



June 30, 2017

## **Consultative Group on International Agricultural Research (CGIAR) Fund**

Administered by the International Bank for Reconstruction and Development as Trustee

**World Bank Reference: TF069018**

**Independent Auditors' Report and Statement of Receipts,  
Disbursements and Fund Balance**

**The World Bank Group**

Trust Funds Division, Trust Funds and Loans Department  
Finance & Accounting Vice Presidency

[www.worldbank.org](http://www.worldbank.org)



KPMG LLP  
Suite 12000  
1801 K Street, NW  
Washington, DC 20006

## **Independent Auditors' Report**

International Bank for Reconstruction and Development; as Trustee of the Consultive Group on International Agricultural Research Trust Fund – TF069018:

We have audited the accompanying statement of receipts, disbursements and fund balance (the Statement) of the Consultive Group on International Agricultural Research Trust Fund – TF069018 (the Trust Fund) under administration by the International Bank for Reconstruction and Development (the Trustee) for the period from January 1, 2017 to June 30, 2017, and the related notes to the Statement.

### ***Management's Responsibility for the Statement***

Management is responsible for the preparation and fair presentation of the Statement in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the Statement. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the Statement referred to above presents fairly, in all material respects, the receipts, disbursements and fund balance of the Trust Fund for the period from January 1, 2017 to June 30, 2017, in accordance with the modified cash basis of accounting described in Note 2.



***Basis of Accounting:***

We draw attention to Note 2 to the Statement, which describes the basis of accounting. The Statement is prepared on the modified cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles or International Financial Reporting Standards. Our opinion is not modified with respect to this matter.

*KPMG LLP*

Washington, District of Columbia  
October 24, 2017

# STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2017

All amounts expressed in U.S. dollars unless otherwise noted

	Notes	For the six months ended June 30, 2017	December 1, 2010 (date of inception) to June 30, 2017
Contributions	4	\$144,051,431	\$3,264,801,626
Net investment income	5	65,641	1,700,264
<b>Total receipts</b>		<u>144,117,072</u>	<u>3,266,501,890</u>
Disbursements to CGIAR Centers	6	142,159,579	3,163,382,749
Administrative budget disbursements, net	7	9,993,000	103,024,697
<b>Total disbursements</b>		<u>152,152,579</u>	<u>3,266,407,446</u>
Excess of (disbursements over receipts)/receipts over disbursements before foreign currency adjustment		(8,035,507)	94,444
Foreign currency adjustment	2	284	632,952
Excess of (disbursements over receipts)/receipts over disbursements after foreign currency adjustment		(8,035,223)	727,396
<b>Fund Balance:</b>			
Beginning of period		8,762,619	-
<b>End of period</b>	3	<u>\$ 727,396</u>	<u>\$ 727,396</u>
Fund balance consists of:			
Trust Fund's share of the cash and investments in the Pool	3	<u>\$ 727,396</u>	<u>\$ 727,396</u>

The accompanying notes are an integral part of this Statement of Receipts, Disbursements and Fund Balance.

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2017

*All amounts expressed in U.S. dollars unless otherwise noted*

## Note 1 - Organization

The Consultative Group on International Agricultural Research (CGIAR), established in 1971, is a global partnership of organizations engaged in scientific research and other research related activities in the fields of agriculture, forestry, fisheries and natural resources and their founders, with the vision of reducing poverty and hunger, improving human health and nutrition and enhancing ecosystem resilience.

The founders include developing and industrialized country governments, foundations, and international and regional organizations. The research itself is carried out by the 15 independent member centers (CGIAR Centers) of the Consortium of International Agricultural Research Centers, in close collaboration with hundreds of partner organizations, including national and regional research institutes, civil society organizations, academia, and the private sector. In November 2016, the legal name of the Consortium officially changed to CGIAR System Organization.

The CGIAR Fund (Trust Fund) is a multi-donor trust fund administered by the International Bank for Reconstruction and Development (IBRD) as Trustee. The Trust Fund is governed by the CGIAR System Council, which replaced the former Fund Council. The CGIAR System Council is a representative body of the Trust Fund donors and other stakeholders and is the decision-making body of the Trust Fund. In July 2016, CGIAR transitioned to a new governance model consisting of the CGIAR System Council, System Organization, General Assembly of Centers, Advisory Bodies and the Partnership Forum. The System Council approves research programs based on the advice provided by Independent Science and Partnership Council (ISPC), a panel of leading scientific experts. The System Organization, distinct from IBRD's role as Trustee, provides support to the System Council and liaises with other CGIAR participants. The Independent Evaluation Arrangement (IEA) is an independent unit which supports the CGIAR in the pursuit of its objectives. The IEA manages and supports external evaluations that aim to provide accountability, support to decision making, and lessons for improving quality and effectiveness of agricultural research for development outcomes.

The Trustee established the Trust Fund on December 1, 2010 (date of inception, hereinafter referred to as "Inception"), to hold and subsequently disburse funds for programs and other activities approved by the System Council, upon appropriate disbursement requests from the System Organization, or under the instructions from the donors, as applicable. The Trustee has no fiduciary responsibility subsequent to transferring funds to the recipient. The Trustee also manages the investment of the Trust Fund's assets, and provides accounting and financial reporting services for the Trust Fund.

The Statement of Receipts, Disbursements and Fund Balance (the Statement) reports solely upon the receipts, disbursements and fund balance of the Trust Fund, and does not include the activities or financial position of the System Council, the System Organization or any of the recipients. The Trust Fund has completed its activities as of June 30, 2017 and hence, the statement represents the transactions for the period from January 1, 2017 to June 30, 2017.

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2017

All amounts expressed in U.S. dollars unless otherwise noted

## Note 2 - Significant accounting policies

### *Basis of preparation*

The Statement has been prepared on the cash receipts and disbursements basis of accounting, modified to record the Trust Fund's share in the pooled cash and investments at fair value (modified cash basis of accounting). Accordingly, net investment income includes the Trust Fund's share of realized and unrealized investment income/loss (see Note 3).

The modified cash basis of accounting is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (U.S. GAAP) or International Financial Reporting Standards (IFRS); therefore, the Statement is not intended to be a presentation in conformity with U.S. GAAP or IFRS. Receipts, with the exception of net investment income, as described above and in Note 5, are reported when collected (i.e., when credited to the Trust Fund) rather than when pledged/earned, and disbursements are reported when paid (i.e., when debited to the Trust Fund) rather than when incurred. For example, the following transactions may be incurred in one period and reported in a different period: (1) contributions not credited to the Trust Fund at the period end date due to timing or other reasons, (2) disbursements, including approved grant payments, not debited to the Trust Fund at period end due to timing or other reasons; and (3) any refunds of previous disbursements deemed by the Trustee, to be ineligible in accordance with the Agreements.

### *Treatment of foreign currency transactions*

The Statement is presented in U.S. dollars, which is the Trust Fund's functional and reporting currency. Transactions in currencies other than U.S. dollars are reported as follows:

- i) Contributions received by the Trust Fund in various currencies are converted into U.S. dollars by IBRD, as Trustee, upon receipt of funds and receipt of countersigned contribution agreements. Foreign currency transaction gains or losses, if any, on conversion of the contributions are borne by the Trust Fund and are reported under contributions in the Statement.
- ii) Disbursements to CGIAR centers in currencies other than U.S. dollars, if any, are reported at the rates of exchange prevailing on the date of transaction and hence do not result in any exchange gain/loss to the Trust Fund.
- iii) At the end of each reporting period, fund balances that are not denominated in U.S. dollars, if any, are revalued at the market rate of exchange prevailing at the end of the respective reporting period. Any adjustment resulting from currency exchange rate changes are recognized as foreign currency adjustment in the Statement.

## NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2017

*All amounts expressed in U.S. dollars unless otherwise noted*

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### *Use of estimates*

The preparation of the Statement requires management to make estimates and assumptions based upon information available as of the date of the Statement. Actual results could differ from these estimates. Management makes estimates and assumptions in determining the amounts to be recorded in the fair value of modified cash basis trust funds' share of the pooled cash and investments. (See Notes 3 and 5)

### **Note 3 - Trust Fund's share of the cash and investments in the Pool**

Amounts paid into the Trust Fund but not yet disbursed are managed by IBRD, which maintains an investment portfolio (the Pool) for all of the trust funds administered by IBRD, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency, and the International Centre for Settlement of Investment Disputes (collectively, the World Bank Group). IBRD, on behalf of the World Bank Group, maintains all trust fund assets separate and apart from the funds of the World Bank Group.

The Pool is a trading portfolio and is reported at fair value, with realized and unrealized gains/losses included in net investment income. The share in pooled cash and investments represents the Trust Fund's share of the Pool's fair value at the end of each reporting period. The Trust Fund's share in the Pool is not traded in any market; however, the underlying assets within the Pool are traded, and reported at fair value. All investment decisions are made and performance is monitored at the Pool level.

Generally, the Pool includes cash and liquid financial instruments such as government and agency obligations, time deposits, money market securities, and asset-backed securities. Additionally, the Pool includes equity securities, derivative contracts such as currency forward contracts, currency swaps, interest rate swaps, and contracts to purchase or sell mortgage-backed securities to-be-announced (TBAs). Payables and receivables associated with the investment activities are also included in the Pool. The Pool may also include securities pledged as collateral under repurchase agreements, receivables from resale agreements and derivatives for which it has accepted collateral.

The Pool is divided into sub-portfolios to which allocations are made based on fund-specific investment horizons, risk tolerances and/or other eligibility requirements for trust funds with common characteristics as determined by IBRD, on behalf of the World Bank Group. An individual sub-portfolio may hold all or a portion of the types of financial instruments held by the Pool.

The Trust Fund's share of the cash and investments in the Pool has a fair value of \$727,396 as of June 30, 2017.

# NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2017

All amounts expressed in U.S. dollars unless otherwise noted

## Note 4 - Contributions

Amounts committed by donors and received by the Trust Fund during the six months ended June 30, 2017 and for the period from Inception to June 30, 2017 are as follows:

Donor		Amounts committed	For the six months ended June 30, 2017		December 1, 2010 (date of inception) to June 30, 2017				
			Amounts received	Amounts received in USD	Amounts received	Amounts received in USD			
Australia	A\$	170,144,195	A\$	1,362,487	1,036,839	A\$	170,144,195	\$	151,504,903
Austria	€	6,803,750	€	-	-	€	4,931,633		5,758,342
Bangladesh	US\$	600,000	US\$	-	-	US\$	600,000		600,000
Belgium	€	33,727,000	€	-	-	€	33,727,000		41,361,487
Bilateral donors <sup>1</sup>	US\$	15,658,657	US\$	-	-	US\$	15,658,657		15,658,657
Bill & Melinda Gates Foundation	US\$	409,290,421	US\$	17,008,026	17,008,026	US\$	409,290,381		409,290,381
Canada	Can\$	113,103,000	Can\$	-	-	Can\$	103,103,000		95,753,913
China	US\$	16,790,085	US\$	3,500,000	3,500,000	US\$	16,790,070		16,790,070
Denmark	DKK	205,000,000	DKK	-	-	DKK	135,000,000		24,298,115
		-	US\$	-	-	US\$	10,432,162		10,432,162
European Community (EC)	€	68,208,881	€	15,609,667	16,686,975	€	67,911,073		82,667,764
Finland	€	14,000,000	€	-	-	€	14,000,000		17,594,700
France	€	7,000,000	€	1,200,000	1,285,680	€	7,000,000		8,630,970
IBRD	US\$	307,000,000	US\$	-	-	US\$	307,000,000		307,000,000
International Fund for Agricultural Development (IFAD)	US\$	20,021,125	US\$	-	-	US\$	20,021,124		20,021,124
India	₹	1,657,708,000	₹	-	-	₹	1,657,708,000		27,226,497
Islamic Republic of Iran	¥	52,672,982	¥	52,672,982	461,927	¥	176,073,982		1,657,123
	US\$	1,237,556		-	-	US\$	-		-
Ireland	€	21,092,500	€	-	-	€	21,092,500		26,563,803
Italy	€	2,197,205	€	-	-	€	2,197,205		3,016,840
Japan	US\$	37,351,006	US\$	1,634,800	1,634,800	US\$	37,351,006		37,351,006
Korea	US\$	1,735,500	US\$	260,000	260,000	US\$	1,735,500		1,735,500
Luxembourg	€	2,600,000	€	-	-	€	2,600,000		3,354,847
Mexico	US\$	6,000,000	US\$	-	-	US\$	3,000,000		3,000,000
Morocco	US\$	3,000,000	US\$	-	-	US\$	2,000,000		2,000,000
Netherlands	€	4,000,000	€	-	-	€	4,000,000		5,359,400
	US\$	245,019,051	US\$	8,100,000	8,100,000	US\$	231,275,554		231,275,554
New Zealand	NZ\$	24,000,000	NZ\$	-	-	NZ\$	24,000,000		18,895,450
Nigeria	US\$	1,200,000	US\$	-	-	US\$	853,042		853,042
Norway	Nkr	612,536,636	Nkr	-	-	Nkr	612,536,636		96,360,751
Portugal	€	1,800,000	€	-	-	€	1,800,000		2,295,090
Russian Federation	US\$	15,000,000	US\$	-	-	US\$	15,000,000		15,000,000
South Africa	US\$	3,000,000	US\$	-	-	US\$	3,000,000		3,000,000
Spain	US\$	500,000	US\$	-	-	US\$	500,000		500,000
	€	515,102	€	-	-	€	515,102		691,412
Sudan	US\$	1,000,000	€	-	-	€	912,653		1,003,723
Sweden	Skr	1,194,500,000	Skr	-	-	Skr	1,137,500,000		160,709,801
Switzerland	SwF	91,300,000	SwF	-	-	SwF	91,300,000		98,243,121
Thailand	US\$	600,000	US\$	-	-	US\$	600,000		600,000
Turkey	US\$	3,000,000	US\$	-	-	US\$	3,000,000		3,000,000
United Arab Emirates	US\$	1,000,000	US\$	-	-	US\$	999,962		999,962
United Kingdom	£	313,520,595	£	8,750,000	10,864,875	£	310,940,595		479,542,887
	US\$	15,340,627	US\$	-	-	US\$	15,340,627		15,340,627
United States	US\$	817,862,601	US\$	83,212,309	83,212,309	US\$	817,862,602		817,862,602
<b>Total</b>				<b>\$144,051,431</b>					<b>\$3,264,801,626</b>

<sup>1</sup> Represents share of administrative budget pertaining to founders contributing directly to the CGIAR Centers and received by the Trust Fund through the CGIAR System Organization.

## NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2017

All amounts expressed in U.S. dollars unless otherwise noted

### Note 5 - Net investment income

Net investment income consists of the Trust Fund's allocated share of the following: interest income earned by the Pool, realized gains/losses from sales of securities and unrealized gains/losses resulting from recording the assets held by the Pool at fair value.

### Note 6 - Disbursements to CGIAR Centers

The Trust Fund made disbursements in the amount of \$142,159,579 and \$3,163,382,749 for the period ended June 30, 2017 and for the period from Inception to June 30, 2017, respectively. These amounts represent payments made by IBRD as Trustee, from the Trust Fund to the CGIAR Centers and are as follows:

CGIAR Center	For the six months ended June 30, 2017	December 1, 2010 (date of Inception) to June 30, 2017
Center for International Forestry Research	\$ 1,063,560	\$ 185,077,855
International Center for Agricultural Research in the Dry Areas	4,538,480	94,728,214
International Center for Living Aquatic Resources Management	2,774,294	96,337,161
International Center for Research in Agroforestry	13,323,766	77,467,295
International Center for Tropical Agriculture	7,275,901	278,609,611
International Crops Research Institute for the Semi-arid Tropics	7,479,875	183,737,657
International Food Policy Research Institute	27,750,784	471,263,921
International Institute of Tropical Agriculture	23,296,359	222,411,452
International Livestock Research Institute	7,918,208	162,711,116
International Maize and Wheat Improvement Center	25,293,989	435,057,977
International Plant Genetic Resources Institute	301,840	265,666,179
International Potato Center	10,802,058	218,240,922
International Rice Research Institute	7,892,290	296,258,553
International Water Management Institute	1,369,033	141,910,197
West Africa Rice Development Association	1,079,142	33,904,639
<b>Total</b>	<b>\$142,159,579</b>	<b>\$3,163,382,749</b>

## NOTES TO THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

June 30, 2017

All amounts expressed in U.S. dollars unless otherwise noted

### Note 7 - Administrative budget disbursements, net

Upon approval by the System Council, administrative budget funds are transferred by the Trust Fund to the Trustee, the Independent Science and Partnership Council (ISPC), the Independent Evaluation Arrangement (IEA), the Global Forum on Agricultural Research (GFAR) and the System Organization to enable them to perform their functions under their respective terms and conditions. These disbursements are reported net of any unused funds returned to the Trust Fund.

The Trust Fund made net administrative budget disbursements in the amount of \$9,993,000 and \$103,024,697 for the period ended June 30, 2017 and for the period from Inception to June 30, 2017 as follows:

	For the six months ended June 30, 2017	December 1, 2010 (date of inception) to June 30, 2017
System Organization	\$ 9,303,000	\$70,957,343
GFAR	-	1,250,000
IEA	-	9,674,026
ISPC	-	16,555,730
Trustee	690,000	4,587,598
<b>Total</b>	<b>\$9,993,000</b>	<b>\$103,024,697</b>

### Note 8 – Completion of Activities

The trust fund completed its activities as of June 30, 2017. As per the authorization by the System Council, the unused funds, net of audit fee, along with investment income subsequently received by the trust fund, would be transferred to the systems Organization.

### Note 9 - Subsequent events

Management has evaluated subsequent events through October 24, 2017, the date this Statement was available to be issued, and there are no subsequent events that would require adjustment to or disclosure in this Statement.