	10.3	35%	19.4
4	Agriculture for improved nutrition / health	59	17.2	29%	41.6				
5	Water, land and ecosystems	80	42.3	53%	37.7	80.9	43.2	53%	37.7
6	Forests, trees and agroforestry	68	25.4	37%	42.5	67.8	25.4	37%	42.5
7	Climate change (CCAFS)	63	41.4	66%	21.8				
<b>TOTAL</b>		<b>804</b>	<b>339</b>	<b>42%</b>	<b>466</b>				
<b>DIFFERENTIAL - GROWTH LEVEL</b>						<b>16</b>	<b>12</b>	<b>73%</b>	<b>4</b>

# Observations

1. 100% of the increase in year 1 CRP budgets, assuming all had started in January 2011, is in window 1-2. Centers forecast almost perfectly the bilateral fund level (with some variability, but overall to budget);
2. The total CRP requirement of \$805 million in year 1 is an increase of 21% over total center income in 2010 (donor grants plus earned income);
3. “Funding gaps”, i.e. the difference between known/highly probably levels of income and the budgeted amounts in the CRP’s – are variable and will probably change throughout 2011. More precision will be evident by the time of the 2012 financing plan submission;
4. Most growth scenarios budgets start to grow in year 2;
5. Budgets for certain CRP may yet change as some remain under development and some may be revised in the refinement process.

# **Big Question: What if there are insufficient Fund resources?**

## **CRITICAL CONCERNS**

- When we will know what will be available in w1-2 is critically important and cannot be ignored for much longer;
- Cash flow is a concern but a bigger concern is uncertainty;

## **ONLY THEN**

- How to adjust if there is a general fund deficiency;
- How to adjust for potential “balancing” issues;
- Timetable – we are already in the second half of 2011 and generally this is when a financing plan for 2012 should be available;
- Long term trajectory for budget planning?

# Additional Financial Issues for 2011

## WHAT

- Stability financing for second half of 2011;
- Remove additional barriers to CRG funding flows (e.g. CPA completion);
- **To establish a new financing plan procedure (FG4 update);**
- To complete the development of cost recovery mechanics – policy is established but integration for CRP is a work in progress;
- To continue/complete **One Corporate System** development – a major shared service that will lead to major efficiency gains;
- To finalize CRP financial reporting structure and formats;
- **To clarify critical financial accounting matters for CRP** and institutional reporting and management – and update FG2;

## HOW

- Consortium working with centers and, as appropriate, Fund Office
- Working groups and timetables have been established

# Questions / clarification