



Financing the 2008 CGIAR Research Agenda

**Annual General Meeting
December 2007**

**The Compilation of the 2008 Financial Proposals was a Joint
Collaboration between ICRISAT and the CGIAR Secretariat**

2008 CGIAR Financing Plan

- **Investments**
- **Financing the Investments**
- **Risk Factors**
- **ExCo Recommendation**

2008 Investments

- **Implementing CGIAR System**
Priorities in 2008 will require total investments of \$529 million
 - **Priorities to be implemented through Centers = 87%**
 - **Priorities to be implemented through Challenge Programs and CGIAR Partners = 11%**
 - **Facilitation units and business processes = 2%**

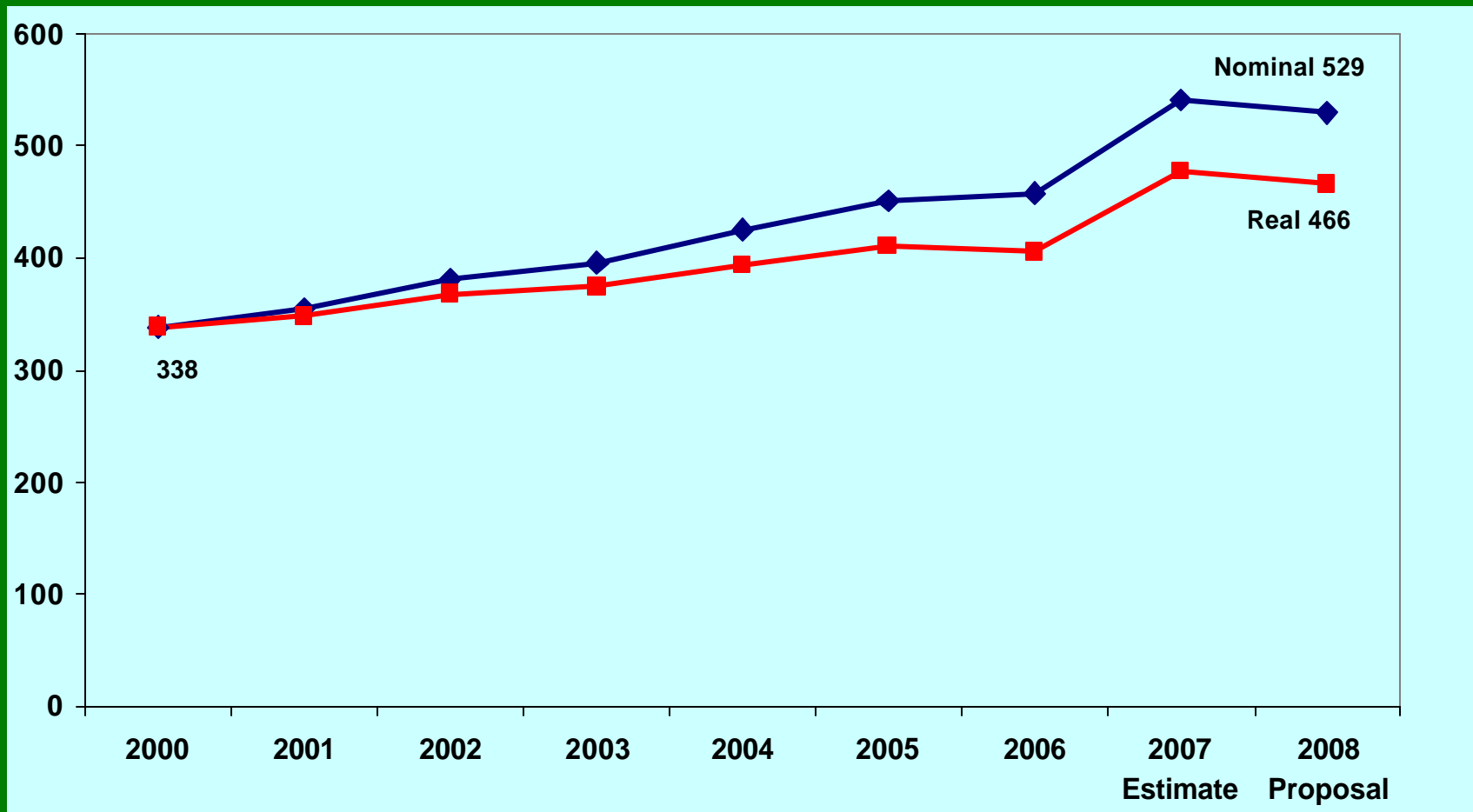
2008 Investments Summary

	<u>\$ million</u>	<u>Share</u>
Centers	461	(87%)
Challenge Programs	58	(11%)
CGIAR Facilitation and Business processes	<u>10</u>	<u>(2%)</u>
Total	529	(100%)

- **Total represents an increase of 16% in nominal terms, or 13% in real terms, compared with 2006**

CGIAR Investment Trends

\$million



Structure of CGIAR Financing

- **CGIAR Investments are financed mainly by investor grants, but also by Center earned income and reserves**
- **Investor grants are either unrestricted or restricted; are pledged annually or on a multi-year basis**
- **Restricted grants are an exchange transaction between an Investor and Center**
- **Earned income arises from management of liquid assets, disposal of fixed assets, surplus from self-sustaining activities**
- **Reserves arise from savings of unrestricted grants, earned income, recovery of indirect costs on restricted projects and fx gains**

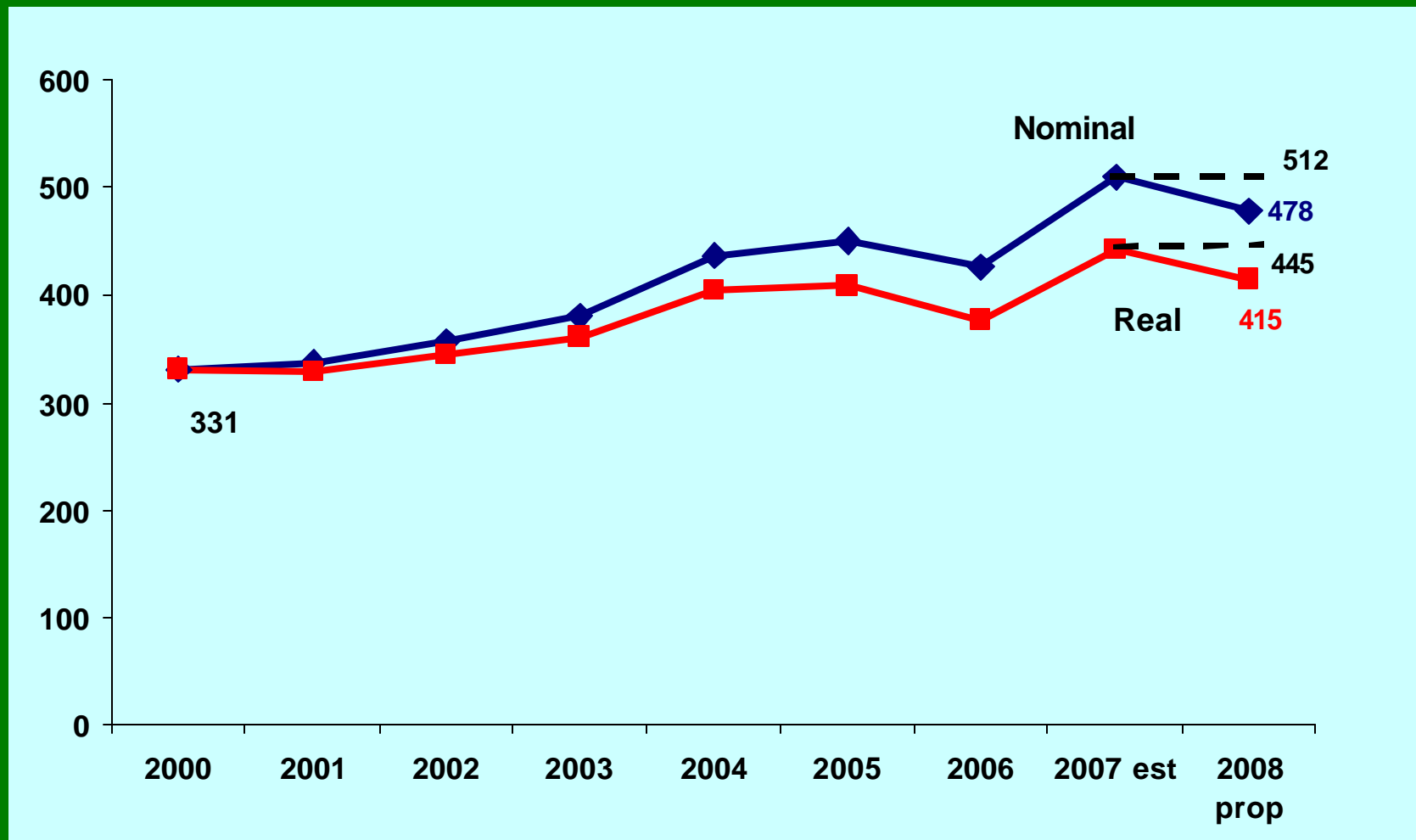
2008 Financing Summary

	<u>\$ million</u>	<u>Share</u>
Investor Grants	478	(90%)
Earned Income	17	(3%)
Reserves & Grants under negotiation	<u>34</u>	<u>(7%)</u>
Total	529	(100%)

- **Investor grants represent a nominal growth rate of 12% compared with 2006, or 10% in real terms**

Trends in CGIAR Investor Grants

\$millions



2008 Financing Summary

	<u>\$ million</u>
Investor Grants	478
Earned Income	17
Reserves & Grants under negotiation	<u>34</u>
Total	529

This line is an adjusting element in the Financing Plan because grants under negotiation:

- have a lower probability of being realized than investor grants**
- are not yet identifiable by specific investor**
- will eventually determine the extent to which reserves will be drawn down**
- may also require adjustment on the investment side**

Investor Grants - Composition

\$million

	2008 Projected		2006 Actual	
Unrestricted	175	37%	181	42%
Restricted	303	63%	245	58%
Total	478		426	

Investor Grants – AHC Entry Points

\$million

	2008 Projected		2006 Actual	
Type IV	175	37%	181	42%
Type V	38	8%	6	1%
Type VI	265	55%	239	57%
Total	478		426	

Risk Factors

- 1. Timing of information: FX and inflation**
- 2. Quality of information: Volume / Allocation**
- 3. Policy Environment**
- 4. Rate of implementation of restricted projects**

FX Analysis

Contributions

Unrestricted funding

Original Currency	Estimates USD millions			
	June 07	Oct	Dec	June 08
AUD				
CAD				
CHF				
Dkk				
Euro				
GBP				
NOK				
NZD				
SEK				
YEN				
Total	175	187	201	215
Appreciation		7%	7%	7%
FX Effect		12	26	40

FX Analysis

Expenditure

Original Currency	Estimates USD millions			
	June 07	Oct	Dec	June 08
CFA				
Euro				
COP				
IDR				
MXN				
PEN				
SYP				
INR				
NAIRA				
KES				
PHP				
LKR				
MYR				
Total	529			
Expenditure in Nat currency (50%)	265	270	275	281
Movement of exp basket vs USD		2%	2%	2%
FX Effect		5	10	16

FX Analysis

So far, contribution currencies are appreciating faster than those of local currency expenditure

	<u>Oct</u>	<u>Dec</u>	<u>June 08</u>
Contributions	12	26	40
Expenditure	5	10	16
Net gain (loss)	7	16	24

Conclusion

- **2008 represents Center plans that are often subject to internal and external factors.**
- **Factors affect both income and expenditure.**
- **Plans are not cast in stone, and Centers always need to take actions to maintain equilibrium.**
- **Nevertheless, plans represent vision and provide benchmarks for monitoring and evaluation.**

2008 Financing Plan ExCo Recommendation

\$million

	<u>2008</u> Proposal	<u>2006</u> Actual
<u>Investment</u>		
Centers	461	409
Challenge Programs		
Centers	20	29
Partners	38	11
System Office and Committees	10	9
Total Investments	529	458
<u>Financing</u>		
Investor Grants		
Centers	426	377
Challenge Programs		
Centers	14	29
Partners	28	11
System Office and Committees	10	9
Sub total funding	478	426
Earned Income	17	22
Other sources and reserves	34	10
Total Funding	529	458

Thank You !