



December 31, 2013

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, Client Services Department
Controller's Vice Presidency

www.worldbank.org



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Independent Auditors' Report

International Bank for Reconstruction and Development
as Trustee of the Consultative Group on International Agriculture Research (CGIAR) Fund –
TF069018

We have audited the accompanying statement of receipts, disbursements, and fund balance (the Statement) of the Consultative Group on International Agriculture Research (CGIAR) Fund – TF069018 (the Trust Fund) under administration by the International Bank for Reconstruction and Development as Trustee (the Trustee) for the year ended December 31, 2013, and for the period from December 1, 2010 (date of inception) to December 31, 2013, 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 in the circumstances. 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 year ended December 31, 2013, and for the period from December 1, 2010 (date of inception) to December 31, 2013, 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, DC
April 4, 2014

STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

Expressed in U.S. dollars

	Notes	For the fiscal year ended December 31, 2013	December 1, 2010 (date of inception) to December 31, 2013
Contributions	3	\$525,921,144	\$1,412,959,981
Net investment income	5	281,500	949,360
Total receipts		<u>526,202,644</u>	<u>1,413,909,341</u>
Project disbursements	6	517,258,530	1,175,335,296
Administrative budget disbursements, net	7	9,038,005	35,463,569
Total disbursements		<u>526,296,535</u>	<u>1,210,798,865</u>
Excess of (disbursements over receipts)/ receipts over disbursements before foreign currency adjustment		(93,891)	203,110,476
Foreign currency adjustment	2	147,288	646,203
Excess of receipts over disbursements after foreign currency adjustment		53,397	203,756,679
Fund Balance:			
Beginning of period		203,703,282	-
End of period		<u>\$203,756,679</u>	<u>\$ 203,756,679</u>
Fund balance consists of:			
Trust Fund's share of the cash and investments in the Pool	4	<u>\$203,756,679</u>	<u>\$ 203,756,679</u>

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

NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

December 31, 2013

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

Note 1 - Organization

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

The funders 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 (Consortium), in close collaboration with hundreds of partner organizations, including national and regional research institutes, civil society organizations, academia, and the private sector.

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 Fund Council, which is a representative body of the Trust Fund donors and other stakeholders and is the decision-making body of the Trust Fund. A fund office, located within IBRD but distinct from IBRD's role as Trustee (the Fund Office), provides support to the Fund Council and liaises with other CGIAR participants.

The Trustee established the Trust Fund on December 1, 2010 (date of inception, hereinafter referred to as "Inception"), to hold funds and then disburse them for programs and other activities approved by the Fund Council, upon appropriate disbursement requests from the Consortium, or under the instructions of the donors, as applicable. The Trustee also manages the investment of the Trust Fund's assets, and provides accounting and financial reporting services for the Trust Fund.

The Trustee has no fiduciary responsibility subsequent to transferring funds to the recipient.

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 Fund Council, the Fund Office, Consortium or any of the recipients.

NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

December 31, 2013

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 of 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 4).

The modified cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (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 a different period than reported: (1) contributions not credited to the Trust Fund at the period end date due to timing or other reasons, (2) repostings of disbursements in the ordinary course of business, as deemed necessary, and (3) any refunds of previous disbursements deemed by the Trustee, to be ineligible in accordance with the donor agreements (the Agreements).

Treatment of foreign currency transactions

The Statement is presented in U.S. dollars, which is the Trust Fund's functional and presentation 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 administration agreements. Foreign currency transaction gains or losses, if any, on conversion of the contributions are borne by the Trust Fund. Beginning January 1, 2013, these foreign currency gains/losses are reported under Contributions, and prior to January 1, 2013, these were reported under foreign currency adjustment.
- (ii) Project 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.

NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

December 31, 2013

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

- (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.

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. Areas in which management makes estimates and assumptions in determining the amounts to be recorded include the fair value of the Trust Fund's share of the pooled cash and investments.

NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

December 31, 2013

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

Note 3 - Contributions

The amounts committed by the donors and received by the Trust Fund during the fiscal year ended December 31, 2013 and for the period from Inception to December 31, 2013 are as follows:

Donor	Amounts committed	For the fiscal year ended December 31, 2013			Inception to December 31, 2013	
		Amounts received	Amounts received in US\$	Amounts received	Amounts received in US\$	
Australia	A\$ 113,009,827	A\$ 26,311,104	\$ 24,779,865	A\$ 71,879,282	\$ 72,202,315	
Bangladesh	US\$ 300,000	US\$ 200,000	200,000	US\$ 300,000	300,000	
Belgium	€ 29,727,000	€ 6,327,000	8,444,647	€ 6,327,000	8,444,647	
Bilateral donors ¹	US\$ 3,448,908	US\$ 2,270,130	2,270,130	US\$ 3,448,908	3,448,908	
Bill & Melinda Gates Foundation	US\$ 114,236,219	US\$ 53,176,309	53,176,309	US\$ 110,402,885	110,402,885	
Canada	Can\$ 60,420,000	Can\$ 35,550,000	34,857,907	Can\$ 60,420,000	59,689,723	
China	US\$ 7,400,000	US\$ 3,000,000	3,000,000	US\$ 7,399,985	7,399,985	
Denmark	DKr 205,000,000	DKr 35,000,000	6,210,319	DKr 100,000,000	17,934,132	
EC/EU	€ 45,040,663	€ 2,770,510	3,668,406	€ 18,863,316	24,720,210	
Finland	€ 9,000,000	€ 3,000,000	3,955,700	€ 9,000,000	11,628,500	
France	€ 3,400,000	€ 1,200,000	1,651,980	€ 3,400,000	4,578,570	
IBRD	US\$ 200,000,000	US\$ 50,000,000	50,000,000	US\$ 200,000,000	200,000,000	
IFAD	US\$ 6,836,905	US\$ 3,073,279	3,073,279	US\$ 3,073,279	3,073,279	
India	₹ 453,228,000	₹ 289,975,000	5,343,044	₹ 453,228,000	8,397,219	
Islamic Republic of Iran	US\$ 1,000,000	-	-	¥ 36,815,000	469,280	
Ireland	€ 10,192,500	€ 4,200,000	5,646,380	€ 10,192,500	13,514,869	
Italy	€ 2,197,205	€ 800,000	1,080,480	€ 2,197,205	3,016,840	
Japan	US\$ 22,003,912	US\$ 20,195,132	20,195,132	US\$ 22,003,912	22,003,912	
Korea	US\$ 904,500	US\$ 310,000	310,000	US\$ 904,500	904,500.00	
Luxembourg	€ 2,600,000	€ 500,000	657,699	€ 1,600,000	2,131,779	
Mexico	US\$ 2,000,000	US\$ 1,000,000	1,000,000	US\$ 2,000,000	2,000,000	
Morocco	US\$ 500,000	-	-	-	-	
Netherlands	€ 4,000,000	-	-	€ 4,000,000	5,359,400	
Netherlands	US\$ 217,849,051	US\$ 57,314,962	57,314,962	US\$ 97,589,477	97,589,477	
New Zealand	NZ\$ 7,500,000	NZ\$ 2,500,000	1,927,750	NZ\$ 7,500,000	5,954,500	
Nigeria	US\$ 1,200,000	US\$ 301,381	301,381	US\$ 683,640	683,640	
Norway	Nkr 347,536,636	Nkr 127,536,636	21,166,501	Nkr 347,536,636	59,763,527	
Portugal	€ 945,000	-	-	€ 900,000	1,209,235	
Russian Federation	US\$ 15,000,000	US\$ 2,200,000	2,200,000	US\$ 14,480,000	14,480,000	
South Africa	US\$ 1,000,000	US\$ 500,000	500,000	US\$ 1,000,000	1,000,000	
Spain	US\$ 500,000	-	-	US\$ 500,000	500,000	
Spain	€ 515,102	€ 145,102	198,332	€ 515,102	691,412	
Sweden	Skr 1,194,500,000	Skr 258,000,000	39,505,719	Skr 734,500,000	110,405,993	
Switzerland	SwF 74,500,000	SwF 15,500,000	17,462,821	SwF 43,500,000	48,054,181	
Thailand	US\$ 300,000	US\$ 100,000	100,000	US\$ 300,000	300,000	
Turkey	US\$ 1,500,000	US\$ 500,000	500,000	US\$ 1,500,000	1,500,000	
United Kingdom	£ 176,571,382	£ 63,821,382	103,123,500	£ 165,071,382	265,226,188	
United Kingdom	US\$ 15,340,627	-	-	US\$ 15,340,627	15,340,627	
United States	US\$ 208,640,248	US\$ 52,098,901	52,098,901	US\$ 208,640,248	208,640,248	
Total			\$ 525,921,144		\$1,412,959,981	

¹ Represents share of administrative budget pertaining to funders contributing directly to the CGIAR Centers and received by the Trust Fund through the Consortium.

NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

December 31, 2013

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

Note 4 - 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.

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 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 as well as derivatives with other counterparties. The Pool may also include securities receivable from resale agreements as well as 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 \$203,756,679 as of December 31, 2013. The Trust Fund's share in the Pool is not traded in any market; however, the underlying assets within the Pool are reported at fair value. All investment decisions are made and performance is monitored at the Pool level.

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.

NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

December 31, 2013

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

Note 6 - Project disbursements

The Trust Fund made project disbursements in the amount of \$517,258,530 and \$1,175,335,296 for the fiscal year ended December 31, 2013 and for the period from Inception to December 31, 2013, respectively. These amounts represent payments made by IBRD as Trustee, from the Trust Fund to the CGIAR Centers as follows:

CGIAR Center	For the fiscal year ended December 31, 2013	Inception to December 31, 2013
Center for International Forestry Research	\$ 29,172,312	\$ 85,350,525
International Center for Agricultural Research in the Dry Areas	22,609,506	37,735,140
International Center for Living Aquatic Resources Management	11,067,583	27,369,747
International Center for Research in Agroforestry	9,999,341	15,522,844
International Center for Tropical Agriculture	33,902,255	116,047,093
International Crops Research Institute for the Semi-arid Tropics	50,338,473	71,721,661
International Food Policy Research Institute	93,163,822	156,948,269
International Institute of Tropical Agriculture	31,921,129	45,782,778
International Livestock Research Institute	21,184,332	47,199,937
International Maize and Wheat Improvement Center	72,164,539	129,427,549
International Plant Genetic Resources Institute	42,980,939	180,082,442
International Potato Center	26,927,289	70,437,240
International Rice Research Institute	42,790,855	125,922,141
International Water Management Institute	15,527,572	51,159,174
West Africa Rice Development Association	13,508,583	14,628,756
Total	\$ 517,258,530	\$ 1,175,335,296

Note 7 - Administrative budget disbursements, net

Upon approval by the Fund Council, administrative budget funds are transferred to the Trustee, the Fund Office, the Independent Science and Partnership Council (ISPC), the Independent Evaluation Arrangement (IEA), the Global Forum on Agricultural Research (GFAR) and the Consortium to enable them to perform their functions under their respective terms and conditions. Transfers to the Fund Office included Nil and \$910,800 (net) of approved budget for the ISPC Chair for the fiscal year ended December 31, 2013 and for the period from Inception to December 31, 2013, respectively. Any adjustments to the approved amount based on actual year end expenses are recorded in the Trust Fund when received. There were no administrative budget disbursements to the Fund Office during 2013; however, an unutilized amount of \$531,100 pertaining to 2012 was returned to the Trust Fund from the Fund Office during the year ended December 31, 2013.

NOTES TO STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

December 31, 2013

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

The Trust Fund transferred administrative budget in the amount of \$9,038,005 and \$35,463,569 for the fiscal year ended December 31, 2013 and for the period from Inception to December 31, 2013 as follows:

	For the fiscal year ended December 31, 2013	Inception to December 31, 2013
Consortium	\$ 6,636,143	\$ 14,031,298
Fund Office	(531,100)	12,179,700
GFAR	-	900,000
IEA	1,276,936	1,559,652
ISPC	1,258,714	4,935,414
Trustee	397,312	1,857,505
Total	\$ 9,038,005	\$ 35,463,569

Note 8 - Subsequent events

Management has evaluated subsequent events through March 31, 2014, the date the Statement was available to be issued and there are no subsequent events that would require adjustment to or disclosure in this Statement.