



**DRAFT**

# **Investment Proposals and Financing Of the 2009 CGIAR Research Agenda**

## **Summary**

**ExCo15**  
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## Introduction

The 2009 financial proposals were submitted by the Centers and Challenge Programs (CPs) as part of the 2009-2011 Medium-Term Plans (MTPs). [The programmatic aspect of the proposals was reviewed separately by the Science Council]. Following is a summary of the document, "*Investment Proposals and Financing of the 2009 CGIAR Research Agenda*", for ExCo's consideration and endorsement to AGM08.

## Evolving Context

Centers and the Challenge Programs developed their 2009 proposals in the context of a number of evolving external and internal developments that are likely to affect the financial outcome of the system in 2009 and beyond.

Internally, the CGIAR was in the midst of transformational reforms based on issue areas identified in the 2007 scoping exercise.<sup>1</sup> Since the third quarter, the general contours of a reformed CGIAR have emerged. An important element of this will be the creation of central fund to finance CGIAR research through performance contracts for major programs emerging from the three people-centered strategic objectives.<sup>2</sup> Although it has been generally assumed that profound reforms in the CGIAR would result in new funding, reaching \$1 billion by 2013 (i.e., a doubling of the 2007 actual funding level of \$495 million), the proposals did not explicitly incorporate this potential. Thus the financial aspect of current proposals can be considered "steady state".<sup>3</sup>

Externally, the food price crises catapulted to the forefront of the international agenda during the first half of the year. This brought unprecedented attention to the CGIAR and its work. A flurry of policy pronouncements (e.g., G-8 Summit and World Food Summit) and actions ensued from the renewed attention to food and agriculture. For example, the World Bank established a \$1.2 billion global food crisis response facility and planned to expand agricultural and food-related activities from \$4 billion to \$6 billion. The Bank President called for a doubling of funding to the CGIAR.

Another external (albeit technical) development since the preparation of the proposals is the incipient reversal of the fortunes of the US dollar (the reporting currency of the CGIAR). In contrast to the trend seen in the last several years up until the first half of 2008, the USD started to strengthen in August 2008, and the strengthening was relatively dramatic against some important operational currencies of the CGIAR such as the Euro, CHF, SEK, GBP, COP and KSH. Some of these currencies have depreciated by significantly more than 10% against the USD within the last few months.

Clearly these developments will affect the amount of financial resources that will ultimately be available to fund the proposed 2009 work program. What is not clear is the direction and magnitude of the impact.

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<sup>1</sup> The four areas identified in the scoping exercise were: Vision, Partnership, Governance and Funding.

<sup>2</sup> The three strategic objectives are Food for People, Environment for People and Policies for People.

<sup>3</sup> To reach the goal of \$1 billion by 2013, funding would need to grow by 13% per annum from the 2007 level. So far a number of Members have indicated substantial new funding to support this goal.

## Summary of the 2009 Proposals

**Investment:** The Centers and Challenge Programs have proposed an aggregate investment of \$576 million for 2009 (\$461 million in 2000 dollars). This is \$70 million (14 percent) over the actual 2007 level.

Included in the 2009 proposals is \$58 million for the four CPs, compared with \$48 million in 2007. Of the 2009 proposed CP investments, \$24 million will be implemented by Centers while \$34 million will be implemented by CGIAR Partners.

**Financing:** The \$576 million in planned aggregate investment is to be financed by Investor grants of \$521 million, \$20 million in Center earned income and \$35 million in other sources and reserves. Other sources include \$31 million of grants still being negotiated. The bulk of the funding under negotiation is concentrated at HarvestPlus Challenge Program (\$16.5 million) CIMMYT (\$8.7 million) and IFPRI (\$3.2 million).

Table 1 summarizes the 2009 CGIAR Financing Plan and compares it with the 2007 actual.

**Table 1: Summary of 2009 CGIAR Financing Plan**  
(in \$million)

	<b>2009 Proposal</b>	<b>2007 Actual</b>
<b><u>Investments</u></b>		
Centers	508	446
Challenge Programs		
Centers	24	31
Partners	34	17
System Office and Committees	10	12
<b>Total Investments</b>	<b>576</b>	<b>506</b>
<b><u>Financing</u></b>		
Investor Grants		
Centers	473	435
Challenge Programs		
Centers	18	31
Partners	20	17
System Office and Committees	10	12
<b>Total Grants</b>	<b>521</b>	<b>495</b>
Earned Income	20	25
Other sources (under negotiation / reserves)	35	(14)
<b>Total Financing</b>	<b>576</b>	<b>506</b>

Table 2 compares the Challenge Program 2009 investment proposal with actual 2007.

**Table 2: Investment Proposals for Challenge Programs <sup>1</sup>**  
(in \$million)

	2009 Proposal	2007 Actual
Generation	20	16
HarvestPlus	16	14
Water and Food	12	15
Sub-Saharan Africa	10	3
<b>Total</b>	<b>58</b>	<b>48</b>

<sup>1</sup> Comprises of components implemented by both CGIAR Centers and Partners

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

**Table 3: Financing the 2009 Research Agenda**  
(in \$million)

Center	2009 Proposal	Financing by			Memo : Changes		
		Investor Grants	Center Income	Other Sources/ (Reserves)	2007 Actual Grants	2009 vs 2007 Inc/(Dec) Amount	2009 vs 2007 Inc/(Dec) Percent
Africa Rice	17.1	17.0	0.5	(0.4)	10.2	6.8	67%
Bioversity	38.5	37.6	0.8	0.0	39.0	(1.4)	-4%
CIAT	44.8	41.3	2.3	1.2	45.1	(3.7)	-8%
CIFOR	20.7	19.8	0.5	0.4	18.2	1.7	9%
CIMMYT	41.0	31.4	1.0	8.6	43.3	(11.9)	-27%
CIP	31.6	31.2	0.6	(0.2)	26.0	5.2	20%
ICARDA	32.0	29.4	2.6	0.0	27.7	1.7	6%
ICRISAT	42.2	39.5	2.4	0.3	37.4	2.1	6%
IFPRI	47.9	42.0	0.7	5.3	46.4	(4.4)	-10%
IITA	46.2	44.2	1.7	0.2	45.1	(0.9)	-2%
ILRI	50.6	46.7	3.3	0.5	35.2	11.5	33%
IRRI	46.4	41.8	1.5	3.1	32.5	9.3	29%
IWMI	20.9	20.4	0.5	(0.0)	23.5	(3.1)	-13%
World Agroforestry	28.9	26.4	1.0	1.6	31.5	(5.2)	-16%
WorldFish	22.9	22.6	0.3	0.0	15.1	7.4	49%
<b>Sub Total</b>	<b>531.6</b>	<b>491.2</b>	<b>19.7</b>	<b>20.7</b>	<b>476.4</b>	<b>15.0</b>	<b>3%</b>
<b>System Office &amp; Committees</b>	<b>10.0</b>	<b>10.0</b>	<b>-</b>	<b>-</b>	<b>1.8</b>	<b>8.0</b>	<b>457%</b>
<b>Challenge Programs Implemented by CGIAR Partners<sup>1</sup></b>							
Generation	12.9	9.1	0.2	3.7	7.1	2.0	28%
HarvestPlus	10.3	-	-	10.3	5.5	(5.5)	-100%
Water and Food	3.9	3.9	-	-	2.4	1.5	64%
Sub Saharan Africa	7.2	7.2	-	-	1.5	5.7	378%
<b>Sub Total</b>	<b>34.4</b>	<b>20.2</b>	<b>0.2</b>	<b>14.0</b>	<b>16.5</b>	<b>3.7</b>	<b>22%</b>
<b>Total</b>	<b>576</b>	<b>521</b>	<b>20</b>	<b>35</b>	<b>495</b>	<b>27</b>	<b>5</b>

Investor grants totaling \$521 million represent the Centers' best estimate at this point in time of the likely support they can reasonably expect in 2009. The projected funding levels are based on confirmed and highly probable sources of forecasted grants.

**Highlights of Member Support:**

The top 5 contributors projected for 2009 compared with 2007 actual are shown in Table 4.

**Table 4: Top 5 Contributors for 2009 and 2007**  
(in \$million)

2009 Projected		2007 Actual	
<b>Overall CGIAR</b>			
<b>World Bank</b>	<b>50</b>	<b>European Commission</b>	<b>62</b>
<b>United Kingdom</b>	<b>48</b>	<b>United States</b>	<b>59</b>
<b>European Commission</b>	<b>38</b>	<b>World Bank</b>	<b>50</b>
<b>United States</b>	<b>38</b>	<b>United Kingdom</b>	<b>45</b>
<b>Canada</b>	<b>33</b>	<b>Canada</b>	<b>31</b>
<b>Developing Countries</b>			
<b>India</b>	<b>7</b>	<b>India</b>	<b>7</b>
<b>Egypt</b>	<b>3</b>	<b>China</b>	<b>1</b>
<b>Iran</b>	<b>1</b>	<b>Kenya</b>	<b>1</b>
<b>Colombia</b>	<b>1</b>	<b>Pakistan</b>	<b>1</b>
<b>South Africa</b>	<b>1</b>	<b>Colombia</b>	<b>1</b>

**Allocation of 2009 Investment**

Of the 2009 investment, 50 percent is projected to be allocated to Sub-Saharan Africa, compared to the 2007 actual of 48 percent, due to an increase in focus to Sub-Saharan Africa from CIP, IRRI, CIFOR and ICARDA.

In terms of programmatic allocations, it is worth noting that, as part of the change effort, the CGIAR expects to adopt a programmatic portfolio that will be underpinned by three strategic objectives: Food, Environment and Policies.

The current research orientation is based on five priority areas, and the allocation of the 2009 investment by Priority Area is illustrated in table 5.<sup>4</sup>

<sup>4</sup> More detailed allocation of the 2009 projected investment is available in the CGIAR Financial Information System.

**Table 5: Allocation of Resources by Priority Area**  
(percentage)

<b>Priority Areas</b>	<b>2009 Proposal</b>	<b>2007 Actual</b>
<b>Sustaining Biodiversity</b> for Current and Future Generations	11%	13%
Producing More and Better Food at Lower cost through <b>Genetic Improvement</b>	28%	24%
Reducing Rural Poverty through Agricultural Diversification & Emerging Opportunities <b>High Value commodities</b> and Products	14%	11%
Poverty Alleviation and <b>Sustainable Management of Water, Land and Forest Resources</b>	23%	22%
<b>Improving Policies</b> and Facilitating Institutional Innovation to Support Sustainable Reduction of Poverty and Hunger	17%	23%
<b>Sub total</b>	<b>93%</b>	<b>93%</b>
<b>Others</b>		
Development Activities	2%	3%
Standalone Training	2%	2%
New Research Areas	3%	2%
<b>Sub total</b>	<b>7%</b>	<b>7%</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

CIMMYT, CIP and ICRISAT led the apparent refocusing on genetic improvement, while CIFOR, CIP and World Agroforestry led the reduction in the focus on policies.