CGIAR
Science for a food-secure future

Agenda Item 2
For Approval

Document SMB8-02D

IFRS Compliant CGIAR Financial Reporting Guidelines

Purpose

This document presents a revised CGIAR financial reporting guideline, which is proposed to supersede the CGIAR Accounting Policies and Reporting Practices Manual, Financial Guidelines series, No. 2.

The document provides guidance to all CGIAR Centers who comply with IFRS ("International Financial Reporting Standards") in preparing financial statements for fiscal years beginning 1 January 2017.

It should be noted that this guideline is intended to provide clarity on IFRS as specifically relevant to the CGIAR System and not to replicate the IFRS Manual.

Action Required:

The Board is requested to, review, and if thought appropriate, approve the IFRS Compliant CGIAR Financial Reporting Guidelines for use in System-wide financial reporting (noting that 2 Centers will convert to IFRS in 2018 and shall continue to adhere to the previously-approved FG2 for the production of their 2017 Financial Statements.)

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Science for a food-secure future

IFRS Compliant CGIAR Reporting Guidelines

Version: 28 November 2017

IFRS Compliant CGIAR Reporting Guidelines

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1. Introduction & forewords on International Financial Reporting Standards (IFRS)

The CGIAR Centers & the System Organization (SO) with its System Management Office (SMO)[1] has for many years used the "CGIAR Accounting Policies and Reporting Practices Manual, Financial Guideline Number 2" ("FG2") as its authority for the presentation of its Centers' annual audited financial statements, and this was the basis for the opinions provided by the Centers' external auditors.

It has been decided to adopt International Financial Reporting Standards ("IFRS") for two compelling reasons. First, the benefit of IFRS is that they represent international quality standards which are recognized *inter alia* by the funder[2] community, banks, partners and potential collaborators. Compliance with IFRS provides assurance that CGIAR accounting is of the highest standard, and allows for comparability with other organizations. Second, the certification of the CGIAR entity annual financial statements by the external auditors is much enhanced when it is based on an internationally recognized standard. One consequence of FG2 not being recognized as an international standard was that some external auditors restricted the applicability of their audit report. When only the CGIAR System (15 Research Centers and the System Organization) itself may place any reliance upon the audit report, that reduces its value, and is not a positive message for the funder community.

Much preliminary work has already been carried out on adoption of IFRS, and this manual builds on the work already done by the Centers and their experiences. The manual is intended to support interpretation of IFRS requirements to facilitate system-wide adoption and implementation of IFRS by the Centers, recognizing the specific reporting requirements of the CGIAR and the need to have a harmonized approach.

This manual supersedes the CGIAR Accounting Policies and Reporting Practices Manual, Financial Guidelines series, No. 2, and provides guidelines to all CGIAR Centers IFRS compliant in preparing financial statements to be issued for fiscal years beginning January 1, 2017. The guidelines set out in the manual require Centers to fully adopt and comply with the relevant IFRS. This manual is neither developed with the intention of replicating nor contradicting the IFRS.

1.1. IAS and IFRS

The International Financial Reporting Standards (IFRS) began as an attempt to harmonize accounting across the European Union but the value of harmonization quickly made the concept attractive around the world. IFRS are sometimes still called by the original name of

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[1] For convenience when referring to Centers, it is understood to include the System Organization with its System Management Office, which forms part of the CGIAR System but is not one of the 15 CGIAR Centers.
[2] Funders and donors are used interchangeably in this document

International Accounting Standards (IAS), and these were issued until 2001 by the International Accounting Standards Committee (IASC).
IFRS are standards issued by the IFRS Foundation and the International Accounting Standards Board (IASB) to provide a common global language for business affairs so that company accounts are understandable and comparable across international boundaries. They are a consequence of growing international shareholding and trade and are particularly important for companies that have dealings in several countries. They are progressively replacing the many different national accounting standards. They are the principles to be followed by accountants to maintain books of accounts which are comparable, understandable, reliable and relevant as per the users internal or external.

The original IAS will gradually be replaced by IFRS. IFRS are still evolving, and some amendments are made from time to time.

It is well known that existing IFRS do not specifically cover issues unique to not-for-profit organizations. The International Accounting Standards Board (IASB) clearly recognizes this and has stated in paragraph 8 of the Preface to International Financial Reporting Standards that "although IFRS are not designed to apply to not-for-profit activities in the private sector, public sector or government, entities with such activities may find them appropriate". IAS 1, paragraph 4, provides that "Non-profit, government and other public-sector enterprises seeking to apply this standard may need to amend the descriptions used for certain line items in the financial statements and for the financial statements themselves".
In the absence of a Standard or an Interpretation that specifically applies to a transaction, management must use its judgement in developing and applying an accounting policy that results in information that is relevant and reliable. In making that judgement, IFRS requires management to consider the definitions, recognition criteria, and measurement concepts for assets, liabilities, income, and expenses in the Framework.

1.2. First time adoption

Two Centers have implemented IFRS with their financial statements for the year ended 31 December 2016. All CGIAR Centers (with the exception of IFPRI which follows the US GAAPs) and the System Organization should be IFRS compliant for fiscal year beginning 2017[3].
There are special requirements for first-time adoption, and these are set out in IFRS 1.

Much comparative information is required, and IFRS 1, para 21 states*: "An entity's first IFRS financial statements shall include at least three statements of financial position, two statements of profit or loss and other comprehensive income, …, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented*."

[3] ICARDA and IITA will be IFRS compliant for the fiscal year beginning 2018

For instance, the three statements of financial position are as at:

i. the end of the current period;
ii. the end of the preceding period; and
iii. the beginning of the preceding period.

Clearly, Centers and the SO will need to be working very closely with their external auditors to ensure compliance in the first year of adoption.

1.3. Conclusion

Adoption and implementation of IFRS is a significant task for the finance community of the CGIAR, and will certainly tax their resources. Furthermore, the need to stay on top of changes in IFRS requirements will mean that it will always be an ongoing task.

Nevertheless, the need is clear, and the benefits that will accrue to individual Centers and the system as a whole will make this undertaking very worthwhile. The System Management Office will provide updates on harmonization procedures across the CGIAR but it is the responsibility of each Center and the SO to check with its external auditor's updates on IFRS.

This manual has taken into account guidance contained in the FG2 manual and in the 2016 Advisory Notes that is unique to the CGIAR and at the same time not contradictory to the provisions of IAS and IFRS. Additionally, the format of this manual tries to follow the format of the Audited Financial Statements for ease of reference.

This manual is not intended to replicate the IFRS manual but to provide guidance or clarity on specific IFRS considered relevant to the CGIAR System.
It is the responsibility of the CGIAR Centers & the System Management Office of the System Organization to get agreement from their auditors on the relevance of the guidance included thereafter *vis-à-vis* their local requirements and environments.

2. Components of Financial Statements

2.1. Scope

This section aims to provide CGIAR Centers & the SO with guidance on how to present their financial statements.

The purpose of this chapter is to provide an overview of the components of the general purpose financial statements of CGIAR Centers & the SO the detailed description of requirements will be set out in the relevant chapters of the individual areas.

Financial statements are a structured financial representation of the financial position of an organization and the transactions undertaken by this one. The objective of general purpose financial statements is to provide information about the financial position, performance and cash flows of an organization that is useful to a wide range of stakeholders.

IAS 1 paragraph 5 acknowledges that not-for-profit organizations such as the CGIAR Centers & the SO may adopt their own terminology wherever required.

IAS 1 paragraph 10 states that a complete set of financial statements includes the following components:

i. a statement of financial position as at the end of the period;
ii. a statement of profit or loss and other comprehensive income for the period;
iii. a statement of changes in equity for the period;
iv. a statement of cash flows for the period;
v. notes, comprising a summary of significant accounting policies and other explanatory information;
vi. comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and
vii. a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 40A–40D.

2.2. Relevant IFRS/IAS Authority

IAS 1	PRESENTATION OF FINANCIAL STATEMENTS
IAS 7	STATEMENT OF CASH FLOWS

2.3. Presentation and Disclosure

Using CGIAR terminology, CGIAR Centers and the System Organization (SO) set of audited financial statements required for the year-end and the immediate past comparative year should include:

- a statement of Financial Position;
- a statement of Activities and Other Comprehensive Income;
- a statement of Changes in Net Assets;
- a statement of Cash Flows; and
- notes to the Financial Statements, including Accounting policies and explanatory notes).

CGIAR Centers and the SO should also include in their Audited Financial Statements:

- an Auditor's Report
- a Statement by the Chair of the Board of Trustees
- a Board Statement on Risk Management
- a Management Statement of Responsibility

At last, CGIAR Centers and the SO, when applicable, should include at the end of their Audited Financial Statements annexes with specific supplementary information:

- Schedule of grant revenues
- Schedule of grant pledges and expenses
- Schedule of Portfolio Expenditures Reports
- Schedule of Property, Plant and Equipment (fixed assets)
- Schedule of Indirect Cost Computation

(a) Statement of Financial Position

IFRS does not require a specific structure for the Statement of Financial Position (SFP), only minimum content that must be included if applicable. In general, the CGIAR will observe the minimum disclosure requirements in the SFP, with the more detailed information and special requirements of the CGIAR as per the Illustrative Statements.
Some considerations:

- IFRS does however require that current and non-current assets and liabilities be presented separately unless a presentation based on the liquidity of assets and resources is considered more appropriate to provide relevant and reliable information.
- Para 32 of IAS 1 states that an entity shall not offset assets and liabilities or income and expenses, unless required/permitted by other IAS/IFRS. For the CGIAR Centers & the SO, this means that inter-Center amounts payable and receivable should be reported with gross amounts.

See Chapter 8. Illustrative Statements / 8.1. Statement of Financial Position

(b) Statement of Activities and Other Comprehensive Income

The Statement of Activities and Other Comprehensive Income is made of 2 components:

- a Statement of Activity
- a Statement of Other Comprehensive Income

Under IFRS, some transactions are recorded directly in net assets (equity) as "Other Comprehensive Income". All transactions recognized through other comprehensive income are not included in the Statement of Activities, but instead are presented in the Statement of Other Comprehensive Income.

(i) **Statement of Activities**

In this first section is set out the financial report showing **the revenue** and **expense**s of the regular activities of the Center. (This section equates to the Statement of Profit or Loss in a commercial organization).
IFRS requires the separate disclosure of these expenses, and in order that the IFRS-compliant Centers & the SO and FG2-compliant Centers & the SO can follow the same format, this line must be separately disclosed. The following guidance should be followed:

a) Financial Income to include:
    - Interest income
    - Other gains that are financial in nature
    - Net gains on exchange rate differences
b) Financial Expenses to include:
    - Interest expense
    - Other losses that are financial in nature
    - Net losses on exchange rate differences

The result -**Surplus** or **Deficit**- is reported at the end of this section.

(i) **Statement of Other Comprehensive Income**

It comprises items of income and expense (including reclassification adjustments where allowed) that are not recognized in the first section.
The relevant standards that apply to the components of **Other Comprehensive Income** include, among others, IAS 16 *Property Plant and Equipment*, IAS 19 *Employee Benefits*, IAS 21 *The effect of changes in foreign exchange rates,* IFRS 9 *Financial Instruments* and IAS 38 *Intangible Assets*:

- changes in revaluation surplus [IAS 16 para 39-42 and IAS 38]
- re-measurements of defined benefit plans [IAS 19]; gains and losses arising from translating the financial statements of a foreign operation [IAS 21];
- gains and losses from investments in equity instruments measured at fair value through other comprehensive income in accordance with IFRS 9 para 5.7.5;

- the effective portion of gains and losses on hedging instruments in a cash flow hedge and the gains and losses on hedging instruments that hedge investments in equity instruments measured at fair value through other comprehensive income in accordance with IFRS 9 para 5.7.5, 6.

The Statement of Other comprehensive income (OCI) discloses separate line items for:

- revaluation gains and losses relating to property, plant and equipment or intangible assets;
- re-measurements of defined benefit obligations;
- gains and losses arising from translating the financial statements of a foreign operation;
- gains and losses on remeasuring available-for-sale financial assets;
- the effective portion of gains and losses on hedging instruments in a cash flow hedge.

The comprehensive result -**comprehensive surplus or comprehensive deficit**- is the overall result of the Statement of Activities and Other Comprehensive Income.

See Chapter 8. Illustrative Statements / 8.2. Statement of activities and Other comprehensive income

(c) Statement of Changes in Net Assets

For the CGIAR entity, "Net Assets" are the equivalent of "Equity" for commercial organizations. Net assets are the residual interests in a CGIAR entity's assets remaining after all liabilities are deducted. CGIAR Centers & the SO are required to disclose their total gains and losses for the financial period by way of the Statement of Changes in Net Assets.

The Statement of Changes in Net Assets reports all gains and losses and re-allocations in a CGIAR entity's Net Assets between two balance dates. During a financial period, the overall change in net assets represents the total gains and losses generated by the CGIAR entity's activities as determined by the particular measurement principles adopted and disclosed in the financial statements.

See Chapter 8. Illustrative Statements / 8.3. Statement of Changes in Net Assets

(d) Statement of Cash Flows

The Statement of Cash Flows provides relevant information about the relation between inflows and outflows of a CGIAR entity's resources during the reporting period. CGIAR Centers & the SO must distinguish between resource flows that are related to operations and those that are not.

The Statement of Cash Flows for a period shall report net cash provided or used by operating, investing, and financing activities and the net effect of those flows on cash and cash equivalents during the period, in a manner that reconciles beginning and ending cash and cash equivalents.

The cash flows arising from dividends and interest receipts and payments should be classified in the cash flow statement under the activity appropriate to their nature. Classification should be on a consistent basis from period to period.

"Interest paid and interest and dividends received are usually classified as operating cash flows for a financial institution. However, there is no consensus on the classification of these cash flows for other entities. Interest paid and interest and dividends received may be classified as operating cash flows because they enter into the determination of profit or loss. Alternatively, interest paid and interest and dividends received may be classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments." (IAS 7 para 33)

Items recognized in other comprehensive income that do not give rise to any cash flows should be excluded from the cash flow statement. For example, all exchange differences arising on translation of foreign operations. Such exchange differences have no cash flow effect and they will not be included in the consolidated cash flow statement.

The total amounts of cash and cash equivalents at the beginning and end of the period shown in the Statement of Cash Flows shall be the same amounts as similarly titled line items or subtotals shown in the Statement of Financial Position as of those dates.

See Chapter 8. Illustrative Statements / 8.4. Statement of Cash Flows

(e) Notes to Financial Statements

The notes to the financial statements should:

- Present information about the basis of preparation of the financial statements and the specific accounting policies applied for significant transactions and events;
- Disclose the information required by IFRS/IAS that is not presented elsewhere; and
- Provide additional information which is not presented elsewhere but that is necessary for a fair presentation.

See Chapter 8. Illustrative Statements / 8.5. Notes to Financial Statements

3. Related parties and Disclosures

3.1. Scope

IFRS (IAS) 24 aims to ensure that financial statements contain the disclosures necessary to draw attention to the existence of related party transactions, which could include transactions in the normal course of business or significant one-off transactions.
Transactions between a Centre and its related parties are to be disclosed in the Centre's financial statements.

Notes:

(1) Under IAS 24, The CGIAR Centers and the SO are not considered as related parties to each other.
(2) Hosted CGIAR Center by another CGIAR Center is not considered as a related party.

3.2. Relevant IFRS/IAS Authority

IAS 24	RELATED PARTY DISCLOSURE

3.3. Presentation and disclosures

The following information about related parties should be disclosed in the Center's financial statements:

- Relationships between a parent and its subsidiaries, irrespective of whether there have been transactions between them;
- The name of its parent and, if different, the name of the ultimate controlling party;
- Key management personnel compensation;
- Details of transactions between the entity and any related parties
- Details of balances due to, or from, related parties at the balance sheet date, including information on bad and doubtful debts.

Some Centers have transactions with their subsidiaries or other organizations and key management staff which are related parties. Due to the relationship and transactions with its related parties, the following items are required to be disclosed by the standard:

i. nature of the related party relationship;
ii. the related party transactions during the periods covered by the financial statements showing:
   - the amount of the transactions;
   - the amount of outstanding balances, including commitments, their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and details of and guarantees given or received;

- provisions for doubtful debts related to the amount of outstanding balances;
- the expense recognized during the period in respect of bad or doubtful debts due from related parties;
- Key management personnel compensation in total and for each of the following categories:
    - short-term employee benefits;
    - post-employment benefits;
    - other long-term benefits;
    - termination benefits.

4. Assets

4.1. Cash and cash equivalents

4.1.1. Scope and definition

This section aims to provide Centers and the SO with guidance on how to report on Cash and Cash Equivalent.

Cash comprises **cash on hand, petty cash funds, currencies awaiting deposit and local or foreign currency deposits** in banks which can be added to or withdrawn without limitation and are immediately available for use in the current operations.

Cash equivalents are **short-term, highly liquid investments** that are:

i. readily convertible to known amounts of cash; and
ii. near enough their maturity date that they present insignificant risk of changes in value because of changes in interest rates.
iii. held to meet short term cash commitments.

4.1.2. Relevant IAS/IFRS Authorities

IAS 7	Statement of Cash Flows

4.1.3. Recognition and measurement

Cash is recognized initially at the amount received by the Center or the amount received into the Center's bank account.

Cash equivalents should initially be recognized at cost, which is the fair value of the consideration given to acquire the cash equivalent. Normally, no adjustment is required to cash and cash equivalents balances, except to update the exchange rate applied to balances denominated in foreign currencies and to reflect the effect of subsequent cash transactions. This is because, by definition, there is an insignificant risk of changes in value in cash and cash equivalents, and equity investments that might change quite appreciably in value over a period of less than three months would not be included.
Cash received from Government Grants should be classified according to the use of the Grant:

- Grants to acquire assets= Investing activities
- Grants to contribute on expenditures to generate period revenues= Operating activities, to match their treatment in the income statement.

At the date of the financial statements, an **investment** with an original maturity of more than 3 months but with a remaining maturity period of **three months or less from the acquisition**

date will generally qualify as a cash equivalent, provided that it is used for cash management purposes. Any investment, such as a government bond or a deposit certificate, purchased with original maturity period of more than three months, without an early redemption option, **will not be a cash equivalent**, because the length of the period from acquisition date to maturity date of these instruments exposes them to fluctuations in capital value. They will not become a cash equivalent when their remaining maturity period (measured from a subsequent balance sheet date) becomes three months or less, because the maturity period is measured from the acquisition date.

Funds in Trust
CGIAR Centers and the SO should recognize other CGIAR Centers and Non-CGIAR Centers money as an asset (and an associated liability) if the general IFRS definition of an asset is met. This requires a careful analysis of the contractual terms and conditions and economic substance of the arrangements for holding another CGIAR or non-CGIAR Center's money to determine whether:

i. The other entity's money is a resource controlled by the holding Center; and
ii. Economic benefits associated with the other entity's money are expected to flow to the holding Center.

If both conditions apply, the money should be recognized as an asset of the reporting entity. The CGIAR Centers and the SO should show the composition of the Funds in Trust Account in the notes to the Financial Statement, showing the opening balances and closing balances for each of the beneficiary.

Where a CGIAR Center or the SO engages in significant trust activities, and concludes that it holds assets which are not its own assets and which are therefore *not included in its balance sheet*, the CGIAR Center or the SO should consider disclosure of the nature and extent of such activities in the overall interest of the fair presentation of the accounts.

4.1.4. Presentation and Disclosure

The CGIAR Centers and the SO should disclose the policy that it adopts in determining cash equivalents. Changes to that policy are treated as a change in accounting policy [IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*].

The CGIAR Centers and the SO should disclose the components of cash and cash equivalents and should present a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the statement of financial position.

The indirect method adjusts accrual basis net Statement of Activities for the effects of non-cash transactions. The operating cash flows section of the statement of cash flows under the indirect method would appear something like this:

Net Surplus/Deficit		XX
Add: Depreciation expense		XX
Decrease in accrued interest receivable		XX
Increase in accounts payable		XX
Increase in accrued interest liabilities		XX
Nonoperating loss on sales of marketable securities		XX
Subtotal		XXX
Less: Increase in accounts receivable	XX	
Increase in inventory	XX	
Increase in prepaid expenses	XX	
Decrease in accrued operating expenses payable	XX	
Decrease in accrued income taxes payable	XX	
Nonoperating gain on sales of plant assets	XX	XXX
Net cash provided by operating activities		XXX

4.2. Financial instruments - Investments

Because of the complexity of the subject, this section intends to give more detailed information and include some extracts from IFRS to ease the understanding.

4.2.1. Scope and definition

This section deals with the accounting of financial investments (hedging, bonds, securities etc.) that might have been contracted by the CGIAR Centers & the SO and how it must be disclosed in their annual financial statements.

A **Financial Instrument** is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity [IAS 32].
CGIAR Centers & the SO may contract financial instruments for different purposes:

i. To mitigate from currency fluctuations;
ii. To fund future expenditure;
iii. To maximize return on financial assets;
iv. Etc.

A **Financial Asset** is any asset that is (IAS 32):

i. Cash
ii. An equity instrument of another entity
iii. A contractual right:
    - To receive cash or another financial asset from another entity; or

- To exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity;

iv. A derivative or non-derivative.

A financial liability is any liability that is a contractual obligation:

i. To deliver cash or another financial asset to another entity; or
ii. To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity.

An **Equity Instrument** is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Hedging is the process of using offsetting commitments to minimize or avoid the effects of adverse price movements. Hedging transactions often are used to protect positions in foreign currency and future cash flows.
Hedging instrument is a designated derivative or (for a hedge of the risk of changes in foreign currency exchange rates only) a designated non-derivative financial asset or non- derivative financial liability whose fair value or cash flows are expected to offset changes in the fair value or cash flows or a designated hedged item. Thus, the purchase or sale of a derivative or other instrument is a hedge if it is expected to neutralize the risk of a recognized asset or liability, an unrecognized asset or liability.
Derivative instruments are financial instruments that derive their value from an underlying price or index (i.e. an interest rate, a foreign exchange rate or commodity price) and can be either:

i. Used for trading purposes to generate profits from risk transfers;
ii. Used as a hedging instrument for managing risks.

Abbreviations:
FVOCI: Fair value through Other Comprehensive Income.
FVTPL: Fair value through Profit or Loss.

4.2.2. Relevant IFRS/IAS authority

IAS 32	FINANCIAL INSTRUMENTS PRESENTATION
IAS 39	FINANCIAL INSTRUMENTS: RECOGNITION & MEASUREMENT – Until 31st December 2017 and **superseded by IFRS 9 from 1st January 2018**
IFRS 7	FINANCIAL INSTRUMENTS DISCLOSURE
IFRS 9	FINANCIAL INSTRUMENTS - **Supersedes IAS 39 & Mandatory from 1st January 2018**

From 1st January 2018, **IFRS 9 must be applied by all CGIAR Centers and the SO** preparing their annual financial statements according to IFRS and to all types of financial assets and financial liabilities within its scope**.**
It is strongly recommended that CGIAR Centers and the SO apply IFRS 9 for their 2017 Financial Statements.

4.2.3. Recognition and Measurement

It is the responsibility of the CGIAR Centers and the SO to get agreement from their external auditors on the relevance of the recommendations included thereafter vis-à-vis their local requirements and environments.

(a) *Initial recognition*

All financial assets under IFRS 9 are to **be initially recognized at fair value, plus or minus** (in the case of a financial asset not at FVTPL) **transaction costs** that are directly attributable to the acquisition of the financial instrument [IFRS 9, paragraph 5.1.1]. (Note: Receivable should be measured at transaction price [IFRS9 para 5.1.3].

(b) *Subsequent measurement (or re-measurement)*

IFRS 9 has two measurement categories: **AMORTIZED COST** and **FAIR VALUE**.
Movements in fair value are presented in either profit or loss (P/L - SOA for the CGIAR) or other comprehensive income (OCI).

To determine which measurement category a financial asset falls into, management should first consider whether the financial asset is an investment in an equity instrument, as defined in IAS 32, by considering the perspective of the issuer or a debt instrument.
When the financial asset is a debt instrument, management should consider the following assessments in determining its classification:

- The **Center's or the SO's business model** for managing the financial asset.
- The **contractual cash flows characteristics** of the financial asset.

Business model to be initially defined by CGIAR Centers' and the System Organization's management:

A **Center's business model** refers to how a CGIAR Center (or the SO) manages its financial assets in order to generate cash flows. IFRS 9 prescribes two business models:

1. Holding financial assets **to collect contractual cash flows**; and
2. Holding financial assets **to collect contractual cash flows and selling** (i.e. trading**)**.

FVTPL is the residual category which is used for financial assets that are held for trading or if a financial asset does not fall into one of the two prescribed business models.

The business model is typically observable through the activities that the CGIAR Center (or the SO) undertakes to achieve the objective of the business model. The business model for managing financial assets is not determined by a single factor or activity. Instead, **management has to consider all relevant evidence that is available at the date of the assessment**. Such relevant evidence includes, but is not limited to:

- How the performance of the business model (and the financial assets held within) is evaluated and reported to the Center's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within) and, in particular, the way that those risks are managed.

Examples of business model objectives:

"Hold to collect contractual cash flows" business model

- ✓ The historical frequency, timing and value of sales;
- ✓ The reason for the sales (such as credit deterioration)
- ✓ Expectations about future sales activity.

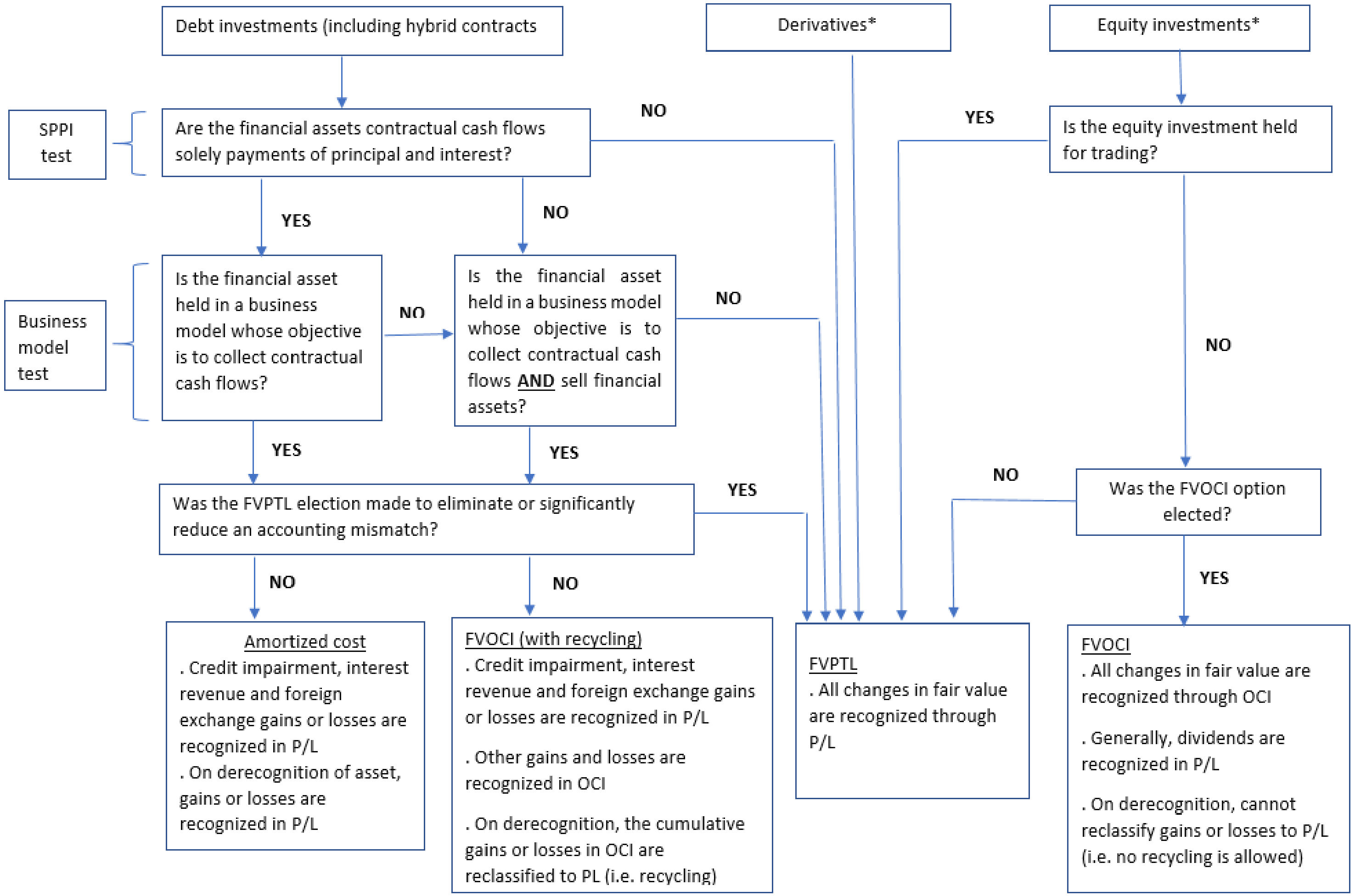
"Hold to collect and sell" business model
(greater frequency and value of sales)

- ✓ Managing everyday liquidity needs;
- ✓ Maintaining a particular interest yield profile; and
- ✓ Matching the duration of the financial assets to the duration of the liabilities that are funding those assets.

Contractual cash flow characteristics: To receive cash flows on specified dates that are solely payments principal + interests on the principal amount outstanding.

These considerations are represented in the following flow charts

The following diagram may be used to determine the appropriate classification of a financial asset under IFRS 9.



(*) Assuming the contractual terms of the financial asset do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This is generally the case for equity investments and derivatives.

Debt Investments: Bonds, bank certificate of deposit
Derivatives: Hedge instruments.
Equity investments: stocks
Non-Derivatives: Hedge cash flow

→ A financial asset should be subsequently measured **at amortized cost** if both the following conditions are met:

- the financial asset is held within a business model whose objective is **to hold financial assets in order to collect contractual cash flows**;
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (**SPPI**) on the principal amount outstanding.

→ A financial asset should be subsequently measured at **FVOCI** if both the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both holding financial assets **to collect contractual cash flows and selling financial assets**; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interests.

If the financial asset is measured at FVOCI, all movements in the fair value should be taken through OCI, **except for the recognition of impairment gains or losses, interest revenue in line with the effective interest method and foreign exchange gains and losses, which are recognized in profit or loss.**

→ If the financial asset does not pass the business model assessment and SPPI criteria, or the fair value option is applied, **it is measured at FVTPL**. This is the **residual measurement category.**

→ Hedging accounting:
The objective of hedge accounting is to represent the effect of risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (P/L – SOA for the CGIAR) or other comprehensive income (OCI).

Hedge accounting is a technique that modifies the normal basis for recognizing gains and losses (or revenues and expenses) on associated hedging instruments and hedged items, so that both are recognized in P&L (SOA) or OCI in the same accounting period. This is a matching concept that eliminates or reduces the volatility in the statement of comprehensive income that otherwise would arise if the hedged item and the hedging instrument were accounted for separately under IFRS. Hedge accounting is optional, and management should consider the costs and benefits when deciding whether to use it.

IFRS 9 allows three hedge accounting models:

i. fair value hedge:
ii. cash flow hedge; and
iii. net investment hedge in a foreign operation.

Accounting of hedge accounting: FVOCI Model

- Debit: OCI with the effective portion of cash flow hedge
- Debit: P/L with remaining amount, Ineffective portion of cash flow hedge
- Credit: Liabilities from Derivatives

4.2.4. Presentation and Disclosure

The CGIAR Centers and the SO must present their financial statements as if they had always applied IFRS 9, with the most useful information to users.

An entity shall disclose information that enables users of its financial statements to evaluate the significance of financial instruments for its financial position and performance [IFRS 7 para7].

IFRS 9 & IFRS 7 require that all CGIAR Centers and the SO provide clear disclosures (**qualitative** and **quantitative**) in their financial statements of financial instruments they contracted (either on financial statements and/or the notes).

(a) The following **assessments** must be performed on the date of initial application of IFRS 9 for instruments owned by the Center:

ASSESSMENT TO BE PERFORMED ON THE DATE OF INITIAL APPLICATION FOR IFRS 9
Assessing the objective of the business model the financial asset is held within
Assessing whether the financial asset meets the solely payments of principal and interest requirement
Determining the fair value of a financial instrument when it is impracticable to apply the effective interest rate method retrospectively
Designating or revoking a designation to measure a financial instrument as measured at FVTPL if it will eliminate or significantly reduce an accounting mismatch.
Assessing whether an accounting mismatch would be created or enlarged by presenting the effects of changes in a financial liability's credit risk in OCI.
Designating to measure subsequent changes in the fair value of an equity instrument in OCI.
Designating to measure existing contracts to buy or sell a non-financial item at FVTPL to eliminate or significantly reduce an accounting mismatch.
If restating prior periods, determining the adjustment to opening retained earnings for hybrid contracts where their fair value was not measured in comparative periods.
Determining the fair value of an equity investment or derivative linked to an equity instrument that was previously accounted for at cost under IAS 39.
Determining whether there has been a significant increase in credit risk since initial recognition.
Assessing the entity's compliance with qualifying hedge accounting criteria.

(b) The business model test

At the date of initial application, the Center must assess whether a financial asset is held within a business model whose objective is:

- To collect contractual cash flows; or
- To collect contractual cash flows and sell the financial assets.

This assessment will assist in determining whether the financial asset should be classified as measured at:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI); or
- FVTP

(c) Disclosure

→ *Initial Application Disclosures*

The disclosures provided in the reporting period that includes the initial application date relate to:

Original and New Measurement	For each class of financial assets or financial liabilities (in tabular format unless another format is more appropriate): - Original measurement category and carrying amount. - New measurement category and carrying amount determined via IFRS 9. - Amount of any financial assets or liabilities in the statement of financial position previously designated at FVTPL but are no longer so designated
Additional Qualitative Disclosures	Qualitative disclosures to enable users to understand: - How the entity applied the classification requirements in IFRS 9 to financial assets whose classification changes as a result of applying IFRS 9. - The reasons for any designation or de-designation of financial assets or financial liabilities measured at FVTPL at the date of initial application.

The disclosures must permit reconciliation at the date of initial application between:

- The measurement categories presented in accordance with IAS 39 and IFRS 9; and
- The class of financial instrument.

→ *Classification and Measurement disclosure*

Changes in Classification	Changes in the classification of financial asset and liabilities as at the date of initial application, showing separately:

	- The changes in carrying amount on the basis of their measurement categories in accordance with IAS 39. - Changes in carrying amounts resulting from changes in measurement attributes on transition to IFRS9.
Reclassified Financial Assets & Liabilities	For financial assets and financial liabilities reclassified to amortized cost and, in the case of financial assets, reclassified out of FVTPL to be measured at FVOCI as a result of transition to IFRS 9, disclose: - The fair value of the financial assets or financial liabilities at the end of the reporting period. - The fair value gain or loss that would have been recognized in profit or loss or OCI during the reporting period if reclassification had not taken place.

→ *Impairment Disclosure*

The disclosures relating to the impact of the new IFRS 9 impairment requirements relate to:

Effect of Changes in Measurement Category on Loss Allowance	For financial assets, disclosure is provided by the related measurement categories in accordance with IFRS 9, showing separately the effect of the changes in the measurement category on the loss allowance at that date.

Note: IFRS 9 requires recognizing and recording expected **credit losses** (ECL) on a 12 month or lifetime basis.

4.3. Receivables

4.3.1. Scope

This section aims to provide CGIAR Centers and the SO with guidance on how to report information that relates to receivables.

4.3.2. Relevant IFRS/IAS authority

IAS 1	PRESENTATION OF FINANCIAL STATEMENTS [paras 54 (h), 66]

4.3.3. Recognition and Measurement

(a) Classification of Receivables

- Donor: Receivables from donors can arise from unrestricted or restricted grants,
- Employees: advances made to employees for travel, benefits, salary, loan, etc.
- CGIAR Centers: amounts due from other CGIAR Centers & the SO.
- Ohers: amounts that are due from suppliers, consultants, and other third parties.

(b) Recognition Principles

Unrestricted Grants and Restricted Grants
Receivables from unrestricted and restricted grants should be recognized in full in the period specified by the donor. In order to recognize both kind of grants as revenue, sufficient evidence must exist proving the commitment made by the donor to the CGIAR Center.

Other Receivables
- → Receivables from employees are recognized as they arise and cancelled when payment is received.
- → Receivables from other CGIAR Centers are recognized when the services are rendered to the other Center or when payment is made for a liability of another CGIAR Center.
- → Other receivables are recognized upon the occurrence of event or transaction which gives the CGIAR Center a legal claim against others.

(c) Measurement

i. All receivable balances should be valued at their net realizable value, calculated as the gross amount of receivable minus any allowances provided for doubtful accounts.
ii. Allowance for doubtful accounts should be provided in an amount equal to the total receivables shown or reasonably estimated to be doubtful of collection. The amount of the allowance should be based on past experiences and on a continuing review of receivable aging reports and other relevant factors.
iii. When an Accounts Receivable – Donor, is deemed doubtful of collection, the Center shall provide an allowance for doubtful accounts during the year the account was deemed doubtful.
iv. Any receivable or portion of receivable adjudged to be uncollectible should be written off. Write-offs of receivables should be done via the allowance for doubtful accounts after all efforts to collect have been exhausted.
v. Receivables denominated in a currency other than the US dollar are recognized in accordance with the provisions of Section 7.7 of this manual (Foreign Exchange Transactions).

4.3.4. Presentation and Disclosure

(a) Receivables from donors should be shown as a separate line item in the Statement of Financial Position.
(b) Employees’ outstanding balances should be identified as a separate line item in the Statement of Financial Position.
(c) Receivables from other Centers and other receivables should be identified as separate line items in the Statement of Financial Position.
(d) Receivables should be classified in the Statement of Financial Position as current or non-current. Current receivables are those collectible within one year from the date of the Statement of Financial Position. Non-current receivables are those collectible beyond one year.

(e) The allowance for doubtful accounts should be deducted from the related asset with the asset being shown in the Statement of Financial Position either at:
- Gross, less the allowance; or
- Net, with the amount of the allowance indicated in the parenthetical notation.

4.4. Inventories

4.4.1. Scope

This section addresses the accounting treatment and disclosure of inventories in accordance with IAS 2.

4.4.2. Relevant IFRS/IAS authority

IAS 2	INVENTORIES

4.4.3. Recognition and measurement

Inventories are required to be stated at the lower of cost and net realizable value (NRV). [IAS 2.9]

(a) CGIAR Centers & the SO may acquire inventories through direct purchase or grants by donors.
(b) The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
(c) The cost of inventories applied to operations should be assigned by using the first-in, first-out (FIFO) or weighted average cost formula. The use of the weighted average formula must display details of the cost formula in the financial notes.
(d) Inventories are usually written down to net realizable value on an item by item basis. In some circumstances, it may be appropriate to group similar or related items.
(e) Inventories acquired in currencies other than US dollars shall be recorded using the exchange rate applicable at the date of transaction.
(f) The allowance for inventory obsolescence should be deducted from the related asset, the asset being shown in the statement of financial position either at:
    - Gross, less the allowance; or
    - Net, with the amount of the allowance disclosed in the financial notes.
(g) The amount of write-down of inventories to net realizable value and all losses of inventories should be recognized as an expense in the period the write down or loss occurs.
(h) Inventories are to be valued at cost and charged against operations when used. Cost includes the purchase price plus any cost of conversion and other costs incurred in bringing the inventories to their present location and condition (e.g. cost of freight,

insurance and handling charges). Grants in the form of inventories, should be measured at fair value at the time of receipt.

(i) Inventories held at the end of the financial period should be stated at the lower of cost and net realizable value.

4.4.4. Presentation and Disclosure

The financial statements should disclose [IAS 2.36]:

(a) The accounting policies adopted in measuring inventories, including the cost formula used;
(b) The total carrying amount of inventories and the carrying amount in classifications appropriate to the Centers (or the SO);
(c) The carrying amount of inventories carried at net realizable value;
(d) The amount of any reversal of any write-down that is recognized as revenue, or a reduction in expenses, in the period and the circumstances or events leading to such reversals;
(e) The carrying amount of inventories pledged as security for liabilities, if any.

4.5. Biological Assets

4.5.1. Scope and Definition

(a) Scope

The former Financial Guideline 2 does not provide information on management of Biological Assets, therefore all CGIAR Centers managing this kind of assets must review the process and adjust it according to IAS 41 (Biological Assets), IAS16 (Property, Plant & Equipment), IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance), or IAS 2 (Inventories).

Agriculture applies to most biological assets, agriculture produce at the point of harvest, and government grants involving biological assets. When these items meet the definition of an asset, they should be measured at fair value less cost to sell (IAS41).
Biological assets may be outside the scope of IAS41 when they are not used in agricultural activity.

IAS41 only applies to agriculture produce at the point of harvest, not prior or subsequent to harvest. Subsequent to harvest and processing, agriculture produce is accounted for under IAS-2 on Inventory.

As a result of bearer plants amendments, IAS 41 now explicitly excludes bearer plants from its scope; instead IAS 16 (Property, Plant & Equipment) applies to these assets. However, the produce growing on a bearer plant remains within the scope of IAS 41.

Land used to produce biological assets is not in the scope of IAS41, but IAS16.

Note: Biological Assets in context of the ordinary course of operation:
While there is guidance in recognizing biological assets [IAS 41, 16, 20 and 2] as noted above, CGIAR Centers should always discuss with their external auditors the context by which these assets are acquired. Bearing in mind that the main and ordinary business of the CGIAR Centers is scientific research for the production of public goods. And that such biological assets are by products not the main business.

(b) Definition

Biological assets are living plants and animals controlled by the entity as a result of past events. Control may be through ownership or through another type of legal arrangement. This may be bearer or consumable biological asset.
Examples of biological assets: Sheep, trees in a timber plantation, Dairy Cattle, Pigs, Cotton plants, Sugarcane, Tobacco plants, tea bushes, Grape vines, Fruit trees, Oil palms, Rubber trees
Agricultural produce is the harvested produced of the entity's biological assets. Agricultural produce at the point of sale is outside the scope of this standard and should be treated under IAS2, inventories. Agricultural produce are the harvested products of the entity's biological assets awaiting sale, processing, or consumption.
A bearer plant (IAS 16 Property, Plant and Equipment) is a living plant that:

- is used in the production or supply of agricultural produce;
- is expected to bear saleable produce for more than one period; and
- has a remote likelihood of being sold as agricultural produce itself, except for incidental scrap sales.

Produce growing on bearer plants is a biological asset.

This standard applies mostly to Centers that grow or rear biological assets for profit.
For CGIAR Centers that do not grow or rear biological assets for sale, the cost of producing these assets are charged to the statement of activities in the year they are incurred.

4.5.2. Relevant IFRS/IAS Authority

IAS 41	AGRICULTURE

4.5.3. Recognition and measurement

(a) Recognition

A CGIAR Center shall recognize a biological asset or agricultural produce when, and only when:

i. The CGIAR Center controls the assets as a result of past events;

ii. It is probable that future economic benefits associated with the asset will flow to the entity;
iii. The fair value or cost of the asset can be measured reliably [IAS 41 para 10].

(b) Measurement

i. A Biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, unless fair value cannot be reliably measured.
ii. The gain or loss on initial recognition of biological assets at fair value less costs to sell, and changes in fair value less costs to sell of biological assets during a period, are reported in the statement of activity.
iii. All costs related to biological assets that are measured at fair value are recognized as expenses when incurred.
iv. Agricultural produce harvested from an entity's biological assets shall be measured at its fair value less *(estimated)* costs to sell at the point of harvest. Because harvested produce is a marketable commodity, there is no "measurement reliability" exception for produce.
v. A gain on initial recognition of agricultural produce at fair value less costs to sell should be included in the statement of activity for the period in which it arises.

4.5.4. Presentation and Disclosure

Biological assets should be presented separately on the face of the statement of the financial position.

The presentation of biological assets as current or non-current depends on their nature. Normally, consumable assets would be presented as current assets, whereas bearer assets would be presented as non-current assets. Where the period to maturity of consumable assets (such as forests) is long, presentation as non-current is appropriate.

Disclosure requirements in IAS 41 include:
i. Carrying amount of biological assets;
ii. Description of the Center's biological assets, by broad group;
iii. Change in fair value less costs to sell during the period;
iv. Fair value less costs to sell of agricultural produce harvested during the period;
v. Description of the nature of an entity's activities with each group of biological assets and non-financial measures or estimates of physical quantities of output during the period and assets on hand at the end of the period;
vi. Information about biological assets whose title is restricted or that are pledged as security;
vii. Commitments for development or acquisition of biological assets;
viii. Financial risk management strategies;
ix. Methods and assumptions for determining fair value;

x. Reconciliation of changes in the carrying amount of biological assets, showing separately changes in value, purchases, sales, harvesting, business combinations, and foreign exchange differences.
xi. Disclosure of a quantified description of each group of biological assets, distinguishing between consumable and bearer assets or between mature and immature assets, is encouraged but not required.

If fair value cannot be measured reliably, additional required disclosures include: Description of the assets, an explanation of the circumstances, if possible, a range within which fair value is highly likely to lie, depreciation method, useful lives or depreciation rates, gross carrying amount and the accumulated depreciation, beginning and ending.

4.6. Intangible Assets

4.6.1. Scope and Definition

This section aims to provide Centers & the SO with guidance on how to report on information that represents Intangible assets.

Typical intangible assets for a CGIAR Centre & the SO are:
- Computer Software.
- Intellectual Property (patents)

4.6.2. Relevant IFRS/IAS Authority

IAS 38	INTANGIBLE ASSETS

4.6.3. Recognition and Measurement

The accounting for an intangible asset is based on its useful life. An intangible asset with a finite useful life is amortized, and an intangible asset with an indefinite useful life is not.

The recognition of an item as an intangible asset requires an entity to demonstrate that the item meets the definition of an intangible asset and the recognition criteria. Either of two models may be used to measure the asset after initial recognition: the cost model or the revaluation model.

<u>Cost model [IAS 38 para 72]</u>
An intangible asset shall be measured initially at cost. Expenditure on an intangible item that was initially recognized as an expense shall not be recognized as part of the cost of an intangible asset at a later date. After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortization and any accumulated impairment losses.

Revaluation model [IAS 38 para 7]
After initial recognition, an intangible asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortization and any subsequent accumulated impairment losses. For revaluations under IAS 38, fair value shall be measured by reference to an active market. Revaluations shall be made with such regularity that at the end of the reporting period the carrying amount of the asset does not differ materially from its fair value.

Amortization of intangible assets with finite lives
The cost less residual value of an intangible asset with a finite useful life should be amortized on a systematic basis over that life: [IAS 38.97]

- The amortization method should reflect the pattern of benefits.
- If the pattern cannot be determined reliably, amortize by the straight-line method.
- The amortization charge is recognized in profit or loss unless another IFRS requires that it be included in the cost of another asset.
- The amortization period should be reviewed at least annually. [IAS 38.104]

4.6.4. Presentation and Disclosure

Intangible assets should be reported as a separate line in the Statement of Financial Position, under the heading “Intangible Assets”.

If the net amount is not material, they can be reported together with Tangible Assets under the heading “Property, Plant and Equipment”.

Details of Intangible Assets should be supplied in the Notes to the financial statements.

4.7. Property, Plant & Equipment

4.7.1. Scope and Definition

This section addresses the accounting treatment and disclosure of property, plant and equipment.

It is the responsibility of the CGIAR Centers and the SO to get agreement from their external auditors on the relevance of the material presented thereafter vis-à-vis their contracts/Agreements, local requirements and environments, especially regarding Land and buildings.

4.7.2. Relevant IAS/IFRS Authority

IAS 16	PROPERTY, PLANT & EQUIPMENT

4.7.3. Recognition, measurement and valuation

a) Initial recognition

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if:

i) it is **probable** that future economic benefits associated with the item will flow to the Center; and
ii) the cost of the item can be **measured reliably**.

Items of property, plant and equipment that qualify for recognition should be **initially measured at cost**. Cost includes the costs of acquiring or constructing the asset and costs incurred subsequently to add or replace part of the asset.

i. Assets granted by a donor (buildings) must be reflected in the financial statements (through assets and liabilities) and amortized over the lifespan of the assets [IAS 16]

ii. **Assets acquired using the resources of a Center** should also be accounted for using IAS 16. This implies all costs related to the asset will be capitalized and depreciated in line with IAS 16.

iii. **The accounting of assets acquired through grants** is set out in Chapter 4.8, Assets acquired through grant funds.

iv. Acquisitions of property, plant and equipment worth less than the minimum level for capitalization set by individual Centers, shall be expensed outright.

v. All new facilities provided by host countries to the CGIAR Center & the SO or constructed for the use of the CGIAR Center (or the SO), which will revert to the host country in the event the Center/SO ceases to operate, are to be recognized as an asset. Restrictions on the property should be disclosed by way of note [IAS 16 para 74].

vi. Subsequent expenditure relating to property, plant and equipment that has already been recognized should only be added to the carrying amount of the asset if the expenditure improves the condition of the asset beyond its originally assessed standard of performance. All other subsequent expenditure should be recognized as an expense in the period in which it is incurred.

b) Subsequent measurements after initial recognition

An entity shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to **an entire class of property, plant and equipment**.

i. *Cost model*

After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses. If chosen, the depreciable value must be reviewed at least at each financial year-end and dealt with as a change in estimate [IAS 16 para 30].

ii. *Revaluation model*

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. If chosen revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Valuations do not need to be performed every year or every reporting period, but they should be performed with sufficient regularity that the carrying amount does not differ materially from fair value at the end of the reporting period [IAS 16 para 31].

The standard [IAS16] requires an entity to review the residual value and useful life of its assets at least at each financial year end to determine if the expectations differ from previous estimates. This is done to avoid having fully depreciated assets that are still in use.

It is required to review the useful life of the remaining assets which are still in use and adjust the useful life if it is expected that the asset will bring economic value to the Center for more year than previously estimated. The assessment should be carried out for each class of asset on an asset by asset basis.

For fully depreciated assets but still in use, IAS 8 (Changing in Accounting Estimates, and Errors) gives some details on how to deal with it if deemed necessary.

c) Depreciation of Property, Plant and Equipment

Depreciation is the systematic allocation of the depreciable amount of an item of property, plant and equipment over its estimated useful life.

See Chap 7. Expenses / 7.9 Depreciation for further details

d) Disposal or Retirement of Property, Plant and Equipment (PP&E)

An item of PP&E is derecognized when it is disposed of or when no future economic benefits are expected from its use or disposal.
Gains or losses arising from the sale or retirement of assets are determined as the difference between the net disposal proceeds and the net carrying amount of the asset sold or retired.
These gains and losses are recognized in the statement of activities as a separate line below the Operating Surplus/Deficit in the year the asset is derecognized.

4.7.4. Presentation and Disclosure

The financial statements shall disclose by way of notes to the accounts, for each class of property, plant and equipment:

i. The measurement bases used for determining the gross carrying amount;
ii. The depreciation methods used;
iii. The gross carrying amount and the accumulated depreciation at the beginning and end of the period.
iv. A reconciliation of the carrying amount at the beginning and end of the period showing:
    - additions;
    - disposals;
    - increases and decreases during the period resulting from revaluations;
    - impairment losses recognized or reversed in the Statement of Activities during the period;
    - depreciation; and
    - other movements.
v. The existence and amounts of restrictions on title, and property, plant and equipment pledged as security for liabilities;
vi. The amount of expenditure on account of property, plant and equipment in the course of construction; and
vii. The amount of commitments for the acquisition of property, plant and equipment.
viii. A table is required that explains the movements in cost, or revalued amount and depreciation, for each class of property, plant and equipment. [IAS 16 para 73].
ix. Details of the nature and amount of a change in accounting estimate that has an effect in the current period, or is expected to have an effect in future periods, should be disclosed in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors). Changes in accounting estimates include changes in useful lives, residual values and depreciation methods. [IAS 16 para 76].

4.8. Assets acquired through grant funds

It is the responsibility of the CGIAR Centers and the SO to get agreement from their external auditors on the relevance of the material presented thereafter *vis-à-vis* their contracts/Agreements, local requirements and environments, especially regarding Land and buildings.

4.8.1. Scope and Definitions

(a) Scope

The purpose of this section is to introduce "Project Assets", a category of PPE referred to by the CGIAR Centers & the SO.

(b) Definition

The definition of a Project Asset is therefore: An asset which has been acquired by grant funding for the purposes of carrying out a particular project, and ownership is retained by the CGIAR Center at the end of the project.

Note: all the general requirements for PPE as set out in Chapter 4.7. Property, Plant and Equipment are applicable to Project Assets.

4.8.2. Relevant IFRS/IAS Authorities

IAS 16	PROPERTY, PLANT & EQUIPMENT
IAS 20	ACCOUNTING FOR GOVERNMENT GRANTS

Note: in IAS 16 there is no reference to the required accounting treatment or disclosure of assets funded by grants.

IAS/IFRS Extracts

IAS 20 Accounting for Government Grants & Disclosure of Government Assistance
Presentation of grants related to assets
Para 24
Government grants related to assets, including non-monetary grants at fair value, shall be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.
Para 25
Two methods of presentation in financial statements of grants (or the appropriate portions of grants) related to assets are regarded as acceptable alternatives.
Para 26
One method recognizes the grant as deferred income that is recognized in profit or loss on a systematic basis over the useful life of the asset
Para 27
The other method deducts the grant in calculating the carrying amount of the asset. The grant is recognized in profit or loss over the life of a depreciable asset as a reduced depreciation expense

4.8.3. Measurement and recognition

(a) Acquisition and Revenue Recognition

As per the extract above, two methods are regarded as acceptable alternatives regarding the grant recognition:

The Deferred Income method [IAS 20 para 26]
This involves recognizing the grant in surplus or deficit in the same periods that the related expenses are recognized. This involves setting up a deferred grant income account and transferring a portion of the grant each year over the useful life of the asset acquired.

The Capital method [IAS 20 para 27]
This involves deducting the grant in arriving at the carrying value of the asset, in which case the grant is recognized in surplus or deficit over the useful life of the asset by way of a reduced depreciation charge.

(b) End of Project, and Revaluation of Project Assets

All Project Assets should be revalued at the end of the project life, so that the residual value can be recognized. This would be carried out in accordance with [IAS 16 Paras 31, 34, 36 and 39], and the revaluation should be done annually.

4.8.4. Presentation and Disclosure

Project Assets should be included as an asset category within the general reporting requirements for PPE as set out in Chapter 4.7. Property, Plant and Equipment.
Any surplus arising from revaluation of Project Assets is reported as part of 'Other Comprehensive Income'.

Note: when the PP&E results from a government grant, IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) allows either of two methods to record assets. Under [IAS 20 para 24-28] the value of the grant can be either (i) deducted from the value of the asset, or (ii) established as a liability (deferred income). These practices are not aligned to the IASB's conceptual framework, and it is likely that not all users of IFRS find this standard palatable.

5. Liabilities

5.1. Liabilities, Provisions, Contingent Liabilities & Contingent Assets

5.1.1. Scope and Definition

(a) Scope

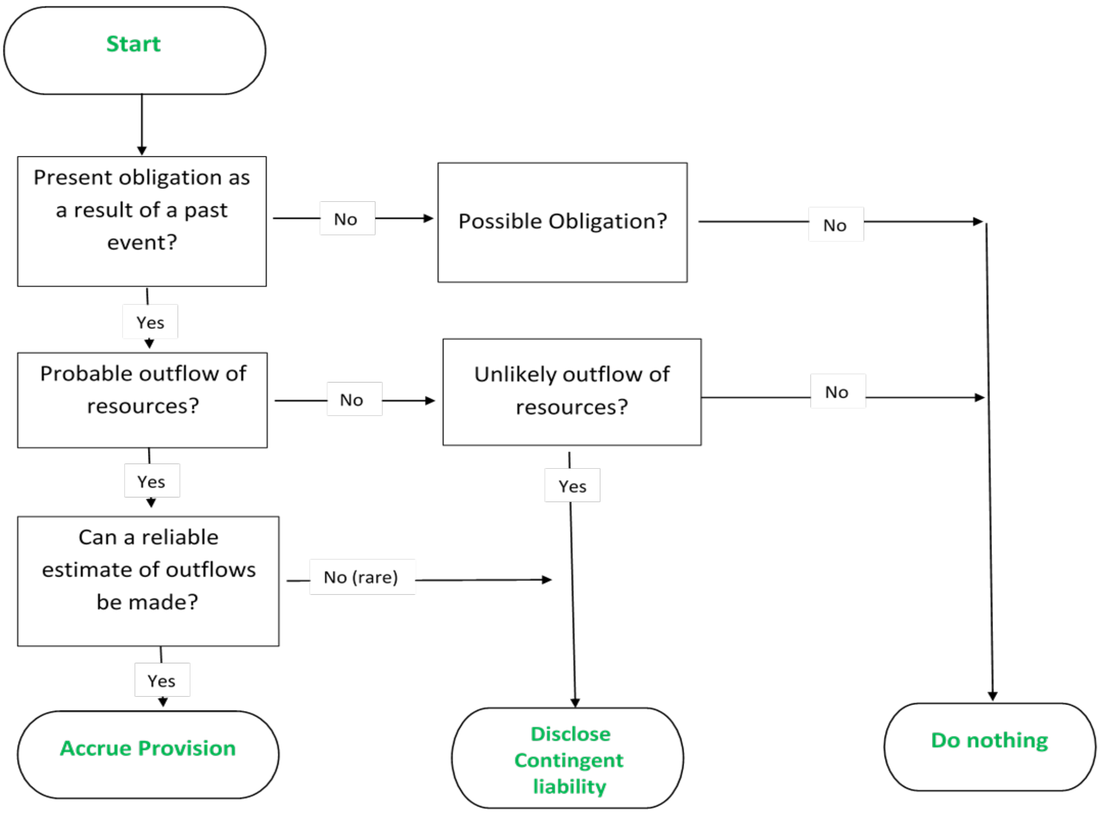
This section addresses the accounting treatment and disclosure of liabilities, but particularly, provisions, contingent liabilities and contingent assets, in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets).

(b) Definition

CGIAR System Accounts Payables

These consist of amounts due to other CGIAR Centers, the System Management Office or the CGIAR Trust Fund.

Flowchart for the recognition of a provision and contingent liability:



5.1.2. Relevant IAS/IFRS References

IAs 1	STATEMENT OF FINANCIAL POSITION
IAS 37	PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

5.1.3. Recognition and Measurement

(a) Liabilities

Liabilities include obligations for items which have entered into the operating cycle, such as payables incurred in the acquisition of materials and supplies to be used in the CGIAR Center's activities; collections received in advance of the delivery of materials and supplies or performance of services; and debts which arise from operations directly related to the CGIAR Center's activities.

Resources received from other service beneficiaries for specific projects, programs or activities that have not yet taken place should be recognized as liabilities to the extent that the earning process has not been completed.

Current liabilities are carried at the amount to be paid.

Long term liabilities are shown at the present or discounted value of the future net cash outflows expected to be made to settle the liabilities in the normal course of operations. For example, instalment liabilities are recorded at present values of future periodic instalments.

(b) Contingent assets and contingent liabilities

Contingent liabilities are not recorded as liabilities as they represent possible obligations or present obligations that do not meet all the criteria to be recorded as a provision (see below). A Center shall not recognize a contingent asset or contingent liability but periodically reassess the underlying obligations to evaluate whether the conditions for recognition exist. Centers should, however, disclose a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is unlikely [IAS 37 para 27-28].

(c) Provisions

Provisions are recognized and recorded as liabilities as they represent obligations.
A provision shall be recognized in accordance with [IAS 37 para14]:
The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.
Provisions are classified as current when the expected settlement is within 12 months; if not, they are classified as non-current.
Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If the event for which the provision was accrued is no longer probable, the provision must be reversed.

5.1.4. Specific Cases: Onerous Contracts, Restructuring & Legal Provisions

a) Onerous contracts

An ***onerous contract*** is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. *[IAS 37 para 66]*

If a Centre has a contract that is onerous, the present obligation under the contract should be recognized and measured as a provision in accordance with [IAS 37 para 66].
An onerous contract is recognized and measured in the same way as any other provision.

b) Restructuring

A ***restructuring*** is a program that is planned and controlled by management, and materially changes either:

- the scope of a business undertaken by an entity; or
- the manner in which that business is conducted.

Restructuring provisions are recognized only when the general recognition criteria for provision are met. Specifically, in accordance with [IAS 37 para 70] a restructuring provision should be recognized only when, at the reporting date, the Centre has approved a formal restructuring plan, and the restructuring has either commenced or has been announced publicly.
A restructuring provision should only include expenditures that derive directly from the restructuring and not those that are not associated with the ongoing activities of the entity [IAS 37 para 80].

c) Legal Provisions

Legal provisions include all legal cases that the entity may have with suppliers, customers, landlords and/or employees and should take into account the evaluation of legal advisors. The provision should also include legal expenses and court costs. As is the case with all provisions, the estimates made in measuring legal provisions should be reassessed at the end of each reporting period.

5.1.5. Presentation & Disclosure

(a) Liabilities

Current and non-current liabilities must be presented on the face of the Position of Financial Statement with sufficient detail in the Notes to allow users to understand the risks involved.

(b) Contingent assets and contingent liabilities (see also (iv))

Unless the possibility of any outflow in settlement is remote, Centers shall disclose for each class of contingent liability at the end of the reporting period a brief description of the nature of the contingent liability and, where practicable:

- An estimate of its financial effect;
- An indication of the uncertainties relating to the amount or timing of any outflow;
- and the possibility of any reimbursement [IAS 37 para 86]

IAS 1 Para 54 sets out the minimum disclosure in the statement of financial position. Regarding liabilities of CGIAR Centers, there must be line items that present the following amounts:

- Trade and other payables;
- Provisions;
- Financial liabilities (excluding amounts shown under (k) and (l)); n) liabilities and assets for current tax, as defined in IAS 12 *Income Taxes*;

Note that Para 54 also sets out other items that must be disclosed (e.g., deferred tax liabilities, non-controlling interests) but these are generally not relevant for CGIAR Centers or the SO.

(c) Provisions (see also (iv))

For **each class of provision**, CGIAR Centers & the SO shall disclose in the financial statements:

i. The carrying amount at the beginning and end of the period;
ii. Additional provisions made in the period, including increases to existing provisions;
iii. Amounts used (i.e. incurred and charged against the provision) during the period;
iv. Unused amounts reversed during the period; and
v. The increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate.

Charges to provisions are recognized in the statement of activities as *other operating expenses,* unless the nature of the expenses is such that another classification would be more appropriate. Comparative information is not required [IAS 37 para 84].

(d) Obligations including contingent liabilities and provisions

Detailed explanations should be disclosed in the financial notes about any obligations (provisions, contingent liabilities):

- A brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;
- An indication of the uncertainties about the amount or timing of those outflows.

Where necessary to provide adequate Information, an entity shall disclose the major assumptions made concerning future events; and the amount of any expected reimbursement, stating the amount of any asset that has been recognized for that expected reimbursement [IAS 37 para 85].

6. Revenue

6.1. Scope and Definition

(a) Scope

This section shall be applied in accounting for, and disclosure of **revenues & grants:**
- **Grant revenue,**
- **Other Revenue and Gains, and**
- **Grants-in-Kind.**

(b) Definitions

Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of a Center where those inflows result in increases in net assets. The major portion of a Center's revenue is normally derived through the receipt of Donor grants.

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Government refers to government, government agencies and similar bodies whether local, national or international (IAS20 para 3). For the CGIAR Centers & SO, this definition includes both public and private organizations if the purpose of the grants is to produce public goods/services.

Unrestricted grant revenue arises from the unconditional transfer of cash or other assets to a Center.

Restricted grant revenue arises from a transfer of resources to a Center in return for past or future compliance relating to the operating activities of the Center.

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or acquire long-term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held.

Grants related to income are government grants other than those related to assets.
Other revenue and gains are increases in Net Assets resulting from a Center's peripheral or incidental transactions and other events and circumstances affecting the Center, other than those that result from grants.

These are revenue arising from but are not limited to the following transactions and events:
(a) the sale of goods;
(b) the rendering of services, like Revenue relating to hosting non-Center staff

(c) the use by others of entity assets yielding interest, royalties and dividends not covered under chapter 4, sub section 4.2 financial instruments;
(d) Other miscellaneous revenues not specified above.

Non-monetary grants or In-Kind contributions is a government grant that may take the form of a transfer of non-monetary asset or other resources for use of the entity.

6.2. Relevant IFRS/IFRS Authorities

IAS 20	GOVERNMENT GRANTS & DISCLOSURE OF GOVERNMENT ASSISTANCE
IAS 18	REVENUE
IFRS 15	REVENUE – **Supersedes IAS 18 & Mandatory for financial year beginning from or after 1st January 2018**

From 1st January 2018, IFRS 15 must be applied by all CGIAR Centers & the SO preparing their financial statements according to IFRS and to all types of financial assets and financial liabilities within its scope. It is strongly recommended that CGIAR Centers & the SO apply IFRS 15 for their 2017 financial statements.

6.3. Recognition and measurement

6.3.1. Restricted Grants, Unrestricted grants, In-kind Contributions and Other Revenue & gains

Revenues from these grants shall be recognized when there is reasonable assurance that the entity will comply with the conditions matching them and that the grants will be received [IAS 20 para 7].

For the CGIAR, Grants received are classified in one of the 3 following categories for which the recognition and measurement advice is provided below:

- **Restricted grants:**
  - **Grants related to assets**: grants for which the primary condition is to purchase, construct, or otherwise acquire long-term assets;
  - **Grants related to income**: Grants with specific conditions to be fulfilled by the beneficiary to cash them.

- **Unrestricted grants,** which are grants received [IAS 20 para 20]:
  - for which there are no specific conditions or obligations to follow or to be fulfilled by the beneficiary (i.e. there are no conditions that the Centre must adhere to in order to receive the grant funding); or
  - for which the associated costs/expenses have already been incurred (and no grant revenue has been recognized in relation to those costs/expenses);

- **Grants-in-kind (Non-monetary grants)**

Grants-in-kind should be recorded at the fair value of the non-monetary assets (or services) received or promised, or the fair value of the liabilities satisfied (IAS 20 para 23).

D.48 Section 23 of the IFRS for SMEs also states that donated goods must be measured at their fair value, unless it is impractical to measure reliably the fair value of donated item(s).

For the CGIAR, grants-in-kind mostly include, but are not limited to, staff time costs for personnel working for the Center (staff support) from the donor's organization.

If not recorded as revenue in the Center's financial statements grants-in-kind should be at least acknowledged by the Center by the way of a Note to the Financial Statements.

(a) *Recognition of Restricted Grants*

Restricted Grants related to Assets - refer to Chapter 4.8 Assets acquired with grant funds for more detailed guidance.

Restricted Grants related to income - the revenue is recognized when the condition is fulfilled and/or as per the terms of the underlying contract/agreement. The entity shall recognize revenue when the entity satisfies a performance obligation by transferring a promised good or service. [IFRS 15 para 31].

In the CGIAR, restricted grants contracts terms can be based on a reimbursements method (i.e., the Centers are paid after the expenses are incurred and other conditions met) or the advanced method (i.e. donors pay a lump sum amount at the beginning of the project implementation).

Cash received in advance in the context of the grant is recorded as a liability (deferred income) until criteria for revenue recognitions are met. [IFRS15 para 106]

When expenditure is incurred, grant revenue should be recognized to the extent that there is reasonable assurance that a donor will reimburse the Centre for the expenditure incurred (IFRS15 para107). The resulting receivable should be classified within "Receivables from donors".

"It is fundamental to the income approach that government grants should be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grant is intended to compensate" [IAS 20 para 12 and 16].

***Measurement*:**
IFRS 15 offers additional clarification in the systematic basis of measurement of revenue over the periods in which there is partial fulfilment of the obligation or condition attached to the grant/contract. IFRS 15 para 41 offers 2 methods: output method and input method.

Output methods: [IFRS 15 para B15] Output methods recognize revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as surveys of performance completed to date, appraisals of results achieved, milestones reached, time elapsed and units produced or units delivered.

The input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of the performance of obligation (e.g. resources consumed, labor hours expended, costs incurred, etc.) relative to the total expected inputs to the satisfaction of that performance obligation [*IFRS 15 para B18]*.

(b) *Recognition of Unrestricted grants*

Unrestricted Grants shall be recognized as revenue in the period in which they become receivable [IAS 20 para 20] and when there is reasonable assurance that the grant will be received.

Before accounting for a grant as an unrestricted grant, a Centre must confirm that the substance of the grant agreement meets the definition of an unrestricted grant. It is possible that a grant agreement has the form of an "unrestricted grant", and may even be called an "unrestricted grant", but does not meet the above criteria to be accounted for as an unrestricted grant.

The presence of any of the above factors would imply, that a grant should not be accounted for as unrestricted.

(c) *Recognition of Other Revenue and gains*

Other revenue and gains are recognized in the period in which they are earned.

(d) *Recognition of Grants-In-Kind*

IAS 20 para 23 provides that grants-in-kind are recorded at the fair value of the non-monetary assets (or services) received or promised, or the fair value of the liabilities satisfied.

6.3.2. CGIAR Specificities: CGIAR Fund, Window 3 or Bilateral

(a) Grants received from the CGIAR Fund

Since the establishment of the CGIAR Fund, donors can now contribute to CGIAR either through the CGIAR Fund or bilaterally. Donors contributing to the CGIAR Fund may designate their resources to one or more of three funding Windows 1, 2 or 3.

- *Grants received from Window 1 & 2* of the CGIAR Fund for the use of the Portfolio (CRPs and Platforms) are regarded as restricted grants. While the nature of Window 1 was originally provided to the CGIAR System as unrestricted money, this becomes restricted once it is allocated by the System Council for a specific use (for CRP, Platform, system entity or special initiative). Window 2 are restricted grants from the time the donor allocates the funds to the CRP. While the use of these grants within the CRP are delegated to the CRP leaders, the conditions of use of funds remain that if such funds are not used, it should be returned to the CGIAR Fund, and donors can choose whether to have it refunded to them or re-allocated to a different program.

- *Grants received from Window 3* are designated by donors directly to Centers. A supplementary agreement or formal instruction from donors should clarify for Centers, the nature of the grants – i.e. if the grant is restricted or unrestricted.

- *Unrestricted grants received by Centers either from Window 3 or bilateral* (directly from donors): these grants if spent should be classified either under Portfolio or non-Portfolio. However, unrestricted grants that remained unused at the end of the year can flow through Net assets as a surplus for the year under non-CRP revenue.

(b) *The CSP collected from Window 3 and Bilateral grants:*

When a donor chooses the Bilateral channel, the 2% CSP is included in the grant received by the Center. The Center recognizes 100% of the amount of the Bilateral grant as income and includes CSP in their expenses.
When a donor chooses the Window 3 channel, the Trustee collects 2% as CSP and transfers the 98% of the grant to the Center.
However, Centers shall now recognize 100% of the Window 3 grant amount as income and account for the CSP collected by the Trustee into their expenses.

6.4. Presentation and disclosure

The Objective of the disclosure requirements is to provide sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. [IFRS 15 Para 110]

CGIAR Centers & the SO shall disclose qualitative and quantitative information (including financial notes) about the type of grants received or to be received.

Unrestricted and Restricted grants related to income should be presented in the statement of activity as revenue.

Disclosure of the grant is necessary for a proper understanding of the financial statements (see para 39 of IAS 20 for requirement of disclosure). This may include but not limited to "the nature and extent of government grants recognized in the financial statements". Within the CGIAR, such nature would be: unrestricted and restricted grants, Portfolio and Non-Portfolio, and the sources such as: Window 1&2, Window 3 and Bilateral.

Other revenue and gains, if material, should be disclosed in the Notes to Financial Statements.

IFRS 15 para 114 also provides the disaggregation of revenue recognized into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Within the CGIAR, in recognition of donors providing the grants, a supplementary schedule of donors and related grants that make up the total in the statement of activity is required. Refer to the Schedule of Grants Revenue in the Illustrative Statements.

7. Expenses

This section aims to provide Centers and the SO with guidance on how to classify expenses recognized in the Statement of Activities.
Expenses are recognized when they are incurred and are measured at the value of the asset transferred or the liability incurred.

An entity shall present an analysis of expenses recognized in profit or loss using a classification based on either their nature or their function within the entity, whichever provides information that is reliable and more relevant [IAS 1 para 99].

CGIAR Centers & the SO should present on the face of the Statement of Activities an analysis of expenses using a classification based on the function of expenses within the Center and the SO (Functional Classification). If the functional classification is not presented on the face of the
Statement of Activities it needs to be included in the Notes to the Financial Statements.

CGIAR Centers & the SO should also present by way of a note to the Statement of Activities, an analysis of expenses based on the nature of expenses. (Natural Classification).

7.1. Functional Classification

The functional classification of expenses shown on the face of the Statement of Activities should provide separate line items for program related expenses and general and administration expenses.

→ **Research direct expenses**

Program related expenses are activities that result in goods and services being distributed to beneficiaries, project proponents, and members that fulfil the purpose or mission for which the Center exists. These services are the main purpose for and the major output of the CGIAR Center and often relate to several large programs.

For CGIAR Centers, program services normally include the following costs as detailed in Section 3 of Financial Guidelines No. 5. – CGIAR Indirect Cost Allocation:
(Note: Financial Guidelines No. 5 are currently under revision.)

i. **Research** – this category includes the cost of study and investigation on conservation and management of natural resources; germplasm enhancement and breeding; production systems development and management; socioeconomic, public policy and public management research; and institution building (counseling/networks).

ii. **Research support** – this category covers activities carried out in direct support to research activities. For example:
    - Office of Director of Research
    - Office of Director of Outreach
    - Common laboratory services

- Biometrics
- Station or farm operations
- Plant growth facilities
- Training, communication, information and library
- Training covers the cost of training and conferences. For example: training offices, fellowships, workshops, seminars and symposia; salaries and allowances of post doctorates and training-related travel and subsistence costs.
- Communication, Information and Library covers the costs of publication of annual reports and technical bulletins, translation and printing of various public information activities and the cost of library services.

→ **CGIAR Collaborator Expenses**

All Portfolio expenditure by other CGIAR participants is reported by the Lead Center under "CGIAR Collaborator Expenses".

→ **Non- CGIAR Collaborator Expenses**

These are expenditure reported to a CGIAR Center or the SO by other partners who are not part of the CGIAR System.

→ **General and Administration Expenses**

These are all activities of a CGIAR Center other than program-related activities and Other Expenses and losses.

The indirect costs recovered from the Restricted Portfolio and non-Portfolio should be shown in this line item under its respective headings. While the under or over recovery of indirect costs should be presented under unrestricted/Non-Portfolio.

→ **Other Expenses and Losses**

This category is meant to capture expenses that are incurred to create other income such as:

a) guest house running costs,
b) costs relating to the sale of farm produce[4],
c) costs of running a school,
d) costs relating to hosting non-Center staff,

→ **Non-operating incomes and expenses**

In order to segregate out 'non-operating' activities on the SOA so as not to provide misleading results, separate disclosure of non-operating income and expenses is now required in addition to separate disclosure of Financial income and expenses.

One-off items that are not part of the Centers regular operations

a) Gains or Losses on sale/ disposal of property and equipment
b) Restructuring costs

[4] Farm costs which are integral to research should be included in Research Expenses.

→ **Financial Income and Financial Expenses.**

Separate disclosure of *financial income and financial expenses* is maintained in order to be IFRS compliant. These two lines must be separately disclosed below the *Operating Surplus (Deficit).*

7.2. Natural Classification

In addition to the above functional classification, the CGIAR Centers and the SO are required to disclose additional information on the nature of their total operating expenses into the following groups:

i. **Personnel costs** – include the salaries and benefits of Centers' permanent/regular employees whether they are in professional, supervisory and support positions.

ii. **CGIAR Collaboration** – Due to the increasing level of collaborative research undertaken between/among Centers, it is considered important to separately identify the total payments for direct research inputs made to CGIAR Centers. Plus, these costs need to be eliminated during the System consolidation/aggregation in order to avoid double counting.

iii. **Other Collaboration** – These are expenses reported to a Center by collaborators other than CGIAR Centers or the SO.

iv. **Supplies and services** – Supplies include, but are not limited to: non-consumable items which are not capitalized and supplies for office, laboratory, computer, field, library, and auxiliary units. Services include general items not included in personnel costs, such as cost of casual labor, trainees, and other professional services not included in personnel costs.

   The supplies and services category also includes other general expenses which do not strictly fall in the definition of supplies or services but could be a combination of both. These include items such as in-service training, rentals, repairs and maintenance, utilities, telecommunications, vehicles and aircraft operational costs, and general liability insurance.

v. **Operational travel** – domestic and international travel of Centers' regular staff on official duty.

vi. **Depreciation** of long-lived tangible assets and **Amortization of Intangible assets**.

vii. **Cost Sharing Percentage -** CSP is charged to all the bilateral grants received from donors. In addition, Centers are now required to account for CSP on W3 Funds based on their expenditure since all Centers are now required to recognize W3 revenue at gross.

The detail of the expenses to be itemized by natural classification should be determined from time to time by the balancing of management's needs for information and control with the needs of all other relevant stakeholders.

7.3. Employee benefits

7.3.1. Scope and Definition

This section aims to provide Centers and the SO with guidance on how to account for Employee benefits as per the requirements of IAS 19 (Employee Benefits). IAS 19 applies to accounting for all types of employee benefits, except for those which IFRS 2 applies.

Employee benefits are all forms of consideration given by a Centre in exchange for service rendered by employees. Employee benefits include:

i. Short-term employee benefits (such as wages, salaries and paid leave) and nonmonetary benefits (such as medical care, housing and cars) for current employees.
ii. Post-employment benefits such as pensions, other retirement benefits, postemployment medical care and insurance; and
iii. Termination benefits.

7.3.2. Relevant IFRS/IAS Authority

IAS 19	EMPLOYEE BENEFITS

7.3.3. Recognition and Measurement

(a) Short term employee benefits: [IAS19.11]

i. IAS 19 requires CGIAR Centers & the SO to recognize the undiscounted amount of short term employee benefits as an expense or liability (accrued expense).

(b) Defined contribution plans: [IAS19.50-52]

ii. IAS 19 requires CGIAR Centers & the SO to recognize contribution expense/liability when the employee has rendered the service.

iii. Contributions that are payable more than 12 months after the end of the period to which they relate, should be discounted using the rate specified in IAS 19 paragraph 52.

(c) Defined benefit plans: [IAS19.55-60]

i. The defined benefit obligation is the expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

IAS 19 describes the approach to determining the defined benefit obligation using the projected unit credit method, which involves:

- Determining how much benefit is attributable to the current and prior periods
- Making estimates (actuarial assumptions) about demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs) that will influence the cost of the benefit.
- Discounting that benefit to the present value.

ii. When a CGIAR Center or the SO has a surplus in a defined benefit plan, it measures the net defined benefit asset at the lower of:

- The surplus in the defined benefit plan
- The asset ceiling (being the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan), determined using the discount rate in reference to market yields at the end of the reporting period on high quality corporate bonds [IAS 19.83].

iii. Actuarial gains and losses are recognized in other comprehensive income in the period in which they occur. They cannot be recycled into the Statement of Activities in a future period (but may be moved within equity) [IAS 19 para 22]

iv. Past-service-costs are recognized in the Statement of Activities in the period incurred.

(d) Termination benefits

Termination benefits should be recognized as a liability and expense when, and only when, the CGIAR Center or the SO is committed to either terminate the employment of an employee or group of employees before the normal retirement date; or provide termination benefits as a result of an offer to encourage voluntary redundancy.

7.3.4. Presentation and Disclosure

The financial statements should disclose the following:

(a) Short term employee benefits:

- IAS 19 does not require specific disclosure in respect of benefits payable during employment. However other standards require some disclosure:

- IAS 1 requires disclosure of employee benefits expense
- IAS 24 requires disclosure of employee benefits payable to key management personnel.

(b) Defined contribution plans

The only specific disclosure required by IAS 19 in respect of defined contribution plans is the amount recognized as an expense in the period. IAS 19 paragraph 52.

(c) Defined benefit plans

i. Presentation of the three components of 'defined benefit cost'

   - Service cost (current, past, curtailment loss/(gain), and settlement loss/(gain) in Statement of Activity
   - Net Interest (refer above) in Statement of Activity
   - Re-measurements (actuarial gains, the return on plan assets (excl. net interest), change in the effect of the asset ceiling) in other comprehensive income (OCI).

ii. IAS 19 para 135-152 requires extensive disclosures in respect of defined benefit plans, including narrative descriptions of: the regulatory framework; funding arrangements; potential (non-) financial risks; reconciliation of opening to closing balance for the net defined liability (and/or asset ceiling tests.

(d) Termination benefits

See (d) under 3. Recognition and Measurement

7.4. Indirect expenses

The CGIAR's Financial Guidelines Series No. 5. - "CGIAR Indirect Cost Allocation Guidelines" -, FG5, should be referred to in respect of the accounting treatment of Indirect Costs. It is a requirement of FG5 that all CGIAR Centers include a one page summary of the computation of indirect cost, based on current year data, in the Center's audited financial statements. The basis of the computation of a Center's Indirect Cost Rate is set out in CGIAR Financial Guideline No. 5 "CGIAR Cost Principles and Indirect Cost Guidelines".

$$\text{Indirect Cost Rate} = \frac{\text{Indirect Expenses}}{\text{Direct Expenses}}$$

Indirect Expenses = General & Administration Expenses
Direct Expenses = Research Expenses + non-CGIAR Collaboration

NOTE: CGIAR Collaboration Expenses and Other Expenses and Losses are excluded from the computation as well as all the expenses below the Operational Surplus/Deficit.

The principle is that a reader should be able to see easily where the figures for the numerator and the denominator come from, and the figures should be transferred directly from the Statement of Activities by function.

7.5. Depreciation

7.5.1. Scope

This section aims to provide Centers & the SO with guidance on how to allocate depreciation for all depreciable assets.

7.5.2. Relevant IFRS/IAS Authority

IAS 16	PROPERTY, PLANT and EQUIPMENT

7.5.3. Recognition and Measurement

Recognition Principles

(a) Depreciation of property, plant and equipment shall be based on the full-acquisition cost of the property and equipment, net of its salvage value, as applicable.

(b) **All organizations under CGIAR shall follow the straight-line method of depreciation**. This method allocates the depreciable amount of property and equipment uniformly over its expected useful life. The straight-line method of depreciation should be applied consistently from period to period unless altered circumstances justify a change.

(c) Land and buildings are separable assets and are dealt with separately for accounting purposes even when they are acquired together. Land normally has an unlimited life and, therefore, is not depreciated. Buildings have a limited useful life and are depreciable assets.

(d) Applying different useful lives to assets at different locations and/or operated under different conditions may be justifiable.

(e) Depreciation of acquired assets should start in the month the asset was placed in operation and continue until the asset has been fully depreciated or its use discontinued.

(f) Depreciation should be charged to the Statement of Activities unless it is included in the carrying amount of another asset.

7.5.4. Presentation and Disclosure

(a) Accumulated depreciation, either for each major class of property and equipment or in total, should be disclosed as:

- a deduction or in parenthesis in the Statement of Financial Position; or
- a note to the financial statements

(b) The amount of depreciation expense for the period and the method used to compute depreciation for the major classes of property, plant and equipment should also be disclosed.

7.6. Leases

7.6.1. Scope and Definition

This section aims to provide Centers & the SO with guidance on how to report on information that represents lease transactions and to provide users of Financial statements with a basis to assess the amount, timing and uncertainty of cash flows arising from leases.
IFRS 16 applies to all leases including subleases except for exemptions listed under IFRS 16.3. From 1st January 2019, IFRS 16 must be applied by all CGIAR Centers and the SO preparing their annual financial statements according to IFRS and to all types of financial assets and financial liabilities within its scope. **It is strongly recommended that CGIAR Centers and the SO apply IFRS 16 for their 2017 financial statements.**

7.6.2. Relevant IFRS/IAS Authority

IFRS 16	LEASES

7.6.3. Recognition and Measurement

(a) Recognition

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. [IFRS 16.9]
Control is conveyed where the CGIAR Center or the SO has both the right to direct the use of the identified asset and obtain substantially all the economic benefits from that use.
The asset is identified explicitly in the contract or by being implicitly specified when it is made available for use by the CGIAR Center or the SO.
If the supplier has a substantive right of substitution throughout the period of use, the Center or the SO does not have the right to use an identified asset.

(b) Recognition Exemptions

CGIAR Centers & the SO may choose not to apply the recognition requirements of IFRS 16 and account for lease payments as an expense on a straight-line basis over the lease term or another systematic basis for the following types of leases:

i. Leases with a lease term of 12 months or less containing no purchase option

ii. Leases where the underlying asset has a low value when new, for example, small items of office furniture.

(c) Measurement

On commencement of a lease, the CGIAR Center or the SO recognizes the right-of-use asset and a liability. (IFRS 16.22)
The right-of-use asset is measured at the amount of the lease liability plus any initial direct costs incurred by the CGIAR Center or the SO.
After commencement, the CGIAR Center or the SO shall measure the right-of-use asset using a cost model unless:

i. The right-of-use asset is an investment property and the Center or the SO uses fair value on its investment property under IAS 40.
ii. The right-of-use property relates to a class of PPE to which the Center or the SO applies IAS 16's revaluation model.

Under the cost model, the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

7.6.4. Presentation and disclosure

The right-of-use asset is presented in the statement of financial position either as part of property, plant and equipment or as its own line item.
The objective of IFRS 16 is for information to be provided in the notes that, together with information provided in the statement of financial position, statement of activities and statement of cash flows, gives a basis for users to assess the effects that leases have. These include nature the of a CGIAR Center's or SO's leasing activities, restrictions or covenants imposed by leases, sale and leaseback transactions.

Note:
IFRS 16 replaces IAS 17 effective from 1 January 2019. Earlier adoption is allowed if IFRS 15 *Revenue from Contracts with Customers* has been applied.
CGIAR Centers and the SO have the option of applying IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to the opening equity at the date of initial application.

7.7. Foreign Exchange Transactions

7.7.1. Scope and Definition

This section aims to provide CGIAR Centers and the SO with guidance on how to include into the Financial Statements foreign activities i.e. foreign currency transactions and foreign operations.
CGIAR Centers and the SO need to define exchange rates per the IFRS and report on the effects of changes in the exchanges rates in the financial statements.
This section does not cover derivative transactions and balances covered under IFRS 9 (expected to replace IAS 39 in 2018).

The FG2 used the notion of reporting currency which has now been replaced with the functional currency. CGIAR Centers and the SO need to assess and determine if their functional currency meets the criteria as set out under IAS 21 (Para 9-14).

7.7.2. Relevant IFRS/IAS Authority

IAS 21	THE EFFECTS OF CHANGE IN FOREIGN EXCHANGE RATES

7.7.3. Recognition and Measurement

(a) Initial recognition

A foreign currency transaction shall be recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

(b) Subsequent reporting periods

At the end of each reporting period:

i. Foreign currency monetary items shall be translated using the closing rate;
ii. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction; and
iii. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

(c) Recognition of exchange differences

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in surplus or deficit in the period in which they arise [IAS 21.28].

7.7.4. Presentation and Disclosure

CGIAR Centers and the SO should disclose the amount of exchange differences recognized in surplus or deficit except for those arising on financial instruments measured at fair value through profit or loss in accordance with IFRS 9.

The net gains/losses on exchange differences should be included in the Financial Expenses on the face of the Statement of Activities and Other Comprehensive Income.

7.8. Extraordinary items

An entity shall not present any items of income or expense as extraordinary items, in the Statement(s) presenting profit or loss and other comprehensive income or in the notes. (IAS 1.87).

Whereas the FG2 allowed for the concept of extraordinary items, the International Financial Reporting Standards (IFRS) do not use the concept of an extraordinary item at all.

7.9. Cost sharing percentage (CSP)

Windows 1 and 2, and Window 3 funds are received net of the 2% CSP, which is automatically deducted by the Fund. But when a donor chooses the Bilateral channel, the 2% CSP is included in the grant received by the Center.

From the 1st of January 2017, for consistency of the CSP reporting among Centers, CSP will be reported for both Bilateral and W3 grants in the Financial Statements. Thus, Centers will now recognize 100% of the Window 3 grant amount as income and account for the CSP collected by the Trustee into their expenses.

Both Bilateral and W3 CSP charge should be presented as a separate line under the Natural Classification of expenses presented in the Notes to the Financial Statements.

Collection of CSP on Bilateral Grants
CSP should be collected on all Bilateral grants except for Legacy projects, Inter-Center projects, Infrastructure grants and Non CGIAR Strategy and Results Framework projects. CSP on Inter-Center Projects is to be paid by the Center receiving the funds directly from the donor.

CSP computation on Bilateral grants remains unchanged and should be based on the Total Direct expenditure and the Overheads charged to the Bilateral grant.

8. Illustrative Statements

Centers should follow the presentation formats recommended in this section to minimize the requests for additional information during aggregation. Where a Center has opted for a Simplified format for the main Financial Statements i.e. the Statement of Financial Position, the Statement of Activities and Comprehensive Income, the Statement of Net Assets and the Statement of Cash Flows, the Center will be required to include in the Notes to the Financial Statements such Statements presented in the formats recommended in this section.

8.1. Statement of Financial Position

Paragraph 54 of IAS 1 sets out the line items that are, as a minimum, required to be presented in the balance sheet. But Additional line items, heading and subtotals should be added when they are relevant to an understanding of the entity's financial position. This allow for the CGIAR presentation and disclosure requirements listed previously under FG2 and the Advisory notes.

Consequently, Centers are required to include the following in their presentation and disclosure in the Statement of Financial Position under **Receivables**:

a) Receivables should be classified in the Statement of Financial Position as current or non-current. Current receivables are those collectible within one year from the date of the Statement of Financial Position. Non-current receivables are those collectible beyond one year.

b) Receivables from donors should be shown as a separate line item in the Statement of Financial Position, under Donors.

c) Employees' outstanding balances should be identified as a separate line item in the Statement of Financial Position, under Employees.

d) Advances to other Centers and other receivables should be identified as separate line items in the Statement of Financial Position, under CGIAR Centers.

e) The allowance for doubtful accounts should be deducted from the related asset with the asset being shown in the Statement of Financial Position either at:
   i. Gross, less the allowance; or
   ii. Net, with the amount of the allowance indicated in the parenthetical notation.

Similarly, Centers are required to include the following in their presentation and disclosure in the Statement of Financial Position under **Payables:**

a) Deferred income from donors should be shown as a separate line item in the Statement of Financial Position, under Donors.

b) Employees' outstanding balances should be identified as a separate line item in the Statement of Financial Position, under Employees.

c) Payables to other Centers and other payables should be identified as separate line items in the Statement of Financial Position, under CGIAR Centers and Others.

Statement of Financial Position
For the years ended 31 December, 20XX and 20XX-1
(all figures expressed in thousands of US dollars)

	Notes	As of 31 December 20XX US$'000	As of 31 December 20XX-1 US$'000
ASSETS			
Current Assets			
Cash and cash equivalents		XX	XX
Short term investments		XX	XX
Accounts Receivables:			
• *Donors*		XX	XX
• *Employees*		XX	XX
• *CGIAR Centers*		XX	XX
• *Others, net*		XX	XX
Prepaid expenses		XX	XX
Inventories		XX	XX
Total current assets		**XXX**	**XXX**
Other Assets held for Sale		XX	XX
Non-current Assets			
Property, plant and equipment		XX	XX
Long term investments		XX	XX
Biological assets		XX	XX
Intangible assets		XX	XX
Other non-current assets		XX	XX
Total non-current assets		**XXX**	**XXX**
TOTAL ASSETS		**XXX**	**XXX**
LIABILITIES			
Current liabilities			
Account payables:			
• *Deferred income from Donors*		XX	XX
• *Employees*		XX	XX
• *CGIAR Centers*		XX	XX
• *Accruals*		XX	XX
• *Others*		XX	XX
Provisions		XX	XX
Funds in Trust		XX	XX
Other current liabilities		XX	XX
Total current liabilities		**XXX**	**XXX**
Non-current liabilities			
Employees		XX	XX
Provisions		XX	XX
Other non-current liabilities		XX	XX
Total non-current liabilities		**XXX**	**XXX**
TOTAL LIABILITIES		**XXX**	**XXX**
NET ASSETS			
Unrestricted Net assets:			
Undesignated		XX	XX
Designated		XX	XX
Total Unrestricted Net assets		**XXX**	**XXX**
Temporary net assets-Other Comprehensive Income		XX	XX
IFRS Conversion		XX	XX
Restricted Net Assets		XX	XX
TOTAL NET ASSETS		**XXX**	**XXX**
TOTAL LIABILITIES AND NET ASSETS		**XXX**	**XXX**

8.2. Statement of Activities and Other Comprehensive Income

→ **The Statement of Activities**

Statement of Activities shows details of **the revenue** and **expense**s of the regular activities of the CGIAR Centers and the System Organization by function. In order to clearly show the Operating Surplus/ Deficit, items that are not part of the Centers regular activities are presented below the Operational Surplus/Deficit in the Statement of Activities.

Both Revenue and Expenses should be presented under one of the 4 columns headings according to the type of revenue/expenses:

- Unrestricted Non-Portfolio
- Unrestricted Portfolio
- Restricted Non-Portfolio
- Restricted Portfolio

Reminder: Non-Portfolio and Portfolio in Phase 2 are the equivalent of Non-CRP and CRP as per Phase 1 of the CRPs.

Regarding **Revenue and gains** the CGIAR format for the Statement of Activities (SoA) needs to provide for disclosure of Total Grant Revenue with a line item for each of the source of funding: Windows 1&2, Window 3 and Bilateral. Total Other revenues and gains are reported as a single line item in the Statement of Activities.

→ **The Statement of Other Comprehensive Income and Expense**

The Statement of Other comprehensive income (OCI) discloses separate line items for:

- revaluation gains and losses relating to property, plant and equipment or intangible assets
- re-measurements of defined benefit obligations
- gains and losses arising from translating the financial statements of a foreign operation
- gains and losses on remeasuring available-for-sale financial assets
- the effective portion of gains and losses on hedging instruments in a cash flow hedge
- the investor's share of the other comprehensive income of equity-accounted investments, and
- current and deferred tax credits and charges in respect of items recognized in other comprehensive income.

Statement of Activities and Other Comprehensive Income ended 31 December 20XX

For the years ended 31 December, 20XX and 20XX-1

(all figures expressed in thousands of US dollars)

		20XX							20XX-1						
		Unrestricted		Restricted		Total			Unrestricted		Restricted		Total		
Revenue	Notes	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Grand Total	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Grand Total
Grant Revenue															
Window 1 & 2		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
Window 3		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
Bilateral		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
Total Grant Revenue		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Other Revenue and Gains		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
Total Revenue		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Expenses and Losses															
Research Expenses		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
CGIAR Collaborator Expenses		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
Non CGIAR Collaborator Expenses		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
General and Administration Expenses		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
Other Expenses and Losses		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
Total Expenses and Losses		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Operating Surplus/Deficit		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Gain/ Loss on sale of asset(s)		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
Restructuring costs/ Others*		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
Finance Income		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
Finance Expenses		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
SURPLUS/DEFICIT FOR THE YEAR		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
OTHER COMPREHENSIVE INCOME															
Unrealized gain/loss-Hedging activities		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
Actuarial gain/loss-Defined benefit plan		XX	XX	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XX	XX	XXX
Sub-total Other Comprehensive Income		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
TOTAL COMPREHENSIVE SURPLUS/DEFICIT FOR THE YEAR		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Notes:
*One-off items that are not part of a Centers regular operations

8.3. Statement of Changes in Net Assets

Unrestricted Net assets are classified as either undesignated or designated.

(a) Undesignated – that part of net assets that is not designated by Center Management for specific purposes.
(b) Designated – that part of net assets that has been designated by Center Management for specific purposes, such as a reserve for the future acquisition of property and equipment.

This classification should be disclosed in the face of the Statement of Changes in Net Assets. Centers are also required to disclose, as a separate classification of net assets, the net amount of their investment in fixed assets. Additional disclosure is required for assets that are subject to donor imposed restrictions e.g. interest on Endowment Funds (Restricted), Other Comprehensive Income and IFRS Conversion impact.

The statement of changes in net assets shall include:

- total comprehensive income for the period
- for each component of net assets, the effects of retrospective application or retrospective restatement recognized in accordance with IAS 8. Reclassification of amounts between net assets classes should be reported separately from other transaction in the Statement of change in Net Assets
- for each component of net assets, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from:
  i. Surplus or deficit for the period
  ii. Other comprehensive income.

In addition, a Center should present, either within this statement:

(a) The balance of net assets at the beginning of the period and at balance date and the movements for the period; and
(b) A reconciliation between the carrying amount of each class of net assets at the beginning and end of each period, separately disclosing each movement.

Statement of Changes in Net Assets

For the years ended 31 December, 20XX and 20XX-1
(all figures expressed in thousands of US dollars)

	Notes	UNRESTRICTED					OTHER COMPREHENSIVE INCOME		IFRS CONVERSION		RESTRICTED	TOTAL
			Designated									
		Undesignated	Property, Plant and Equipment	Reserve for Replacement of Property, Plant and Equipment	Other Designated	Sub-total Designated	Hedging operations Gains(losses)	Actuarial gain(loss)	Fixed Assets	Others		
Balance at 1 January 20XX-1		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Depreciation for the year			(XX)	XX		XX						XXX
Appropriation from Undesignated to designated		(XX)		XX		XX						XXX
Additions during the year			XX	XX		XX						XXX
Disposals during the year			(XX)	XX		XX						XXX
Surplus (Deficit) for the year		XX			XX	XX						XXX
Other Comprehensive Income							XX	XX				XXX
Others*											XX	
Balance at 31 December 20XX-1		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Depreciation for the year			(XX)	XX	XX	XX						XXX
Appropriation from Undesignated to designated		(XX)		XX		XX						XXX
Additions during the year			XX	XX	XX	XX						XXX
Disposals during the year			XX	XX	XX	XX						XXX
Surplus (Deficit) for the year		XX			XX	XX						XXX
Other Comprehensive Income							XX	XX				XXX
Others*											XX	
Balance at 31 December 20XX		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Notes:
*Items categorized as Restricted Net Assets e.g. Interest on Endowment Funds

8.4. Statement of cash flows

The Statement of Cash Flows is one of the primary financial statements, the format is prescriptive as per generally accepted accounting principles. All the three sections of the Statement of Cash Flows i.e. Operating activities, Investing Activities and Financing Activities should remain as adequate disclosure even though there might be no transactions under one of the sections i.e. disclosing the information that the company/organization does not have cash transactions from that section.

Centers and the SO shall apply the Indirect method in the preparation of the Cash Flow statement which is one of the methods of the Cash Flow statement i.e. Direct method and Indirect Method. The main difference between the direct method and the indirect method involves the cash flows from operating activities. Under the direct method, the cash flows from operating activities will include the amounts for lines such as cash from customers and cash paid to suppliers. In contrast, the indirect method will show net income followed by the adjustments needed to convert the total net income to the cash amount from operating activities.

Statement of Cash Flows

For the years ended 31 December, 20XX and 20XX-1

(all figures expressed in thousands of US dollars)

	20XX	20XX-1
Cash flows from operating activities		
Surplus /Deficit for the Year	XX	XX
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	XX	XX
Amortization of intangibles	XX	XX
Net exchange rate differences	XX	XX
Interest income	XX	XX
Dividend income	XX	XX
Loss/(gain) on disposal of fixed assets	XX	XX
Decrease (increase) in assets:		
Accounts receivable:		
• Donors	XX	XX
• Employees	XX	XX
• Other CGIAR Centers	XX	XX
• Others	XX	XX
Prepaid expenses	XX	XX
Biological assets	XX	XX
Increase (decrease) in liabilities:		
Accounts payable:		
• Deferred income from donors	XX	XX
• Employees	XX	XX
• Other CGIAR Centers	XX	XX
• Accruals	XX	XX
• Others	XX	XX
Funds-in Trust	XX	XX
Provisions	XX	XX
Net cash inflow (outflow) from operating activities	**XX**	**XX**
Cash flows from investment activities		
Increase of Investments	XX	XX
Proceeds from maturity and sale of investments	XX	XX
Interest received		
Dividend received		
Acquisition of equipment	XX	XX
Proceeds from disposal of fixed assets	XX	XX
Acquisition of intangible assets	XX	XX
Net cash inflow (outflow) from investing activities	**XX**	**XX**
Cash flows from financing activities [1]		
Increase (decrease) in long-term liabilities		
• Accounts payable	XX	XX
Net cash inflow (outflow) from financing activities	**XX**	**XX**
Net increase (decrease) in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	XX	XX
Net exchange rate differences	XX	XX
Cash and cash equivalents at the end of the period	**XX**	**XX**

Notes:

1. The statement of cash flows is one of the primary financial statements, the format is prescriptive as per generally accepted accounting principles regardless of IFRS or not. Therefore, the fact that there are no transactions under financing activities, this section should remain as adequate disclosure i.e. disclosing the information that the Center does not have cash transactions from financing activities.

8.5. Notes to the financial statements

The information that should be disclosed in the Notes to the Financial statements includes the following:

i. **Statement of purpose**: A brief description of the CGIAR entity, its mandate and activities. This should include a description of any agreements with a CGIAR entity's host country.

ii. **Summary of significant accounting policies**: Present information about the basis of preparation of the financial statements and the specific accounting policies selected and applied for significant transactions and events. There should be an explicit and unreserved statement that the financial statements are in compliance with IFRS.

As part of the significant accounting policies adopted for Property, Plant and Equipment, a table showing the useful lives should be included as below:

Useful lives of property, plant and equipment	
Buildings and laboratory benches	XX years
Prefabricated structures	XX years
Motor vehicles	XX years
Computers and peripherals	X years
Laboratory and scientific equipment	X years
Office and other equipment	X years
Furniture and fittings	X years

iii. **Accounts in non-US dollar currencies**: Translation of currencies and the consolidation of field programs' accounts in non-US dollar currencies; principles for converting to US dollar should be disclosed.

iv. **Cash and cash equivalents:** Centers and the System Organization are required to add a note here on how much of Funds In Trust is included in the cash at bank and in hand.

Cash and cash equivalents		
	20XX US$'000	**20XX-1 US$'000**
Cash at bank and in hand*	XX	XX
Short term bonds and deposits:		
Bonds	XX	XX
Deposits	XX	XX
	XXX	**XXX**

v. Financial assets

INVESTMENTS		
	20XX US$'000	**20XX-1 US$'000**
Investments with maturity of more than 1 year	XX	XX
Investments with maturity of less than 1 year	XX	XX
Deposits	XX	XX
	XXX	**XXX**

vi. **Accounts receivable**: A complete analysis of accounts receivable from donors and a brief analysis of significant amounts of other receivables should be presented.

	20XX US$'000	20XX-1 US$'000
Accounts Receivables - Donors		
Unrestricted W3	XX	XX
Unrestricted Bilateral	XX	XX
Restricted W3	XX	XX
Restricted Bilateral	XX	XX
W1&2	XX	XX
	XXX	XXX
Less allowance for doubtful accounts	XX	XX
	XXX	XXX
Accounts Receivables - Employees		
Loans	XX	XX
Advances	XX	XX
Personnel expenses	XX	XX
	XXX	XXX
Accounts Receivables - CGIAR Centers		
Center X	XX	XX
Center Y	XX	XX
Center Z	XX	XX
	XXX	XXX
Accounts Receivables - Others		
Taxes	XX	XX
Non-CGIAR Centers	XX	XX
Others	XX	XX
	XXX	XXX
Less allowance for doubtful accounts	XX	XX
	XXX	XXX

vii. Inventories

INVENTORIES	20XX US$'000	20XX-1 US$'000
Stationery and office supplies	XX	XX
Less: Allowance for obsolescence	XX	XX
	XXX	**XXX**

viii. Fixed assets/ Property, Plant and Equipment: An analysis by major classes of depreciable assets, including:

- Historical costs at the beginning of the reporting period;
- Additions and disposal during the period;
- Depreciation expense for the period;
- Accumulated depreciation at the end of reporting period; and Net book values at the date of financial statements.
- This analysis should show separately Center Assets and Project Assets.

Property, Plant and Equipment

For the years ended 31 December, 20XX and 20XX-1

(all figures expressed in thousands of US dollars)

	UNRESTRICTED (Center Assets)					RESTRICTED (Project Assets)					
	Physical facilities	Infrastructure & leasehold	Furnishing & equipment	Work in progress	Total	Physical facilities	Infrastructure & leasehold	Furnishing & equipment	Work in progress	Total	Grand Total
Year ended 31 December 20XX											
Cost											
At start of the year	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
Additions	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
Disposals	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
At end of year	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
Accumulated Depreciation											
At start of the year	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
Charge for the year	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
Disposals	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
At end of year	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
Net book value at end of year	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Year ended 31 December 20XX-1											
Cost											
At start of the year	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
Additions	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
Disposals	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
At end of year	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
Accumulated Depreciation											
At start of the year	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
Charge for the year	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
Disposals	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
At end of year	XX	XX	XX	XX	XXX	XX	XX	XX	XX	XXX	**XXX**
Net book value at end of year	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**

ix. Intangible assets

INTANGIBLE ASSETS		
Software/ Others	**20XX US$'000**	**20XX-1 US$'000**
Cost		
At start of year	XX	XX
Additions	XX	XX
At end of year	**XXX**	**XXX**
Amortization		
At start of year	XX	XX
Charge for the year	XX	XX
At end of year	**XXX**	**XXX**
Carrying amount at 31 December	**XXX**	**XXX**

x. **Accounts payable**: A complete analysis of deferred income from donors, payable to employees, payables to CGIAR Centers, Accruals and a brief analysis of significant amounts of other payables should be presented.

	20XX US$'000	20XX-1 US$'000
Deferred Income from Donors		
Unrestricted W3	XX	XX
Unrestricted Bilateral	XX	XX
Restricted W3	XX	XX
Restricted Bilateral	XX	XX
W1&2	XX	XX
	XXX	**XXX**

	20XX US$'000	20XX-1 US$'000
Accounts Payables - Employees		
Accrued leave-National and local recruited staff	XX	XX
Home leave International staff	XX	XX
Severance	XX	XX
Travel Expenses and other payables	XX	XX
	XXX	**XXX**

	20XX US$'000	20XX-1 US$'000
Accounts Payables - CGIAR Centers		
Center X	XX	XX
Center Y	XX	XX
Center Z	XX	XX
	XXX	**XXX**

	20XX US$'000	20XX-1 US$'000
Accounts Payables - Accruals		
CGIAR Centers	XX	XX
Non-CGIAR Centers	XX	XX
Others	XX	XX
	XXX	**XXX**

	20XX US$'000	20XX-1 US$'000
Accounts Payables - Others		
Non-CGIAR partners	XX	XX
Others	XX	XX
	XXX	**XXX**

xi. Provisions: A complete analysis of any provisions and contingent liabilities (no comparatives required) should be presented.

xii. Funds In Trust

Funds In-Trust

Beneficiary: X		
	($000s)	
Balance: January 1, 20XX		**XX**
Receipts:		
Source A		XX
Disbursements:		
Center A	(XX)	
Center B	(XX)	
Center C	(XX)	
Center D	(XX)	
Center F	(XX)	
Center G	(XX)	
Center H	(XX)	
Center I	(XX)	
Center J	(XX)	
Center K	(XX)	
Center L	(XX)	
Total Disbursements		**(XX)**
Balance: December 31, 20XX		**XX**

Beneficiary: Y		
	($000s)	
Balance: January 1, 20XX		**XX**
Receipts:		
Source B		XX
Disbursements		(XX)
Balance: December 31, 20XX		**XX**

Total Funds in Trust as at December 31	**($000s)**	
	20XX	**20XX-1**
Cash in Banks - Funds in Trust	XX	XX
	XX	**XX**

xiii. Retirement benefit obligation

Retirement benefit obligation		
	20XX US$'000	**20XX-1 US$'000**
At start of year	XX	XX
Charge to statement of financial activity	XX	XX
Credit to other comprehensive income	XX	XX
At 31 December	**XXX**	**XXX**

Mortality	**As per the mortality tables**
Withdrawal rate	X% per annum
Salary growth	X% to Y%
Discount rate	X%
Retirement age	XX years

xiv. **Net assets**: Details of the nature and balance of net assets should be provided. Details of designations of unrestricted net assets should also be disclosed.

	20XX US$'000	20XX-1 US$'000
Undesignated	XX	XX
Total Undesignated	**XXX**	**XXX**
Designated		
Property, Plant and Equipment	XX	XX
Reserve for Replacement of Property, Plant and Equipment	XX	XX
Other Designated	XX	XX
Total Designated	**XXX**	**XXX**
Other Comprehensive Income		
Hedging operations Gains (losses)	XX	XX
Actuarial gain(loss)	XX	XX
Total other comprehensive income	**XXX**	**XXX**
IFRS Conversion		
Fixed Assets	XX	XX
Other Adjustments	XX	XX
Total IFRS Conversion	**XXX**	**XXX**
Restricted	XX	XX
Total Restricted	**XXX**	**XXX**
Total Net Assets	**XXX**	**XXX**

xv. Expenses by natural classification: An analysis of expenses by nature is required, and this information should be provided in the Notes to the Financial Statements.

Expenses by Natural Classification

	20XX								20XX-1							
	Unrestricted		Restricted		Total		Grand Total		Unrestricted		Restricted		Total		Grand Total	
	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio			Portfolio	Non-Portfolio	Portfolio	Non-Portfolio	Portfolio	Non-Portfolio		
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	
Expenses and Losses																
Personnel costs	XX	XX	XX	XX	XX	XX	XXX		XX	XX	XX	XX	XX	XX	XXX	
CGIAR Collaborator Expenses	XX	XX	XX	XX	XX	XX	XXX		XX	XX	XX	XX	XX	XX	XXX	
Non CGIAR Collaborator Expenses	XX	XX	XX	XX	XX	XX	XXX		XX	XX	XX	XX	XX	XX	XXX	
Supplies and services	XX	XX	XX	XX	XX	XX	XXX		XX	XX	XX	XX	XX	XX	XXX	
Travel	XX	XX	XX	XX	XX	XX	XXX		XX	XX	XX	XX	XX	XX	XXX	
Depreciation/Amortization	XX	XX	XX	XX	XX	XX	XXX		XX	XX	XX	XX	XX	XX	XXX	
Cost sharing percentage	XX	XX	XX	XX	XX	XX	XXX		XX	XX	XX	XX	XX	XX	XXX	
Total direct costs	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**		**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	
Indirect cost recovery	XX	XX	XX	XX	XX	XX	XXX		XX	XX	XX	XX	XX	XX	XXX	
Total-all costs	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**		**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	

xvi. Other Revenue and Gains

Other Revenue & Gains	20XX US$'000	20XX-1 US$'000
Sale of Goods	XX	XX
Rendering of services	XX	XX
Doubtful debt recovery	XX	XX
Adjustment for prior years' accruals	XX	XX
Miscellaneous income	XX	XX
	XXX	**XXX**

xvii. Finance income and expenses

Financial income and Financial expenses	20XX US$'000	20XX-1 US$'000
Financial Income:		
Investment income	XX	XX
Total Financial income	**XXX**	**XXX**
Financial expenses:		
Bank charges	XX	XX
Loan interests	XX	XX
Foreign exchange gain/loss	XX	XX
Total Financial expenses	**XXX**	**XXX**

xviii. Employee benefits expense

Employee benefits expense		
	20XX US$'000	**20XX-1 US$'000**
Salaries and wages	XX	XX
Retirement benefits costs:		
Defined contribution Centre	XX	XX
National Social Security Funds	XX	XX
Other personnel costs	XX	XX
	XXX	**XXX**

xix. Related Party Transactions

Key management compensation		
	20XX US$'000	**20XX-1 US$'000**
Salaries and other short-term employment benefits	XX	XX
Post-employment benefits	XX	XX
Honorarium	XX	XX
	XXX	**XXX**

xx. Explanation of transition to IFRS (First Time Adoption)

The First Time adoption requires that the Centers and SO provide the following on the first year of IFRS conversion:

- Reconciliation of statement of financial position
- Reconciliation of the statement of cash flows
- Reconciliation of net assets
- Reconciliation of comprehensive deficit for the year

xxi. Indirect Cost Rate computation

$$\text{Indirect Cost Rate} = \frac{\text{Indirect Expenses}}{\text{Direct Expenses}}$$

Indirect Expenses = General & Administration Expenses
Direct Expenses = Research Expenses + Non-CGIAR Collaboration

Indirect Cost Rate Computation		
	20XX US$'000	20XX-1 US$'000
General and Administration Expenses	XX	XX
Research Expenses+Non-CGIAR Collaboration costs	XX	XX
Indirect Cost Rate	X%	Y%

xxii. Center CRP/Platform Expenditure and Funding reports

CRP/Platform - Expenditure Report For the year ended December 31, 20XX (in Thousands of US Dollars)

Expenses by Natural Classification	Windows 1 & 2	Window 3	Bilateral	Center Funds	Total
Personnel Costs	XX	XX	XX	XX	XXX
CGIAR Collaboration Costs	XX	XX	XX	XX	XXX
Other Collaboration Costs	XX	XX	XX	XX	XXX
Supplies and Services	XX	XX	XX	XX	XXX
Operational Travel	XX	XX	XX	XX	XXX
Depreciation/Amortization	XX	XX	XX	XX	XXX
Cost Sharing Percentage	XX	XX	XX	XX	XXX
Total Direct Costs	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Indirect Costs	XX	XX	XX	XX	XXX
Total Costs	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Deferred depreciation	XX	XX	XX	XX	**XXX**
Grand Total - All Costs	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**

CRP/Platform - Funding Report For the year ended December 31, 20XX (in Thousands of US Dollars)

Description	Windows 1 & 2
Opening Balance	XX
Add: Cash Receipts from Lead Center	XX
Less: Disbursements	XX
Closing Balance	**XXX**

xxiii. Lead Center CRP/Platform Expenditure and Funding reports

CRP/Platform - Expenditure Report
For the year ended December 31, 20XX
(in Thousands of US Dollars)

Expenses by Natural Classification	Windows 1 & 2	Window 3	Bilateral	Center Funds	Total
Personnel Costs	XX	XX	XX	XX	**XXX**
CGIAR Collaboration Costs	XX	XX	XX	XX	**XXX**
Other Collaboration Costs	XX	XX	XX	XX	**XXX**
Supplies and Services	XX	XX	XX	XX	**XXX**
Operational Travel	XX	XX	XX	XX	**XXX**
Depreciation/Amortization	XX	XX	XX	XX	**XXX**
Cost Sharing Percentage	XX	XX	XX	XX	**XXX**
Sub-total Direct Costs	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Indirect Costs	XX	XX	XX	XX	**XXX**
Total Costs	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Deferred depreciation	XX	XX	XX	XX	**XXX**
Grand Total - All Costs	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**

CRP/Platform - Funding Report
For the year ended December 31, 20XX
(in Thousands of US Dollars)

Description	Windows 1 & 2	
Opening Balance		XX
Add: Cash Receipts from Lead Center		XX
Less: Disbursements		
AfricaRice	XX	
Bioversity	XX	
CIAT	XX	
CIFOR	XX	
CIMMYT	XX	
CIP	XX	
ICARDA	XX	
ICRISAT	XX	
IFPRI	XX	
IITA	XX	
ILRI	XX	
IRRI	XX	
IWMI	XX	
World Agroforestry	XX	
WorldFish	XX	
Closing Balance		**XXX**

xxiv. Center Total CRPs/Platforms Expenditure report

All Centers will now be required to be present the aggregated expenses for all the CRPs and Platforms they are participating in and leading as per the format below. This will give all the CRPs and/or Platforms expenses of a Center at one glance.

Total CRPs/Platforms Expenditure Report
For the year ended December 31, 20XX
(in Thousands of US Dollars)

Expenses by Natural Classification	Windows 1 & 2	Window 3	Bilateral	Center Funds	Total
Personnel Costs	XX	XX	XX	XX	XXX
CGIAR Collaboration Costs	XX	XX	XX	XX	XXX
Other Collaboration Costs	XX	XX	XX	XX	XXX
Supplies and Services	XX	XX	XX	XX	XXX
Operational Travel	XX	XX	XX	XX	XXX
Depreciation/Amortization	XX	XX	XX	XX	XXX
Cost Sharing Percentage	XX	XX	XX	XX	XXX
Total Direct Costs	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Indirect Costs	XX	XX	XX	XX	XXX
Total Costs	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**
Deferred depreciation	XX	XX	XX	XX	**XXX**
Grand Total - All Costs	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**

xxv. Grants Revenue schedule

Schedule of Grants Revenue
For the years ended 31 December, 20XX and 20XX-1
(all figures expressed in thousands of US dollars)

	Funds available US$'000	Receivables from donors	Deferred revenue US$'000	Grants revenue 20XX	Grants revenue 20XX-1
A. Unrestricted					
W3 - Unrestriced					
Donor 1					
Donor 2					
Subtotal Window 3 - Unrestricted	-	-	-	-	-
Bilateral- Unrestricted					
Donor 3					
Donor 4					
Subtotal Bilateral - Unrestricted	-	-	-	-	-
Total-Unrestricted	-	-	-	-	-
B. Restricted					
Windows 1 & 2					
Donor 5					
Donor 6					
Subtotal-Windows 1 & 2	-	-	-	-	-
Window 3					
Donor 9					
Donor 10					
Subtotal-Window 3	-	-	-	-	-
Bilateral					
Donor 11					
Donor 12					
Subtotal-Bilateral	-	-	-	-	-
Total-Restricted	-	-	-	-	-
Grand Total	-	-	-	-	-

xxvi. Grants Pledges and Expenses schedule

Schedule of Grants Pledges and Expenses
For the year ended 31 December, 20XX

Donor and Program/ Project	Start Date	End Date	CRP/ Non-CRP	Total Grant Pledge	Expenditure prior years US$'000	Expenditure Current year US$'000	Total Expenditure US$'000	Deferred Depreciation US$'000
Windows 1 & 2								
Donor 1								
Program/Project Name							-	-
Program/Project Name							-	-
Subtotal - Donor 1				-	-	-	-	-
Donor 2								
Program/Project Name							-	-
Program/Project Name							-	-
Subtotal - Donor 2				-	-	-	-	-
Total - Window 1 & 2				-	-	-	-	-
Window 3								
Donor 3								
Program/Project Name							-	-
Program/Project Name							-	-
Subtotal - Donor 3				-	-	-	-	-
Donor 4								
Program/Project Name							-	-
Program/Project Name							-	-
Subtotal - Donor 4				-	-	-	-	-
Total - Window 3				-	-	-	-	-
Bilateral								
Donor 5								
Program/Project Name							-	-
Program/Project Name							-	-
Subtotal - Donor 5				-	-	-	-	-
Donor 6								
Program/Project Name							-	-
Program/Project Name							-	-
Subtotal - Donor 6				-	-	-	-	-
Total - Bilateral				-	-	-	-	-
Grand Total				-	-	-	-	-