



DRAFT

Investment Proposals and Financing Of the 2007 CGIAR Research Agenda

Summary

December 2006

Introduction

The 2007 financial proposals were submitted by the Centers and Challenge Programs (CPs) as part of the 2007-2009 Medium-Term Plans (MTPs), and summarized by a joint collaboration team of IRRI and the CGIAR Secretariat. [The programmatic aspect of the proposals was reviewed separately by the Science Council]. The paper, "*Investment Proposals and Financing of the 2007 CGIAR Research Agenda*", was endorsed by ExCo11, subject to the recommendation on the SSA-CP¹, and is now available on the CGIAR website. Following is a summary of the endorsed document for the Group's consideration and approval.

Summary of the 2007 Proposals²

Investment: The Centers and Challenge Programs have proposed an aggregate investment of \$513 million for 2007 (about \$452 million in 2000 dollars). This is \$7 million (1 percent) higher than the current estimate for 2006 and \$61 million (13 percent) over the actual 2005 level.

Included in the 2007 proposals is \$61 million for the four CPs, compared with \$35 million in 2005 and \$55 million estimated for 2006. Of the 2007 proposed CP investments, \$27 million will be implemented by Centers while \$34 million will be implemented by CGIAR Partners.

Financing³: The \$513 million in planned aggregate investment is to be financed by Investor grants⁴ of \$470 million (about \$414 million in 2000 dollars), \$15 million in Center earned income and \$28 million in other sources and reserves.

Table 1 below summarizes the 2007 CGIAR Financing Plan and compares it with the 2006 current estimate and 2005 actual.

Table 1: Summary of 2007 CGIAR Financing Plan²
(in \$million)

	<u>2007</u> Proposal	<u>2006</u> Estimate	<u>2005</u> Actual
<u>Investment</u>			
Centers	441	439	406
Challenge Programs			
Centers	27	31	25
Partners	34	24	10
Systems Office and CGIAR Committees	11	12	11
Total Investments	513	506	452
<u>Financing</u>			
Investor Grants			
Centers	403	407	404
Challenge Programs			
Centers	27	31	25
Partners	29	21	10
Systems Office and CGIAR Committees	11	12	11
Sub-total	470	471	450
Earned income	15	17	10
Other sources and reserves	28	18	(8)
Total Financing	513	506	452

¹ ExCo11 recommendation 3.c. Challenge Program (ExCo11 Summary of Record and Proceedings).

² The CGIAR Financing plan will be adjusted with respect to the Sub-Saharan Africa Challenge Program (SSA-CP) to reflect ExCo11 recommendation to scale back activities to three pilot sites from the proposed nine, once approved by the CGIAR. This adjustment will be included as part of the Action Plan for the SSA-CP requested by ExCo.

³ 2006 and 2007 data are from financing plans submitted by Centers and Challenge Programs and have not been validated by all Members.

⁴ CGIAR funding for restricted projects follow the CGIAR approved revenue recognition principle that is based on the level of implementation. This may lead to timing differences between Member disbursements and Center reports.

Table 2 provides the trend in Challenge Program investments over the same period.

Table 2: Investment Proposals for Challenge Programs ¹
(in \$million)

Challenge Programs	2007 Proposal	2006 Estimate	2005 Actual
Generation	17.6	15.3	12.1
HarvestPlus	15.8	13.9	9.9
Water and Food	17.4	17.8	10.5
Sub-Saharan Africa ²	10.5	7.4	2.4
Total	61	55	35

^{1/}Comprised of components implemented by both **CGIAR Centers and Partners**.

^{2/}The 2007 proposal will be adjusted to reflect ExCo11 recommendation to scale back activities to three pilot sites from the proposed nine, once approved by the CGIAR.

Details of the financing plan at the Center and CP levels are shown in table 3.

Table 3: Financing the 2007 Research Agenda
(in \$million)

Centers	Total Proposal	Financed by:		
		Investor Grants	Center Income	Other Sources/ Reserves
Africa Rice	12.2	12.4	0.1	(0.3)
CIAT	41.4	41.4	1.0	(1.0)
CIFOR	16.5	15.8	0.3	0.4
CIMMYT	37.7	30.7	0.2	6.9
CIP	22.2	20.8	0.5	0.9
ICARDA	22.7	21.1	0.7	0.9
ICRISAT	32.0	30.4	1.4	0.2
IFPRI	39.8	33.2	0.5	6.0
IITA	51.2	45.8	5.6	(0.1)
ILRI	40.4	35.4	2.5	2.5
IPGRI	38.6	38.2	-	0.4
IRRI	38.0	31.1	1.8	5.1
IWMI	25.8	25.8	0.1	(0.1)
World Agroforestry	29.8	29.3	0.5	0.0
WorldFish	20.2	18.6	0.2	1.4
	468	430	15	23
System Office and CGIAR Committees	11	11	-	-
Challenge Programs Implemented by Partners				
Generation	11.0	8.0	-	3.0
HarvestPlus	8.5	6.3	-	2.1
Water and Food	4.6	4.6	-	-
Sub-Saharan Africa	9.7	9.7	-	-
Sub-total	34	29	-	5
Total	513	470	15	28

Investor grants totaling \$470 million represent the Centers' best estimate at this point in time of the likely support they can reasonably expect in 2007. The projected funding levels are based on confirmed and highly probable sources of forecasted grants.⁵

⁵ About \$17 million of the forecasted grants are under negotiation. The bulk is concentrated at CIMMYT (\$6.9 million) and IFPRI (\$6 million).

Highlights of Member Support:

The top 5 contributors projected for 2007 compared with 2005 actual are shown in Table 4.

Table 4: Top 5 Contributors for 2007 and 2005
(in \$millions)

2007		2005	
Overall CGIAR			
United States	60	United States	55
World Bank	50	World Bank	50
United Kingdom	39	United Kingdom	44
Canada	38	Canada	36
European Commission	37	European Commission	31
Developing Countries			
Nigeria	4	Nigeria	3
India	4	India	2
Colombia	1	Brazil	1
China	1	China	1
Iran	1	South Africa	1

Allocation of 2007 Investment

Of the 2007 investment, 48 percent is projected to be allocated to Sub-Saharan Africa, compared to the 2006 estimate and 2005 actual of 46 percent. Allocation by CGIAR Priority Area is illustrated in table 5.⁶

Table 5: Allocation of Resources by Priority Area⁷
(percentage)

	2007 Proposal	2006 Estimate
Sustaining Biodiversity for Current and Future Generations	12%	12%
Producing More and Better Food at Lower Cost through Genetic Improvements	24%	24%
Reducing Rural Poverty through Agricultural Diversification and Emerging Opportunities for High Value Commodities and Products	11%	11%
Poverty Alleviation and Sustainable Management of Water, Land, and Forest Resources	23%	23%
Improving Policies and Facilitating Institutional Innovation to Support Sustainable Reduction of Poverty and Hunger	23%	23%
Sub-total	93%	93%
Other		
Development Activities	3%	3%
Stand-alone Training	2%	2%
New Research Areas	2%	2%
Sub-total	7%	7%
Total	100%	100%

⁶ More detailed allocation of the 2007 projected investment is available in the CGIAR Financial Information System.

⁷ As the System Priorities were approved only at AGM05, the actual 2005 CGIAR investment was allocated in terms of output.