

CGIAR



2003 CGIAR FINANCIAL REPORT

**A Collaborative Project of the
CGIAR Secretariat and CIAT**

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Finance Director, CIAT**

2003 CGIAR Financial Report

- **A Collaborative Project between Secretariat and Centro Internacional de Agricultura Tropical – CIAT (New Ways of collaboration- Forging Ahead with System Office)**
- **Peer Review-New way of enhancing best practice**
- **Snapshot of System Finances 2002 and 2003**
- **Donor Contributions (System and Center Levels)**
- **Challenge Programs**
- **Spending – Different Configurations (System and Center Levels)**
- **System and Center Financial Analysis (Financial Indicators)**
- **Compliance and Accountability (Mechanisms and Enforcement)**
- **Questions**



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2003 Plan Compared to Actual Investment (Spending) (US\$ M)

	2003 Plan	2003 Actual	Variance
Contributions	358	381	23
Center Income	12	17	5
Total Revenue	370	398	28
Investment	376	395	19
Results of operations	(6)	3	9



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CGIAR Statement of Activity 2002 and 2003 (US\$ M)

	<u>2002</u>		<u>2003</u>	
	US\$	%	US\$	%
Contributions	357	96%	381	96%
Center Income	14	4%	17	4%
	<hr/>		<hr/>	
	371		398	
Personnel	187	49%	186	47%
Supplies/Services	152	40%	166	42%
Travel	27	7%	28	7%
Depreciation	15	4%	15	4%
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	381 ¹		395	
Results of Operations	(10)		3	

¹ Includes System level activities not shown in 2002 Financial Report



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CGIAR Financial Position 2002 and 2003 (US\$ M)

	2002	2003
Total Current Assets	293	356
- <i>Cash</i>	<i>149</i>	<i>201</i>
- <i>Member Receivables</i>	<i>73</i>	<i>88</i>
Fixed Assets (Net)	77	80
Total Assets	370	436
Current Liabilities	167	201
- <i>Member Payables</i>	<i>79</i>	<i>111</i>
- <i>Accruals and Provisions</i>	<i>42</i>	<i>30</i>
Long Term Liabilities	28	26
Total Liabilities	195	227
Net Assets	175	209
Total Liabilities and Net Assets	370	436



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Total Members groups Contributions 1972-2003 (US\$ M)

Total Contributions 1972-2003		6,373
Europe	2,336	37%
North America	1,449	23%
Pacific Rim	695	11%
Developing Countries	151	2%
Foundations	145	2%
Int'l & Regional Org	1,456	23%
Non-members	141	2%



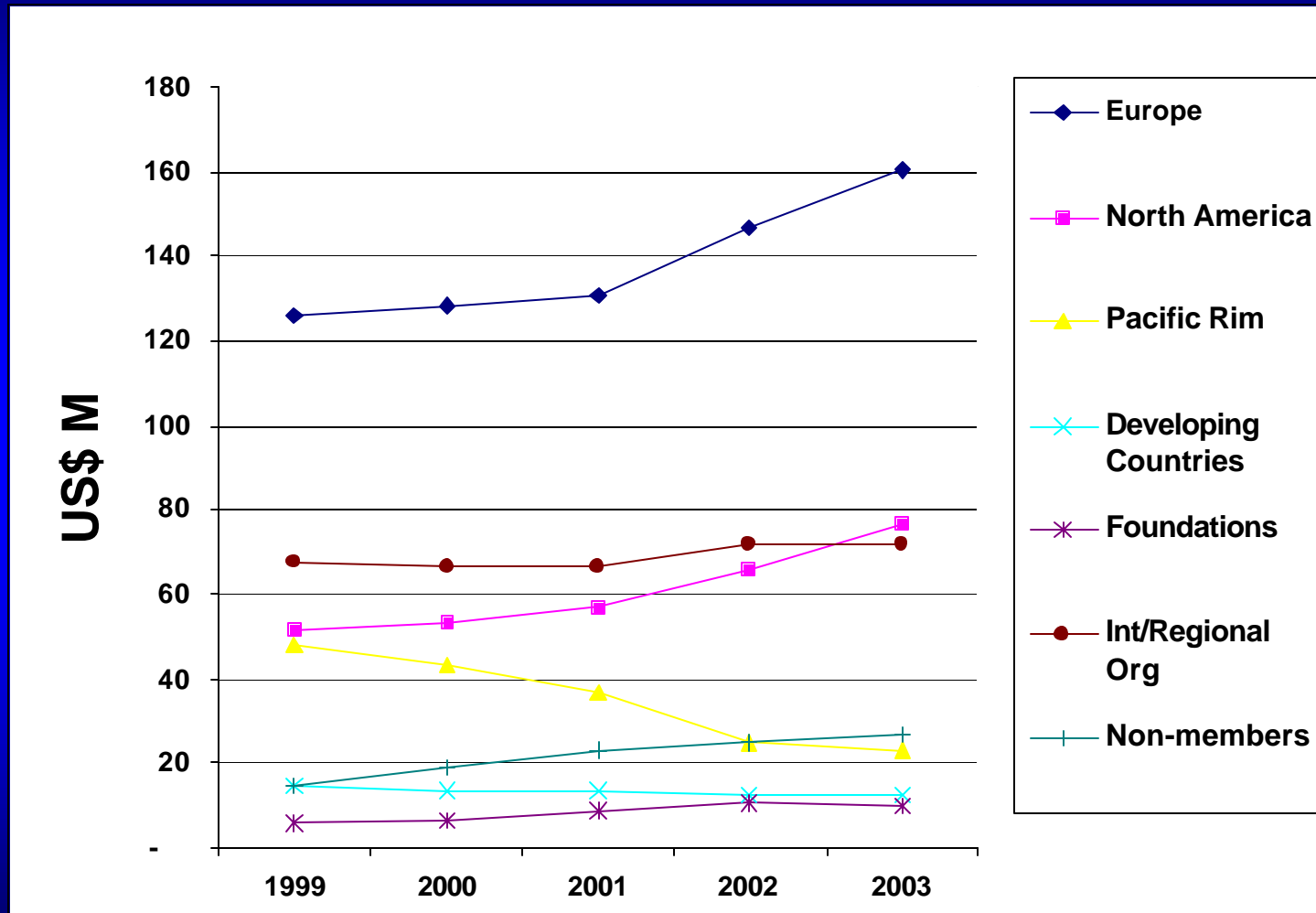
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Contribution Trends by member group 1999-2003 (US\$ M)



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2003 Total Contributions (US\$ M)

	<u>2002</u>	<u>2003</u>	<u>Change</u>		#
			<u>US\$M</u>	<u>%</u>	
Europe	147	161	14	9%	17
North America	66	76	11	17%	2
Pacific Rim	25	23	(2)	-8%	3
Developing Countries	13	12	(1)	-4%	18
Foundations	11	10	(1)	-5%	4
Int'l & Regional Org	72	72	0	0%	11
Non-members	<u>25</u>	<u>27</u>	2	8%	
Total Contributions	357	381	24	7%	55

55 of 62 CGIAR members



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2003 Composition of Contributions (US\$ M)

Unrestricted contribution up in monetary terms

	<u>2002</u>		%	<u>2003</u>		%
	<u>Unrestricted</u>	<u>Restricted</u>		<u>Unrestricted</u>	<u>Restricted</u>	
Europe	48	99	33%	54	106	34%
North America	34	32	51%	43	34	56%
Pacific Rim	20	5	81%	18	5	77%
Developing Countries	4	9	29%	4	8	35%
Foundations	0	9	0%	0	10	0%
Int'l & Regional Org	50	22	70%	50	22	70%
Non-members	<u>0</u>	<u>26</u>	0%	<u>0</u>	<u>27</u>	0%
Total Contributions	156	201	44%	169	212	44%



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Top Ten European Contributors provide 92% of the **US\$161M**

Europe	<u>US\$M</u>	<u>%</u>
European Commission	27.2	17%
United Kingdom	26.4	16%
Netherlands	19.2	12%
Switzerland	15.6	10%
Sweden	13.6	8%
Germany	11.6	7%
Norway	11.2	7%
Denmark	9.1	6%
France	7.6	5%
Belgium	<u>6.4</u>	<u>4%</u>
Total	148.1	92%



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North America		<u>US\$ M</u>	
United States	+0.70	55.5	73%
Canada	+10.2	20.9	27%
Total		76.4	

Pacific Rim		<u>US\$ M</u>	
Japan	-2.1	15.0	65%
Australia		7.3	32%
New Zealand		0.8	3%
Total		23.1	



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Top Ten Developing Country Contributors provide 82% of **US\$12M**

Developing Countries	<u>US\$ M</u>	
Colombia	2.3	19%
India	1.3	10%
Korea, Republic of	1.2	10%
Iran, Islamic Republic of	1.2	10%
China	1.0	8%
South Africa	0.8	7%
Mexico	0.7	6%
Uganda	0.6	5%
Egypt, Arab Republic of	0.5	4%
Morocco	<u>0.5</u>	4%
Total	10.0	82%



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7 Int./Regional Org contributors provide 98% of the US\$72M

	<u>US\$ M</u>	
World Bank	50.0	70%
ADB	6.0	8%
IFAD	5.7	8%
UNEP	3.6	5%
FAO	2.0	3%
IDRC	1.9	3%
UNDP	<u>1.1</u>	1%
	70.3	98%

Foundations

	<u>US\$ M</u>	
Rockefeller Foundation	7.8	78%
Syngenta Foundation	1.1	11%
Ford Foundation	0.8	8%
Kellogg Foundation	<u>0.3</u>	3%
	10.0	



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Top 13 CGIAR Contributors provide 75% of 2003 Total of **US\$ 381M**

<u>2003</u>		<u>2002</u>	<u>US\$ M</u>	<u>%</u>
1	United States	1	56	15%
2	World Bank	2	50	13%
3	European Comm.	4	27	7%
4	United Kingdom	3	26	7%
5	Canada	8	21	5%
6	Netherlands	5	19	5%
7	Switzerland	7	16	4%
8	Japan	6	15	4%
9	Sweden	9	14	4%
10	Germany	10	12	3%
11	Norway	12	11	3%
12	Denmark	11	9	2%
13	Rockefeller Fdn	14	8	2%
			<u>283</u>	75%



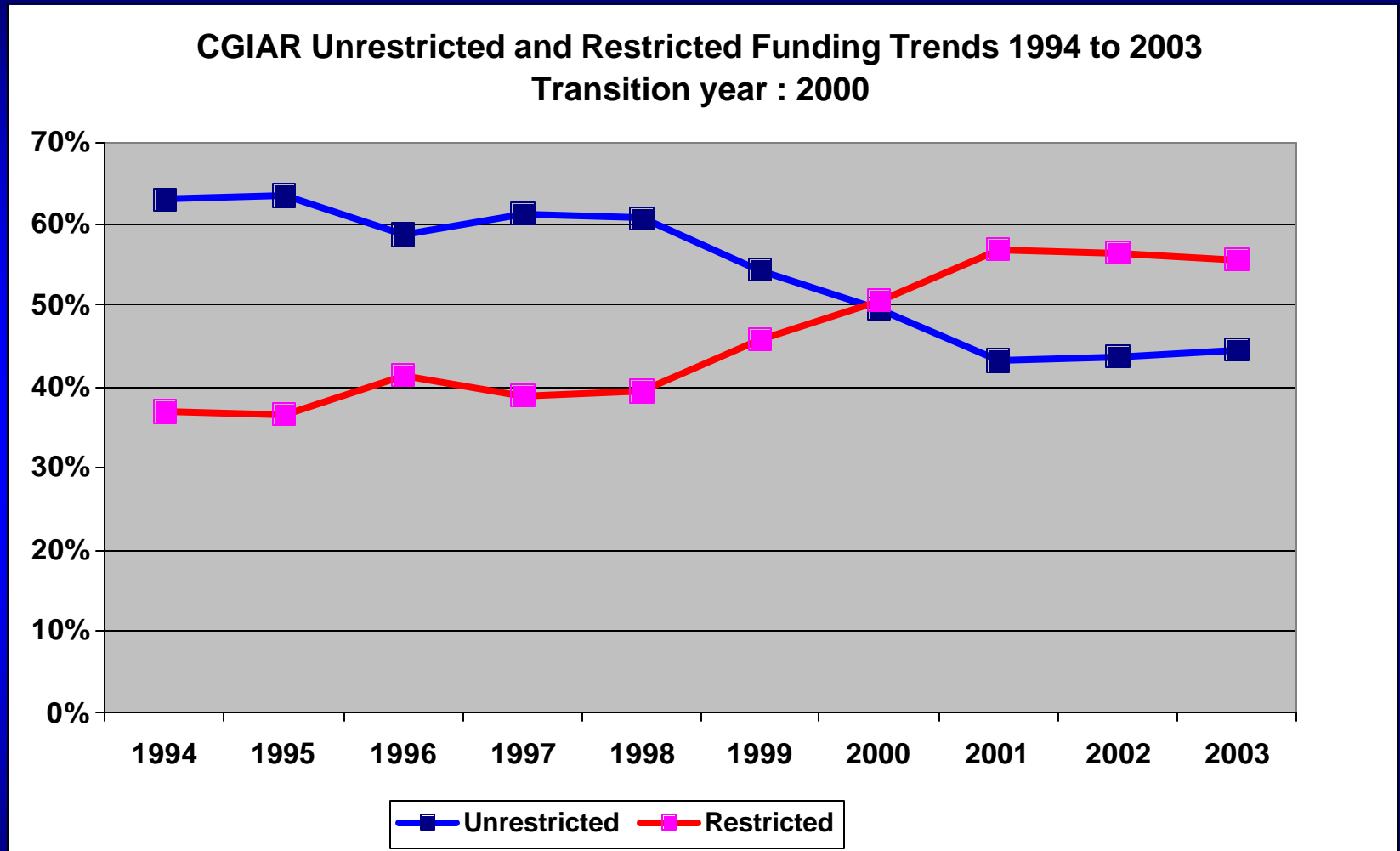
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Summary of the Challenge Programs 2003 (US\$M)

	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u>
Harvest Plus	10.1	2.0	8.0
Water & Food	6.8	5.0	1.8
Generation	1.0	0.8	0.1
SSA (under preparation)	<u>0.6</u>	<u>0.0</u>	<u>0.6</u>
Sub-total	18.4	7.8	10.5
Unallocated (Austria)	<u>0.3</u>		<u>0.3</u>
Total	18.6	7.8	10.8

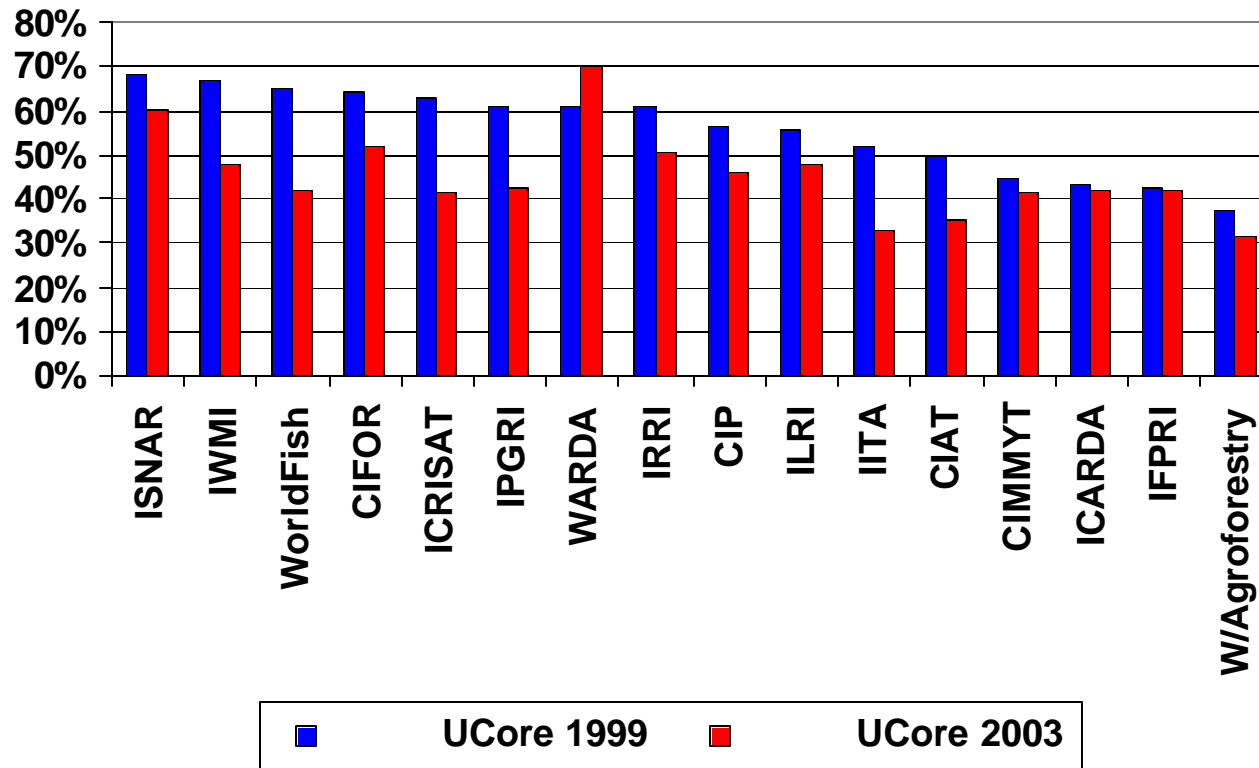


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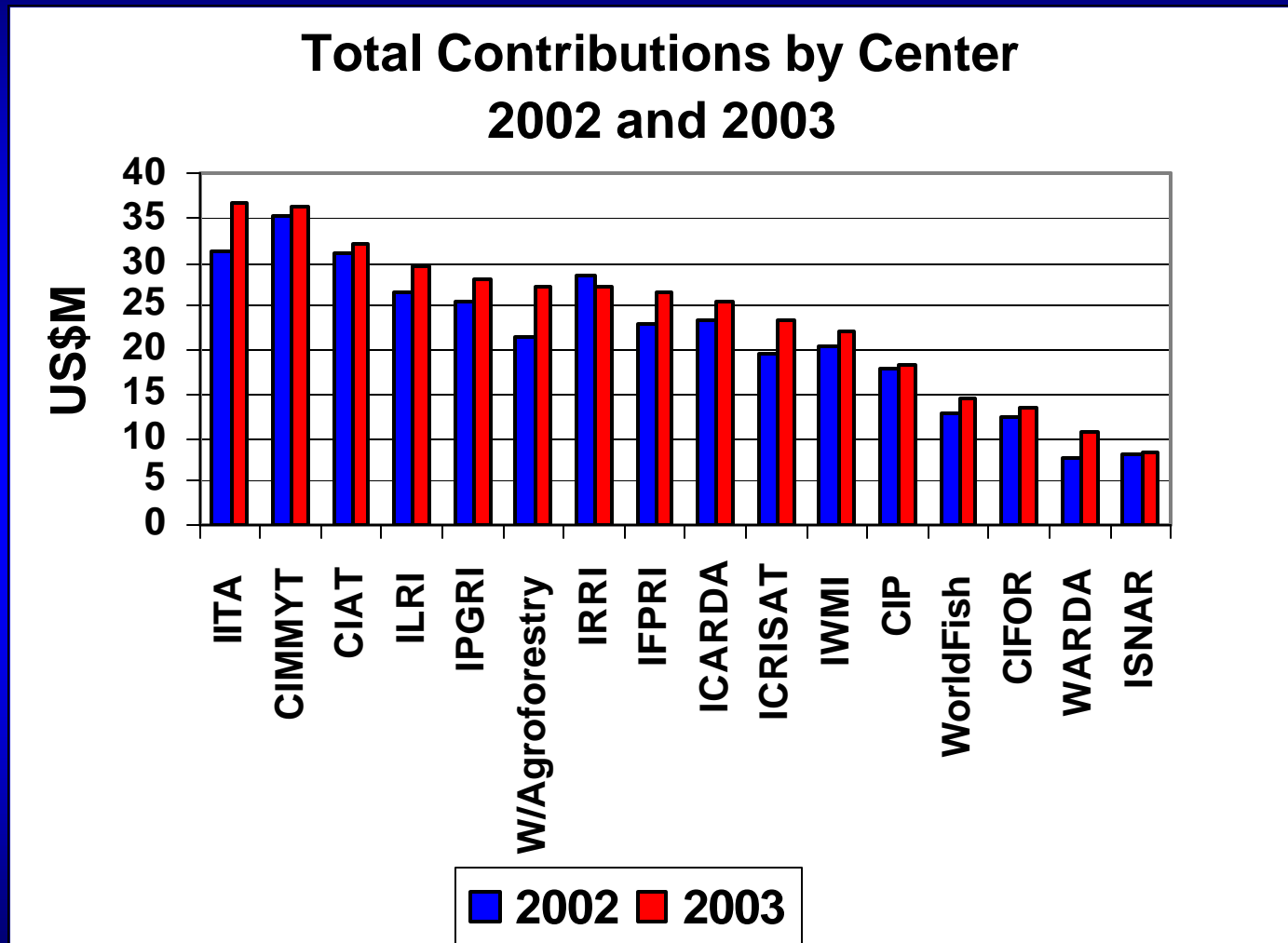
Unrestricted Contributions by Center
1999 and 2003



System 1999: 54% - 2003: 44%

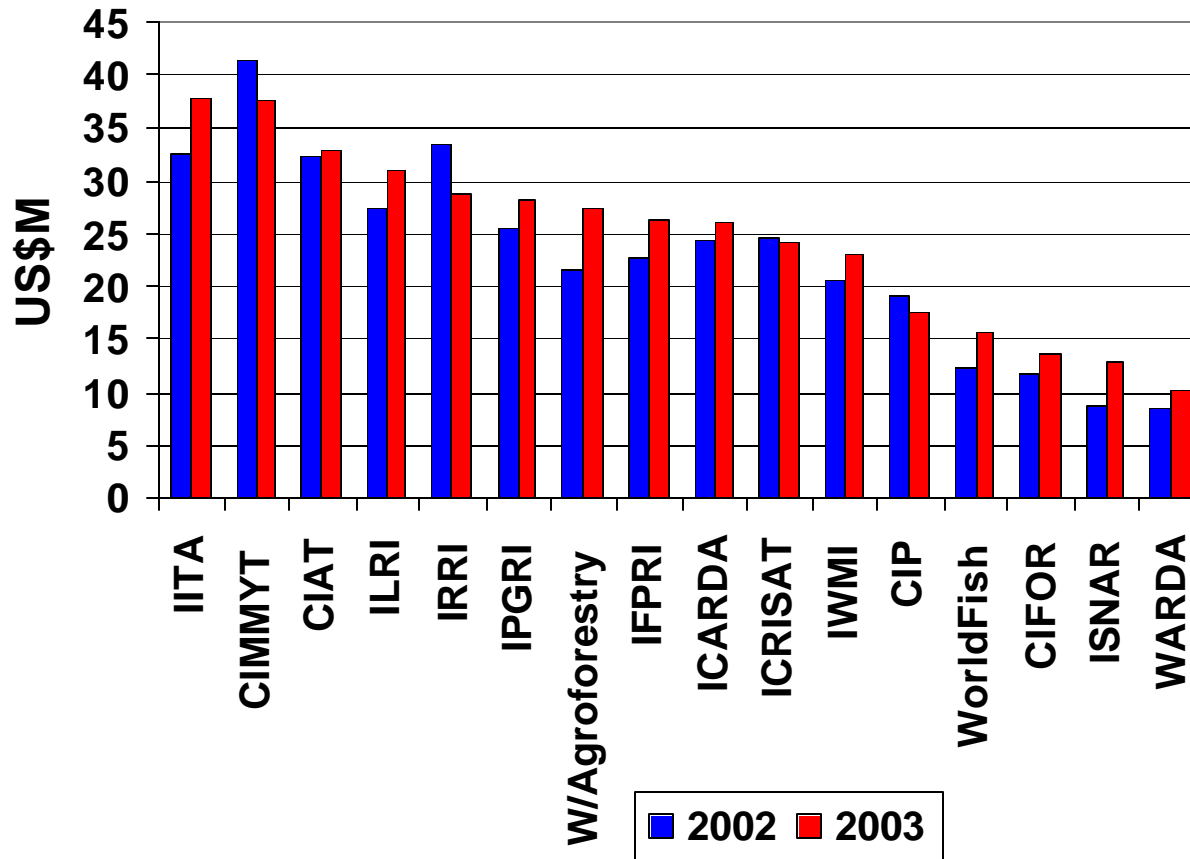


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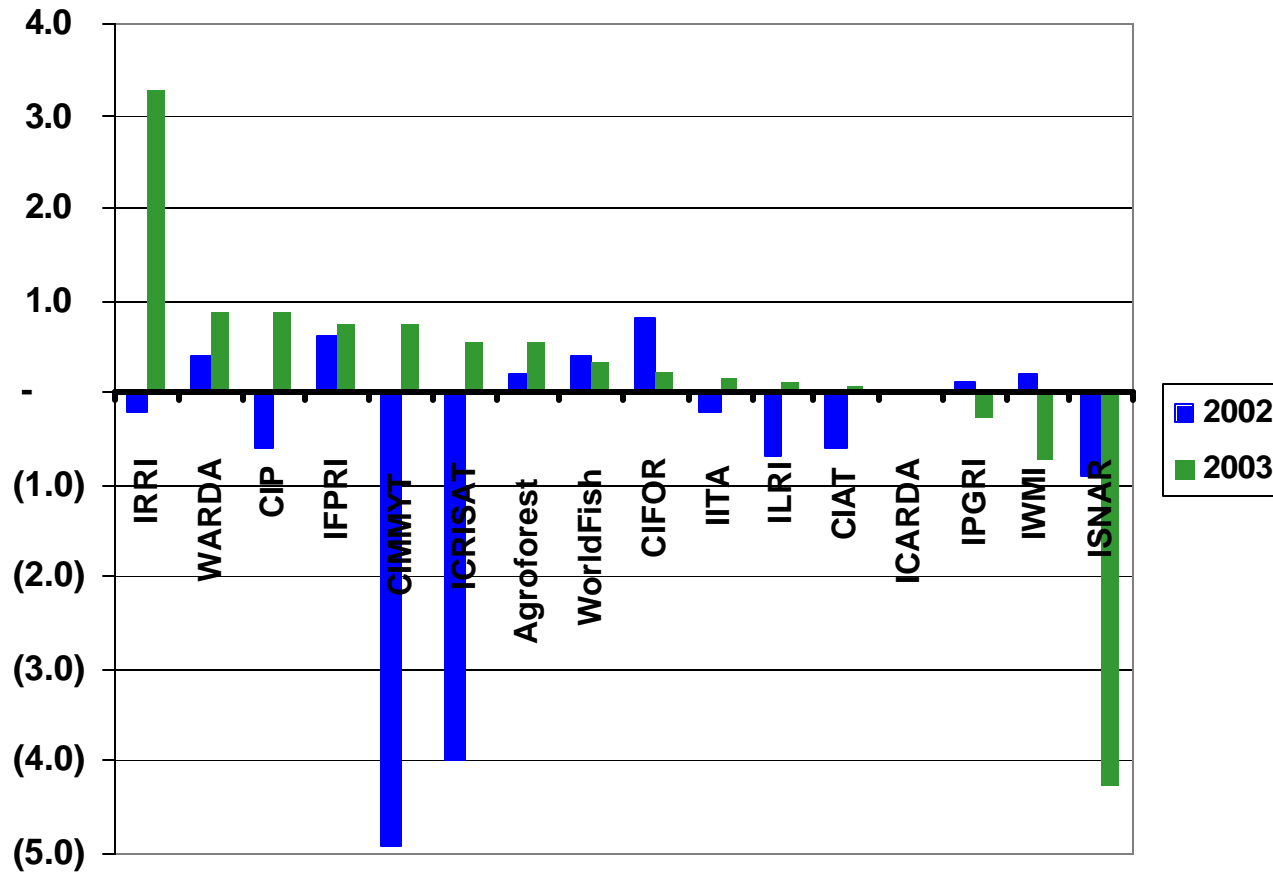
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Investment (Spending) by Center
2002 and 2003



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2003 Results by Center (\$M)
Surplus: 2002- 3 centers / 2003- 8 centers



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2003 Centers Expenditures By Region

	<u>2002</u>		<u>2003</u>	
	<u>US\$ M</u>	<u>%</u>	<u>US\$ M</u>	<u>%</u>
Sub-Saharan Africa	164	43%	180	46%
Asia	126	33%	125	32%
Latin America/ Caribbean	57	15%	54	14%
West Asia and North Africa	<u>34</u>	9%	<u>36</u>	9%
Total	381		395	



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2003 Centers Expenditures by Outputs

	<u>2002</u>		<u>2003</u>	
	<u>US\$ M</u>	<u>%</u>	<u>US\$ M</u>	<u>%</u>
Germplasm Improvement	69	18%	67	17%
Germplasm Collection	38	10%	43	11%
Sustainable Production	133	35%	134	34%
Policy	57	15%	63	16%
Enhancing NARS	<u>84</u>	22%	<u>87</u>	22%
Total	381		395	



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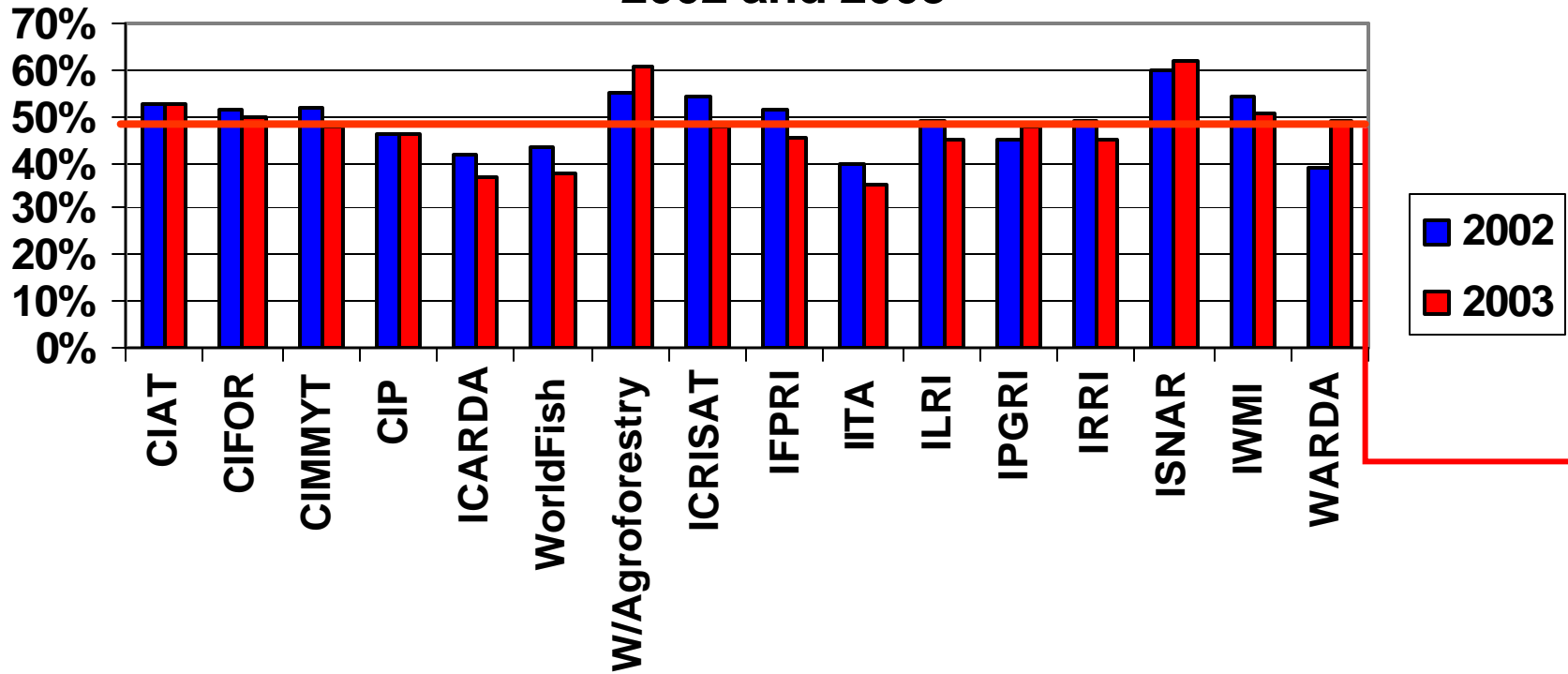
2003 Centers Expenditures By Object

	2002		2003	
	<u>US\$ M</u>	<u>%</u>	<u>US\$ M</u>	<u>%</u>
Personnel	187	49%	186	47%
Supplies/services	152	40%	166	42%
Travel	27	7%	28	7%
Depreciation	<u>15</u>	4%	<u>15</u>	4%
Total	381		395	



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Centers Personnel Costs 2002 and 2003



CGIAR Average 47%



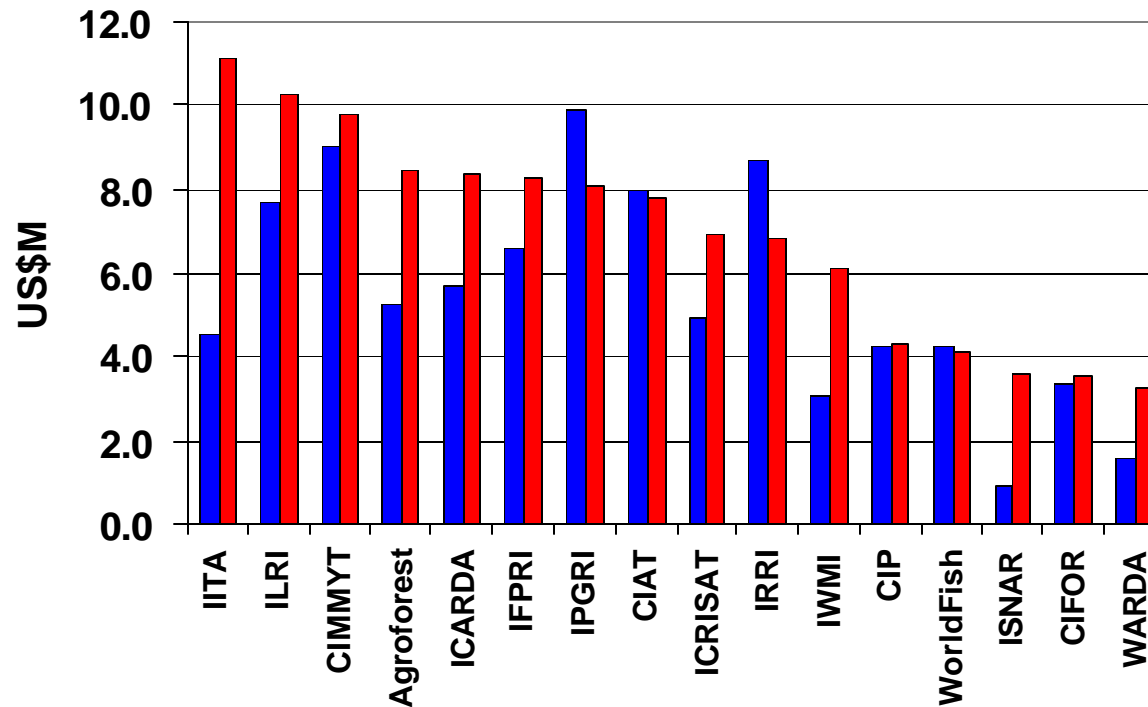
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Liquidity and Financial Management Receivables and Payables

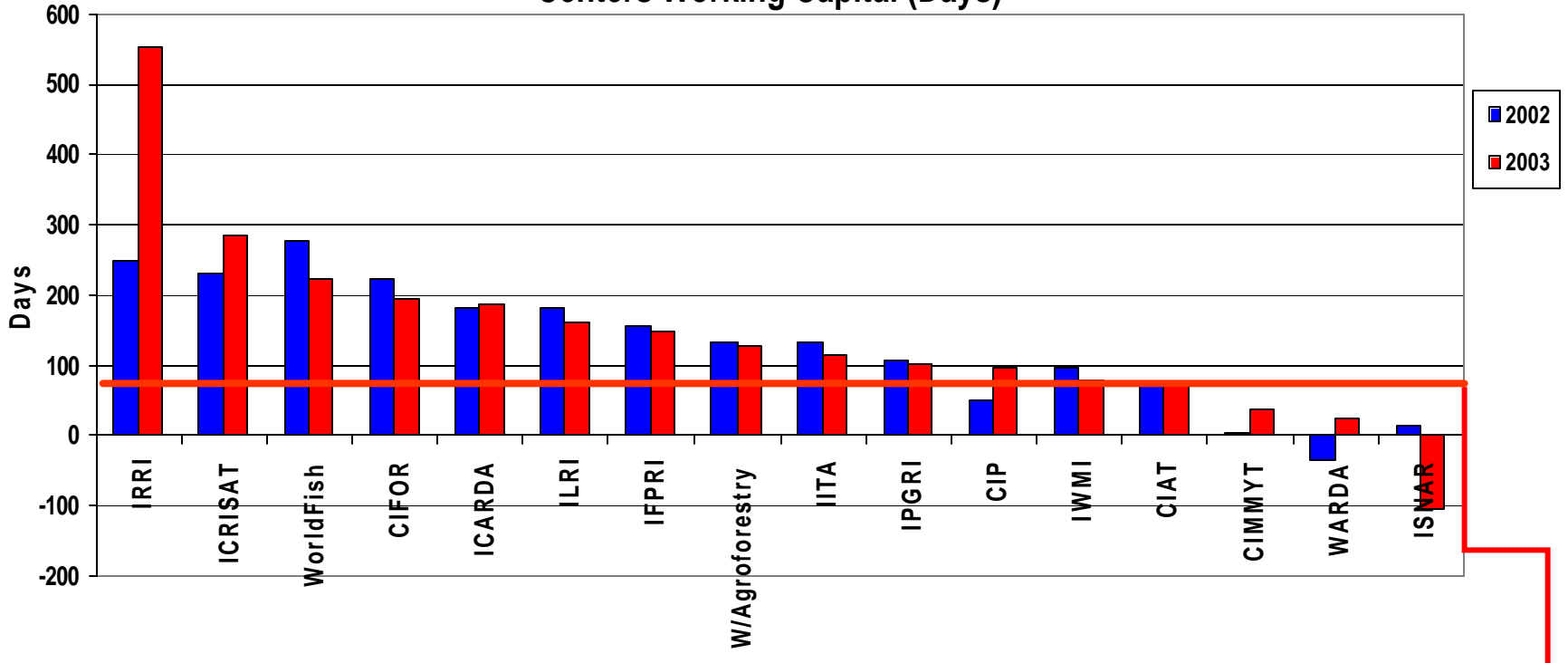


Members Receivables (+\$15M) Members Payables (+\$33M)



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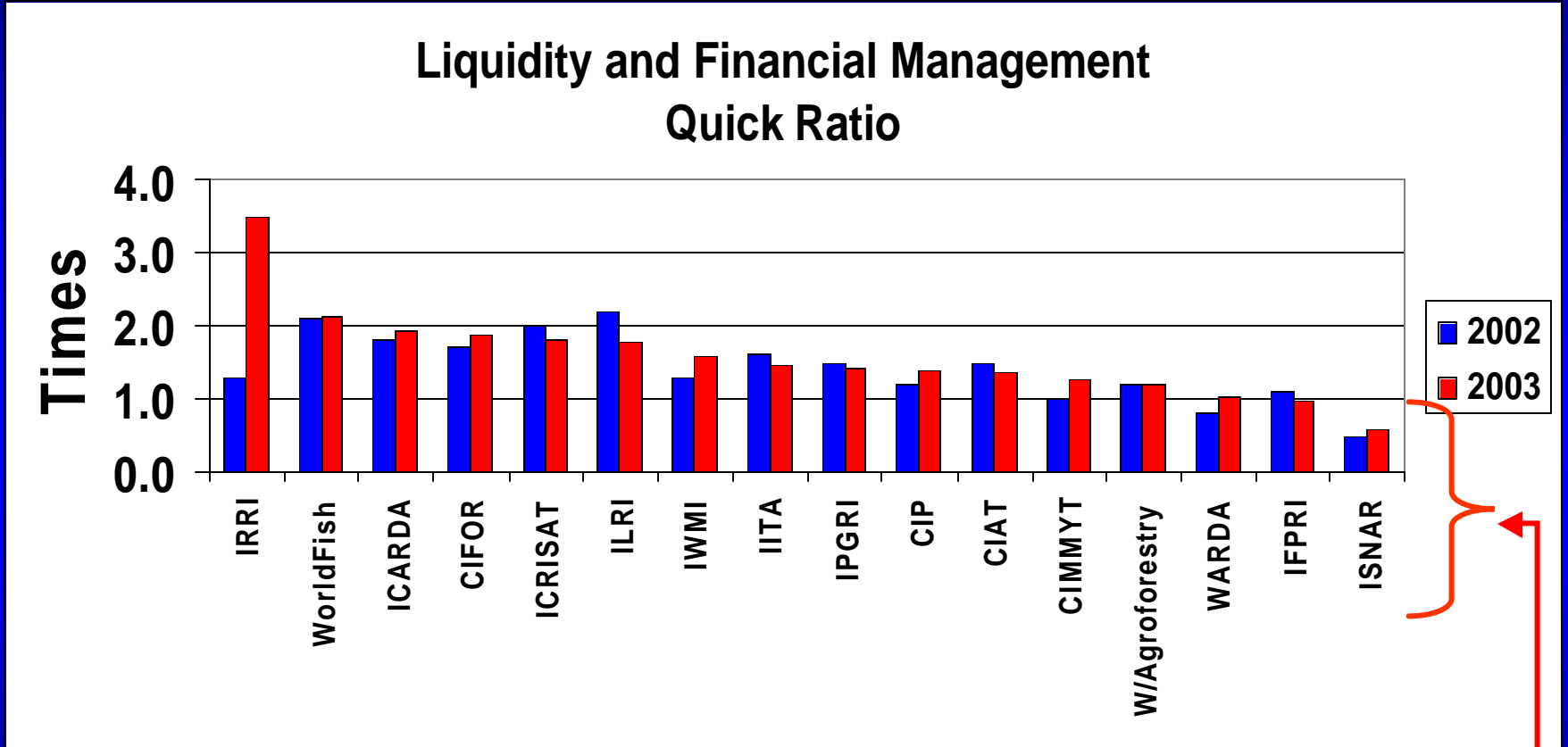
Liquidity and Financial Management
Centers Working Capital (Days)



90 Days



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< One



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Matrix of Financial Indicators

	Zero Deficit (Deficit) \$M	90 Days Working Capital	NA-FA Expenditures 90-120 Days Equity
CIAT	0.1	75	58
CIFOR	0.2	197	197
CIMMYT	0.7	39	33
CIP	0.9	97	97
ICARDA	0.0	188	132
WorldFish	0.3	223	216
Agroforest	0.5	128	71
ICRISAT	0.6	284	167
IFPRI	0.7	150	128
IITA	0.2	113	113
ILRI	0.1	159	176
IPGRI	(0.3)	101	67
IRRI	3.3	553	523
ISNAR	(4.3)	(106)	(106)
IWMI	(0.7)	78	54
WARDA	0.9	22	23
Average	0.2	151	127
		Above CGIAR standard	
		Border line	
		Below CGIAR standard	



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Compliance and Accountability

Compliance:

- 1. Is a set of agreed behaviors and practices by 16 Centers that imparts Confidence in the System as a Whole.**
- 2. Maintains and enhances Reputational Risk of System.**
- 3. Has three components: (Fiduciary Management, Reporting, Collaboration)**



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Compliance and Accountability

Fiduciary Management

- ❖ Risk assessment & risk management
- ❖ Financial position/ratios
- ❖ Internal control
- ❖ Financial systems
- ❖ (Finance) Human resources
- ❖ External financial relations (donors, banking, auditors, vendors, etc)



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Compliance and Accountability

Financial Reporting

- ❖ **Internal – must meet needs of BoT, management and special needs**
- ❖ **External – FGS must meet needs:**
 - ❖ **Members/Donors**
 - ❖ **General public**
- ❖ **Understand Needs of Users as: Timeliness, Reliability, Format, Presentation, Readability**

Collaboration

- ❖ **Internal Audit, HR-SAS, ICT, SC, Financial products.**



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Compliance and Accountability

Peer Review of 2003 Center Financial Statements suggested need for improvements in:

- ❖ **Compliance with guidelines**
- ❖ **Accounting**
- ❖ **Consistency of presentations/definitions**
- ❖ **Consistency of data**
- ❖ **Compliance with timing**



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Compliance and Accountability

Towards Best Practice:

- ❖ Update fiduciary Mgmt & reporting guidelines to international standards
 - ❖ New accounting guidelines (FG2) adopted in 2004
 - ❖ Financial Mgmt guidelines (FG1) update 2004/2005
- ❖ Continue active monitoring of fiduciary benchmarks
- ❖ Peer Review mechanism
- ❖ FG2 implementation workshop

Best practice →

- a. Reputational risk
- b. Financial support



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