



December 31, 2014

## **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, Accounting and Business Services 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 Consultative Group on International Agricultural Research (CGIAR) Fund –  
TF069018

We have audited the accompanying statement of receipts, disbursements, and fund balance (the Statement) of the Consultative Group on International Agricultural 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, 2014, and for the period from December 1, 2010 (date of inception) to December 31, 2014, 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, 2014, and for the period from December 1, 2010 (date of inception) to December 31, 2014, 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  
March 27, 2015

# STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

*Expressed in U.S. dollars*

	Notes	For the fiscal year ended December 31, 2014	December 1, 2010 (date of inception) to December 31, 2014
Contributions	4	\$673,522,719	\$2,086,482,700
Net investment income	5	315,514	1,264,874
<b>Total receipts</b>		<b>673,838,233</b>	<b>2,087,747,574</b>
Disbursements to CGIAR Centers	6	787,160,936	1,962,496,232
Administrative budget disbursements, net	7	20,523,262	55,986,831
<b>Total disbursements</b>		<b>807,684,198</b>	<b>2,018,483,063</b>
Excess of (disbursements over receipts)/ receipts over disbursements before foreign currency adjustment		(133,845,965)	69,264,511
Foreign currency adjustment	2	(11,599)	634,604
Excess of (disbursements over receipts)/ receipts over disbursements after foreign currency adjustment		(133,857,564)	69,899,115
<b>Fund Balance:</b>			
Beginning of period		203,756,679	-
End of period		<b>\$ 69,899,115</b>	<b>\$ 69,899,115</b>
Fund balance consists of:			
Trust Fund's share of the cash and investments in the Pool of which,			
Unrestricted		39,973,776	39,973,776
Restricted	8	29,925,339	29,925,339
	3	<b>\$ 69,899,115</b>	<b>\$ 69,899,115</b>

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

December 31, 2014

*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. Fund Council approves research programs based on the advice provided by Independent Science and Partnership Council (ISPC), a panel of leading scientific experts. 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 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 which 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 funds and subsequently disburse 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.

Donors to the Trust Fund may designate their contribution for disbursement to any specific CGIAR Centers or CGIAR Research Programs (CRPs) in accordance with the respective legal agreements (see Note 8).

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 THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

December 31, 2014

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 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, and (2) 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 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
- (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.

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

December 31, 2014

*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.

### **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.

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

**December 31, 2014**

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

---

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 \$69,899,115 as of December 31, 2014.

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

December 31, 2014

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 fiscal year ended December 31, 2014 and for the period from inception to December 31, 2014 are as follows:

Donor		Amounts committed	For the fiscal year ended December 31, 2014		December 1, 2010 (date of inception) to December 31, 2014	
			Amounts received	Amounts received in USD	Amounts received	Amounts received in USD
Australia	A\$	133,123,970	A\$ 33,888,408	\$ 31,099,674	A\$ 105,767,690	\$ 103,301,989
Austria	€	6,803,750	€ 1,403,750	1,802,836	€ 1,403,750	1,802,836
Bangladesh	US\$	400,000	US\$ 100,000	100,000	US\$ 400,000	400,000
Belgium	€	29,727,000	€ 15,400,000	19,958,440	€ 21,727,000	28,403,087
Bilateral donors <sup>1</sup>	US\$	3,448,908	US\$ -	-	US\$ 3,448,908	3,448,908
Bill & Melinda Gates Foundation	US\$	187,701,464	US\$ 73,965,245	73,965,245	US\$ 184,368,130	184,368,130
Canada	Can\$	77,253,000	Can\$ 16,833,000	15,407,357	Can\$ 77,253,000	75,097,080
China	US\$	10,400,000	US\$ 3,000,000	3,000,000	US\$ 10,399,985	10,399,985
Denmark	DKr	205,000,000	DKr 35,000,000	6,363,983	DKr 135,000,000	24,298,115
European Community (EC)	€	50,046,735	€ 16,872,313	23,272,397	€ 35,735,630	47,992,607
Finland	€	12,000,000	€ 3,000,000	3,798,600	€ 12,000,000	15,427,100
France	€	4,600,000	€ 1,200,000	1,476,840	€ 4,600,000	6,055,410
IBRD	US\$	247,000,000	US\$ 47,000,000	47,000,000	US\$ 247,000,000	247,000,000
International Fund for Agricultural Development (IFAD)	US\$	19,398,150	US\$ 4,047,452	4,047,452	US\$ 7,120,731	7,120,731
India	₹	816,978,000	₹ 363,750,000	6,036,844	₹ 816,978,000	14,434,063
Islamic Republic of Iran	US\$	1,500,000	¥ 32,436,000	274,881	¥ 69,251,000	744,161
Ireland	€	14,392,500	€ 4,200,000	5,679,240	€ 14,392,500	19,194,109
Italy	€	2,197,205	-	-	€ 2,197,205	3,016,840
Japan	US\$	28,132,788	US\$ 6,128,876	6,128,876	US\$ 28,132,788	28,132,788
Korea	US\$	1,215,500	US\$ 311,000	311,000	US\$ 1,215,500	1,215,500
Luxembourg	€	2,600,000	€ 500,000	680,662	€ 2,100,000	2,812,441
Mexico	US\$	2,000,000	-	-	US\$ 2,000,000	2,000,000
Morocco	US\$	2,000,000	US\$ 500,000	500,000	US\$ 500,000	500,000
Netherlands	€	4,000,000	-	-	€ 4,000,000	5,359,400
Netherlands	US\$	217,849,051	US\$ 41,400,000	41,400,000	US\$ 138,989,477	138,989,477
New Zealand	NZ\$	18,500,000	NZ\$ 7,500,000	6,444,750	NZ\$ 15,000,000	12,399,250
Nigeria	US\$	1,200,000	-	-	US\$ 683,640	683,640
Norway	Nkr	461,536,636	Nkr 114,000,000	18,158,360	Nkr 461,536,636	77,921,887
Portugal	€	1,350,000	€ 450,000	584,960	€ 1,350,000	1,794,195
Russian Federation	US\$	15,000,000	US\$ 520,000	520,000	US\$ 15,000,000	15,000,000
South Africa	US\$	2,500,000	US\$ 860,000	860,000	US\$ 1,860,000	1,860,000
Spain	US\$	500,000	-	-	US\$ 500,000	500,000
Spain	€	515,102	-	-	€ 515,102	691,412
Sudan	US\$	1,000,000	-	-	-	-
Sweden	Skr	1,194,500,000	Skr 155,000,000	21,862,056	Skr 889,500,000	132,268,049
Switzerland	SwF	74,500,000	SwF 15,500,000	16,939,891	SwF 59,000,000	64,994,072
Thailand	US\$	400,000	US\$ 100,000	100,000	US\$ 400,000	400,000
Turkey	US\$	2,000,000	US\$ 500,000	500,000	US\$ 2,000,000	2,000,000
United Kingdom	£	219,632,688	£ 54,561,307	87,259,792	£ 219,632,688	352,485,980
United Kingdom	US\$	15,340,627	-	-	US\$ 15,340,627	15,340,627
United States	US\$	436,628,831	US\$ 227,988,583	227,988,583	US\$ 436,628,831	436,628,831
<b>Total</b>				<b>\$673,522,719</b>		<b>\$2,086,482,700</b>

<sup>1</sup> 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 THE STATEMENT OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE

December 31, 2014

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 \$787,160,936 and \$1,962,496,232 for the fiscal year ended December 31, 2014 and for the period from Inception to December 31, 2014, 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, 2014	December 1, 2010 (date of inception) to December 31, 2014
Center for International Forestry Research	\$ 45,189,203	\$ 130,539,728
International Center for Agricultural Research in the Dry Areas	25,923,277	63,658,417
International Center for Living Aquatic Resources Management	33,269,728	60,639,475
International Center for Research in Agroforestry	18,684,718	34,207,562
International Center for Tropical Agriculture	68,557,341	184,604,434
International Crops Research Institute for the Semi-arid Tropics	46,775,980	118,497,641
International Food Policy Research Institute	105,128,768	262,077,037
International Institute of Tropical Agriculture	67,244,265	113,027,043
International Livestock Research Institute	37,068,366	84,268,303
International Maize and Wheat Improvement Center	113,656,556	243,084,105
International Plant Genetic Resources Institute	37,394,164	217,476,606
International Potato Center	54,824,915	125,262,155
International Rice Research Institute	74,916,049	200,838,190
International Water Management Institute	50,861,374	102,020,548
West Africa Rice Development Association	7,666,232	22,294,988
<b>Total</b>	<b>\$787,160,936</b>	<b>\$1,962,496,232</b>

## 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. Any adjustments to the approved amount based on actual expenses for the year are recorded in the Trust Fund when received.

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

December 31, 2014

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

The Trust Fund transferred administrative budget in the amount of \$20,523,262 and \$55,986,831 for the fiscal year ended December 31, 2014 and for the period from Inception to December 31, 2014 as follows:

	For the fiscal year ended December 31, 2014	December 1, 2010 (date of inception) to December 31, 2014
Consortium	\$ 7,046,798	\$21,078,096
Fund Office*	7,066,418	19,246,118
GFAR	-	900,000
IEA	2,656,404	4,216,056
ISPC	3,207,549	8,142,963
Trustee	546,093	2,403,598
<b>Total</b>	<b>\$20,523,262</b>	<b>\$55,986,831</b>

\* Transfers to the Fund Office for the fiscal year ended December 31, 2014 include (i) \$460,418 of approved budget for the ISPC Chair (ii) \$435,000 towards special initiatives and (iii) an unutilized amount of \$1,239,000 pertaining to 2013, returned to the Trust Fund during the year ended December 31, 2014.

### Note 8 - Restricted Funds

As discussed in Note 1 and in accordance with the Agreements, donors may designate their contributions for disbursement to specific CGIAR Centers or CRPs. Trust Fund's share of the cash and investment in the Pool includes an amount of \$29,925,339, which was restricted for disbursement to specified CGIAR Centers or CRPs as of December 31, 2014.

### Note 9 - Subsequent events

Management has evaluated subsequent events through March 27, 2015, 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.