

Revised CGIAR Window 1 Budget for 2024

Purpose

This document sets out the revised CGIAR Window 1 Budget for 2024, as approved by the System Council with effect from 12 April 2024 (Decision Reference SC/M19/EDP8).

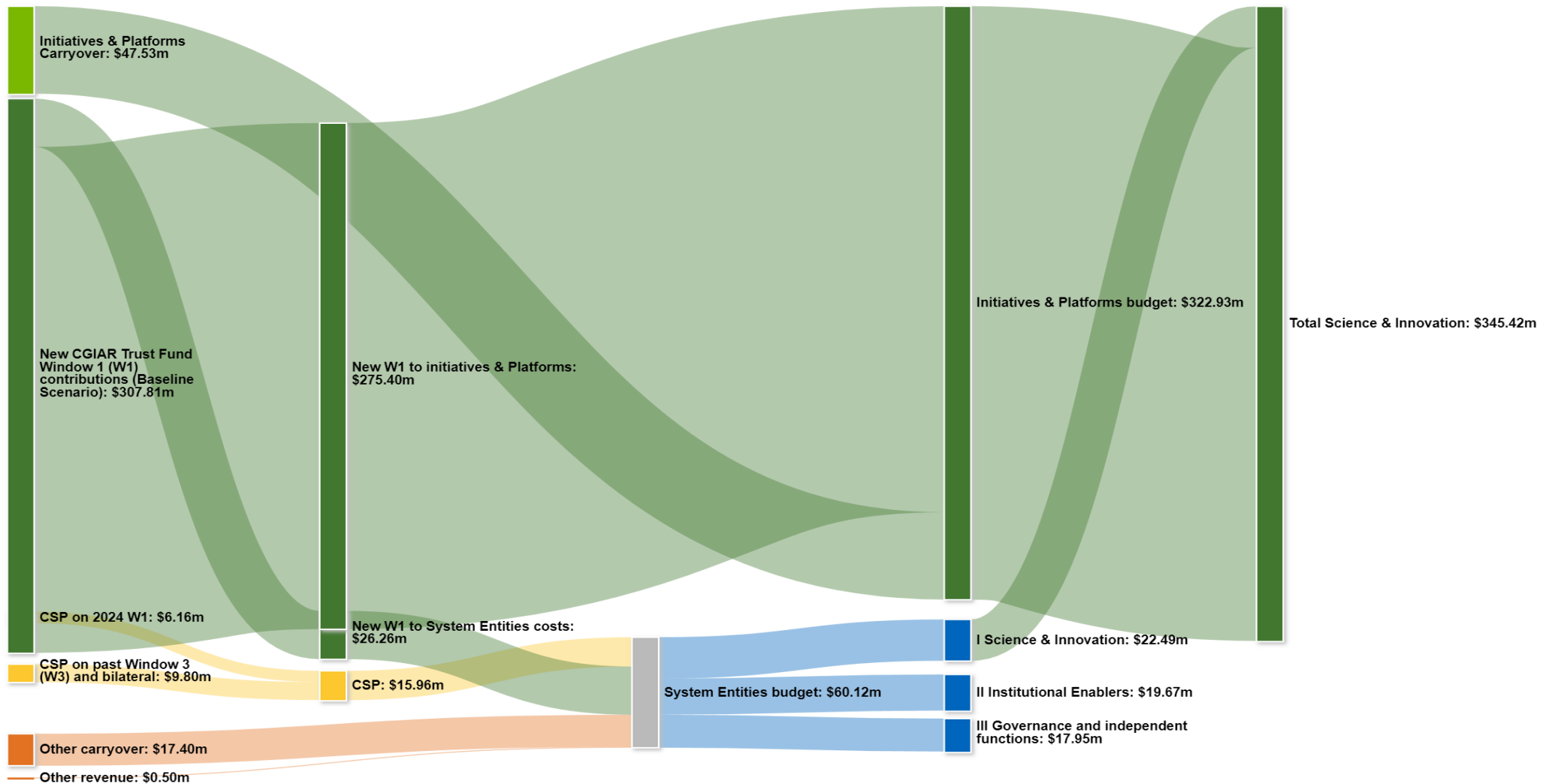
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Executive Summary

1. In response to the System Council's request in December 2023, this document sets out a revised CGIAR Window 1 Budget for 2024. In a year that marks the conclusion of CGIAR's current 2022—24 Portfolio, the design of the next CGIAR Portfolio, and the onboarding of new leadership, this is in many ways a transitional budget for a transition year. As such, the proposed budget aims to balance targeted adjustments to reflect new, forward-looking priorities with continuity of core delivery.
2. Based on most recent Funder contributions, commitments, and pledges received; as well as latest data on carryover; the budget adopts two scenarios for available 2024 resources: (i) a **Baseline Scenario** against which Initiatives and Platforms and other functions can confidently plan their 2024 delivery; and (ii) a **Surge Scenario**, representing the envelope of resources that would be available, should potential revenues materialize in full.
3. Under the Baseline Scenario, available 2024 resources amount to **\$383m**, of which **\$308m (80%)** represents new Funder contributions to CGIAR Trust Fund Window 1 ('W1'), with the rest made up of carryover (\$65m), as well as other revenue and CSP on past Window 3 and bilateral funding. Under the Surge Scenario, available resources would amount to \$395m, with new W1 funding rising to \$319m.
4. Building on these revenue scenarios and taking into account any associated Funder designations and earmarks, all spending has been carefully reviewed to align with the following overarching goals for the year 2024: **(I)** Deliver relevant and impactful research and innovations, **(II)** Elevate CGIAR's funding and visibility on global agendas, and **(III)** Ensure that CGIAR is fit for purpose and efficiently organized.

5. Consistent with these goals, the proposed, revised budget allocates available 2024 resources under the Baseline Scenario as follows:
 - I. **Science and innovation (\$345.42m, 90%):**
 - i. Initiatives and Platforms (\$323m, 84%);
 - ii. Other science and innovation investments (\$22m, 6%), including Science Groups, Regions & Partnership, Digital & Data, Portfolio Performance and Project Coordination.
 - II. **Institutional enablers (\$19.67m, 5%),** including Business Operations and Finance (BO&F), Communications and Outreach (C&O), the Executive Office, Innovative Finance and Resource Mobilization (IFRM), Legal and Risk, and People and Culture (P&C); and
 - III. **Governance and independent functions (\$17.95m, 5%),** including the System Council, System Board, their committees, and the General Assembly of Centers (GAC); the Independent Advisory and Evaluation Service (IAES); as well as Ethics and Business Conduct (EBC) and internal audit.
6. The proposed budget places CGIAR science and innovations front and center, with new funding available to CGIAR's Initiatives and Platforms, excluding carryover, increasing by **\$32m (13%)** from the provisional budget approved in December. In addition, resources are made available to welcome back ICRISAT into CGIAR's Integrated Partnership.
7. With funding to science and innovation prioritized, and the costs of CGIAR's governance and independent functions largely outside of management's remit, the costs of **institutional enablers** have been diligently assessed, with targeted adjustments to ensure fit for purpose for the changing needs of the Integrated Partnership.
8. In a possible Surge Scenario, total resources available would increase to **US\$395m**. Should additional funding materialize accordingly, priority will continue to be given to science and innovations, with the objective to direct at least 90% of any additional resources to science.

Figure 1: Revised Window 1 budget for 2024 at a glance (Baseline Scenario of \$383m)



A. Introduction

1. This document sets out a revised CGIAR Window 1 Budget for 2024 in response to the CGIAR System Council's decision SC/M19/EDP1 of 22 December 2023:

“Pursuant to Article 6.1 of the CGIAR System Framework, the System Council approved the 2024 Update to the CGIAR Three-year Financial Plan and the 2024 Window 1 Budget, on the basis that a revised 2024 Window 1 Budget will be presented for approval by 31 March 2024.”¹

2. The revised budget addresses the requests, recommendations, and feedback received from the System Council, the CGIAR System Board, and the CGIAR Audit, Finance, and Risk Committee (AFRC) on the provisional, 2024 budget and the associated process. Specifically, the revised budget:
 - I. is based on more recent, more comprehensive, and more granular revenue scenarios, with greater clarity on the breakdown of available resources and the level of risk associated with each source of funding;
 - II. mitigates the risk of in-year fluctuations in funding by adopting a high-confidence baseline scenario as a starting point, along with a surge scenario with associated, additional funding allocations that could be unlocked as part of a mid-year review;
 - III. provides greater clarity on the strategic priorities that underpin the proposed allocation of resources; with an overarching focus on and prioritization of CGIAR science and innovations;
 - IV. incorporates delivery of the memorandum on the implementation of governance recommendations, approved by Parties to the CGIAR Integration Framework Agreement and the System Council in December 2023; and
 - V. offers a preliminary line of sight to the possible evolution of revenue and costs in 2025, with a view to the continuous improvement of CGIAR's value for money.
3. Management recognizes the need to further strengthen transparency, inclusion, collaboration, and timeliness throughout the Window 1 budget process. While the time available for this rapid Q1 budget review offered limited opportunities for deeper interaction, listening, and learning, management remains committed to progressively improving all aspects of the budget process going forward. Indeed, this remains in many ways a transitional budget for a transition year, with further changes anticipated from 2025 to align with broader CGIAR-wide processes on portfolio design and governance.

¹ <https://www.cgiar.org/how-we-work/governance/system-council/system-council-decision-register/>

4. This budget is a strategic snapshot providing the most accurate picture available as of the date of its publication but does not constitute a guarantee of funding.

B. Overarching goals for the year

5. The revised CGIAR Window 1 Budget is designed with a view to the following overarching goals for the year 2024, as set by the CGIAR Executive Managing Director (EMD) and Deputy Executive Managing Director (DEMD):

I. Deliver relevant and impactful research and innovations:

- a. Continue to deliver a robust 2022—24 Portfolio against its 3-year outcome targets and intended, longer-term impact contributions;²
- b. Integrate ICRISAT into CGIAR's Integrated Partnership, harnessing its capabilities in support of the current portfolio; and
- c. Design and develop an ambitious and impactful CGIAR Portfolio from 2025 that reflects the best of our collective strengths and partnerships.

II. Elevate CGIAR's funding and visibility on global agendas:

- a. Run a strong campaign towards \$4bn in 2025—27;
- b. Set out an ambitious strategy to fund CGIAR's next portfolio and move towards \$2bn/year; and
- c. Strengthen our relevance in key global fora and build trust with a broader group of funders.

III. Ensure that CGIAR is fit for purpose and efficiently organized:

- a. Upgrade our processes for the next portfolio;
- b. Support the successful and timely implementation of new governance arrangements; and
- c. Clarify where and how our partnership-wide, 'One CGIAR' structures work as an enabler and facilitator, reflecting our agreement on ICI.

6. The goals described above set the direction for the proposed allocation of resources across and within functional areas. They serve as the North Star to ensure a focused and efficient deployment and subsequent accountability in the use of CGIAR's resources; both human and financial. They will be reflected in cascading objectives and key results (OKR) and targets.

7. The year 2024 marks the final year of implementation of CGIAR's current, 2022—24 Portfolio of Research Initiatives and Impact Area Platforms. Continued, strong

² Measurable, three-year End-of-Initiative Outcome targets are available in Initiatives' technical reports: <https://www.cgiar.org/initiative/wca-food-systems-transformation/?section=resources>

progress in delivery will be critical to meeting Initiatives' three-year outcome targets and paving the way for a step-up in ambition from 2025.

8. Alongside implementation of the current portfolio, the development of CGIAR's next portfolio, to be launched in 2025, is underway. The portfolio design process will require intensive engagement across CGIAR and with partners and stakeholders at the national, regional, and global levels. In addition to the science and innovation portfolio, a collaborative process is in place to ensure that updated operational and funding modalities are in place from 2025.
9. Building on the momentum of UNFCCC COP28 in December 2023 and the launch of CGIAR's new campaign "with Science we can"³, the year presents important opportunities for visibility, advocacy, as well as new partnership and funding.
10. Underpinning its long-term success, the implementation of CGIAR's new, agreed governance arrangements will bring welcome clarity and stability; and enable management to ensure that CGIAR's operational structures and processes are fit for purpose. A central component of this will be a transparent, inclusive, and collaborative 'ICI' process to determine which functions will be integrated (I), which ones will be coordinated (C) across the partnership, and which ones will be delivered independently (I) by each Party.
11. Finally, with a new EMD and DEMD on board from December 2023 and January 2024, respectively, the first half of 2024 will be a period of intensive onboarding and outreach to enable CGIAR's new leadership to develop a clear understanding of our risks, opportunities, strengths, and weaknesses; and build relationships internally and externally.

C. Available resources for 2024

12. This budget builds on the latest understanding of Funder contributions, as of mid-February. It introduces **new granularity** to ensure full transparency on available resources for 2024 and adopts a **data-driven approach to quantifying** the reliability of estimates. It clarifies which amounts are (i) **paid** vs. (ii) **committed**⁴ (confirmed in writing but not paid) vs. (iii) **pledged** (publicly announced but not yet committed) vs. (iv) **prospective** (active engagement, no pledge yet).
13. Not all prospects materialize. High-level public announcements often do not go into detail and may not always or not immediately translate into specific, detailed, yearly commitments. Commitments are generally solid, but resources may be tied, and their precise designations not known until late. The model allocates the probability for each category of funding to materialize based on historical data.

³ <https://www.cgiar.org/invest/>

⁴ Committed includes W1 earmarked ("designated") contributions where a "Designation Form" has been completed.

14. The budget also unpacks the **Cost Sharing Percentage** (CSP), which includes 2% of Window 1 based on expected 2024 contributions (applying the same discounting methodology) and 2% of Window 3 and Bilateral based on past funding.
15. In addition, it introduces the distinction between *in-year* and *for-year* Funder contributions: the year funds are paid, vs. the year funds are expected to be spent. For instance, a Funder may pre-pay *in-year* 2023, with the aim for funds to be used *for-year* 2024. This is to ensure traceability and accountability of Funder commitments and avoid the risk of double counting.
16. Finally, this budget clarifies what comes from new pledges *for-year* 2024 vs. from **unspent 2023 resources**. The distinction is critical as carryover from previous years is a **one-off windfall**, not expected to repeat itself in the future at the same level. It should therefore be distinguished from other sources of revenue that can recur if CGIAR maintains its resource mobilization efforts.
17. Based on Funder contributions, commitments, and pledges received, as well as data on carryover as of February 2024, Table 1 below provides an overview of the potential resources available across two scenarios:
 - I. A **Baseline Scenario**, representing the envelope of resources against which Initiatives & Platforms and other functions can confidently plan their 2024 delivery. The Baseline Scenario conservatively discounts Funder commitments and indications based on historical data.
 - II. A **Surge Scenario**, representing the envelope of resources that would be available, should current Funder commitments and indications materialize in full. The Surge Scenario would release additional resources to Initiatives, Platforms, and other agreed priorities, subject to confirmation of additional funds available in a Q3 2024 review.

Table 1: Revenue *for-year 2024*, undiscounted and adjusted for certainty

Type	Resources available for 2024	US\$ million	% certainty	Discounted US\$ million	For ref.: Provisional 2024 budget approved in Dec 2023 (US\$m)
OTHER SOURCES OF REVENUE	One-off resources				
	2023 carryover		100%		
	- Initiatives & Platforms carryover	47.53		47.53	0.00
	- Other carryover*	17.40		17.40	17.40
		64.93		64.93	17.40
	Other System Organization revenue**				
	Other System Organization revenue	0.50	100%	0.50	0.00
	Funder contributions***				
	CSP collected on 2023 Win. 3 & Bilateral	9.80	100%	9.80	11.04
NEW WINDOW 1 REVENUE	New Window 1 funding				
	<i>In-year 2023 for-year 2024</i>				
	- Paid Win.1 (pre-payments)	35.20	100%	35.20	5.50
	<i>In-year 2024 for-year 2024</i>				
	- Paid Win.1	0.00	100%	0.00	0.00
	- Committed not paid Win.1	281.20	96.4%****	271.08	265.30
	- Pledged ('indicated') not committed Win.1	2.90	47.0%****	1.54	6.20
		319.30		307.82	277.00
SCENARIOS					
	Baseline scenario (adjusted for certainty)			383.05	
	Surge scenario (all expected resources materialize)	394.53			

* Other carryover includes (i) \$7.8m in funds previously allocated towards costs other than Initiatives and Platforms (also referred to as 'System Entities' costs), (ii) \$6.5m in funds approved by the System Council for use towards the 'One CGIAR' integration process in 2019, and (iii) \$3.1m in funds carried over from various Special Projects (CapSha, a BMGF investment in targeted digital enablement opportunities, and a grant from the French Government for research leadership by the Science Groups).

** Includes, inter alia, an internal tax of 5.5% of gross salaries and investment income on funds paid to the System Organization.

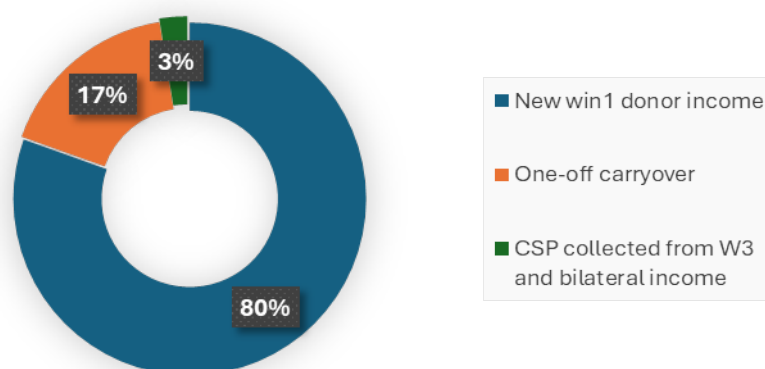
*** Potentially recurring based on continued Funder support

**** The certainties are defined based on historical data.

18. Across all sources of revenue, with appropriate discount rates applied to Funder commitments and pledges, resources available under the **Baseline Scenario** amount to **US\$383m**. Of this, US\$64.93m (~17%) is carryover, US\$9.80m comes from CSP

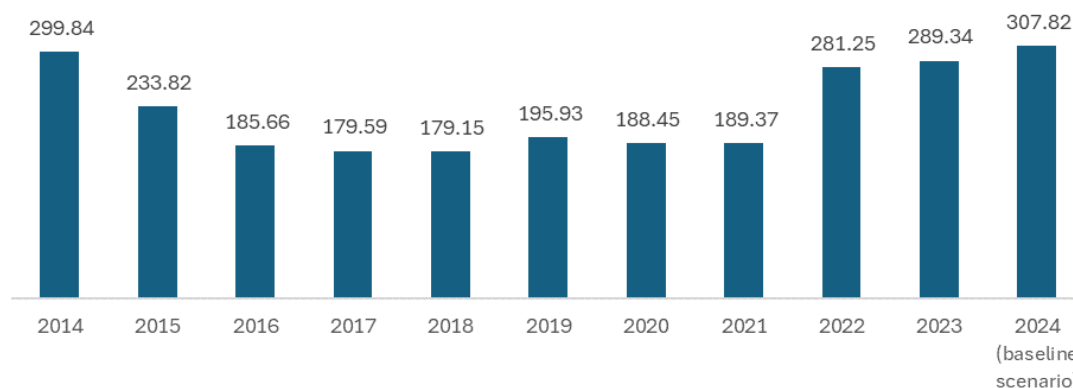
collected on Window 3 and bilateral contributions, and **US\$308m** (~80%) is new Funder contributions for the year 2024 (Figure 2).

Figure 2: Funding in 2024: Baseline Scenario



19. In terms of new pooled funding available, the Baseline Scenario represents an increase of \$18.5m or 6% from 2023, **thus exceeding the peak of 2014** (Figure 3).

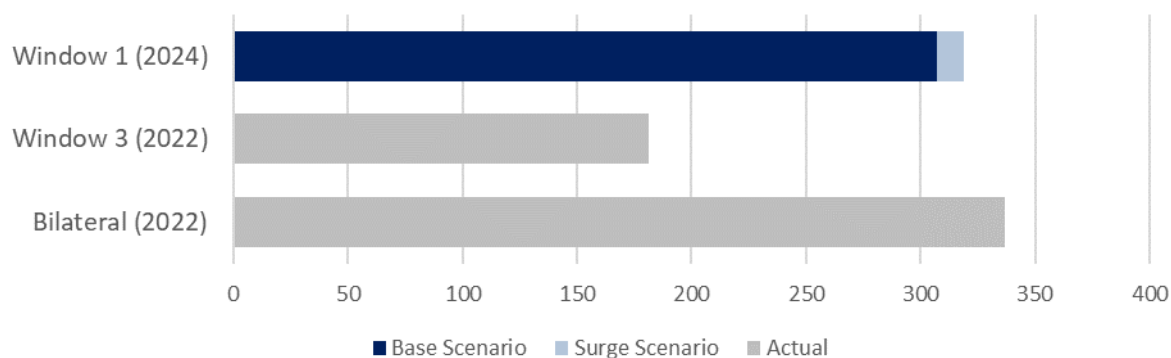
Figure 3: New pooled funding (US\$m)



20. In the **Surge Scenario**, total resources available would increase from US\$383m to **US\$394m** as new Window 1 Funder contributions *for-year* 2024 would rise to \$319m.
21. Although this document is focused on Window 1, as we progress on our journey as an Integrated Partnership, it may be useful to compare this budget to the overall funding available to CGIAR and its Centers. Besides Window 1, Funders can also contribute to CGIAR's research and innovation through two mechanisms. Window 3, managed by the World Bank CGIAR Trust Fund, channels funding allocated by Funders individually to projects that are defined by the Funders themselves (with partners). Bilateral funding goes directly to specific projects at CGIAR Centers, outside the CGIAR Trust Fund.

22. The 2024 Window 1 Baseline and Surge scenarios amount to US\$308—319m in new W1 funding. In 2022 (last available data), CGIAR recorded US\$771m in revenues. At that time, bilateral funding accounted for US\$337m (+17.6% year-on-year) and Window 3 funding represented US\$181m (+1.9%) (Figure 4).

Figure 4: Window 1 2024 compared to Window 3 and Bilateral 2022 (last available data)



D. Designation and earmarking of available resources

23. Funders designate or earmark their funding to some activities, while others fund the whole research portfolio. Table 2 summarizes how the different sources of revenue can be used.

Table 2: Earmarking on different sources of revenue

Typology of resources available for 2024	Baseline scenario US\$ million	Portfolio/ Untied	Designated /Earmarked
One-off resources			
2023 carryover			
- Initiatives & Platforms carryover	47.53		X
- Other carryover – unearmarked*	7.80	X	
- Other carryover – earmarked**	9.60		X
	64.93		
Other System Organization revenue			
Other System Organization revenue	0.50	X	
Funder contributions***			
CSP collected on 2023 Win. 3 & Bilateral	9.80	X	
New Window 1 funding			
- CSP on Win.1 contributions (2%)	6.16	X	
- Unearmarked ('portfolio')	126.88	X	
- Earmarked* for Initiatives & Platforms	171.40		X
- Special Projects****	3.37		X
	307.82	133.04	174.77
Baseline Scenario	383.05	151.14	231.90

* Funds previously allocated towards costs other than Initiatives and Platforms (also referred to as 'System Entities' costs)

** Includes (i) \$6.5m in funds approved by the System Council for use towards the 'One CGIAR' integration process in 2019, and (ii) \$3.1m in funds carried over from various Special Projects (CapSha, a BMGF investment in targeted digital enablement opportunities, and a grant from the French Government for research leadership by the Science Groups).

*** Also referred to as "Designated Contributions".

**** New funding towards selected Special Projects, including (i) additional funding from the French Government for research leadership by the Science Groups (\$0.53m), (ii) a BMGF investment in innovation scaling strategies by the Portfolio Performance Unit (\$0.54m) and (iii) Capsha (\$2.3m, of which \$2.1 from BMGF and additional contribution of at least \$0.2m from Germany/ BMZ towards the early-career scientists program).

24. Out of an expected US\$308m of new Window 1 contributions under the Baseline Scenario, it is expected that **US\$175m (~57%) will come with earmarking restrictions** and US\$133m will be available as untied funding. This includes US\$6.16m recovered through the compulsory CSP mechanism, and **\$127m (~41%) coming from a proactive choice from Funders not to earmark.**

E. Spending

25. In line with the three strategic objectives set as CGIAR's North Star for 2024 (see Section B), CGIAR management intends to drive budget spending with three aims:
 - (i) Strong emphasis on investment in science and innovation, to ensure CGIAR's ability to fulfil its mission to "deliver science and innovation to transform food, land and water systems in a climate crisis";
 - (ii) Ensuring CGIAR's partnership-wide institutional enablers are nimble, efficiently run, fit-for-purpose, and ready to deliver integration and coordination in areas that will come from the ICI process, working as enablers to CGIAR and its Centers; and
 - (iii) Selectively building capacity to put CGIAR in a position to elevate funding and visibility on the global agenda.
26. This budget was therefore scrutinized for value for money, with a careful review of funds to ensure they flow into clearly identified, value-added activities that are directly connected to leadership's overarching priorities.
27. In many ways, this is a transitional budget for a transition year. CGIAR leadership recognizes that the ICI process and implementation of the Unified Governance Review, as well as the preparatory work towards the next CGIAR Portfolio, are in progress and, as such, acknowledges that CGIAR's business model (and therefore, its funding model) may evolve as a result. In light of this, the budget reflects CGIAR leadership's conscious effort to **be intentional about science, while limiting disruption to current operations**.
28. As an overarching principle, the budget maximizes the amount of funding going to science and innovation, including for the delivery of the current 2022—2024 Portfolio, incorporation of strong digital and data tools into research, strengthening of research and innovation partnerships at the regional level, and welcoming back and integrating ICRISAT science and assets into CGIAR's portfolio.
29. To be able to allocate funds with maximum precision, a detailed review of projected expenses has been held to categorize them in a way that brings clarity to how much funding goes to science vs. to fund institutional enablers, with a view to maximizing the first and ensuring the second is fit for purpose. Expenses that are not within the direct purview of CGIAR management have also been reported separately. As a result, the proposed spending has been reviewed and clustered across three pillars:
 - I. **Science and innovation:** This area consists of all direct contributions to the science and innovation agenda. This includes Initiatives and Platforms; scientific leadership and engagement of CGIAR's Science Groups; science and Portfolio engagement with partners at all levels; thought leadership on the

digital and data agenda in CGIAR's Portfolio; and Initiatives' and Platforms' performance management and coordination.

- II. **Institutional enablers:** This area consists of the costs linked to functions enabling and supporting the accomplishment of CGIAR's Integrated Partnership vision and mission: Business Operations and Finance (BO&F), Communications and Outreach (C&O), the Executive Office, Innovative Finance and Resource Mobilization (IFRM), Legal and Risk, and People and Culture (P&C).
 - III. **Governance and independent functions:** This area and associated costs are generally outside CGIAR management remit, and include expenses inherent to the CGIAR System Council, the CGIAR System Board and their committees, as well as the General Assembly of the Centers; the Independent Advisory and Evaluation Service (IAES), comprising the Independent Science for Development Council (ISDC), the Standing Panel on Impact Assessment (SPIA), and the CGIAR evaluation function; as well as Ethics and Business Conduct (EBC) and internal audit.
30. Table 3 below sets out the proposed, high-level allocation of resources across the three Pillars under the Baseline Scenario, taking into account all Funder designations and earmarking requirements. The table also shows the budget directionality from 2023 and the provisional 2024 budget approved in December 2023.

Table 3: Proposed resource allocation

		2024 Baseline Scenario		For reference			Variation
		US\$m	% of total	2024 budget Dec-23 US\$m	2023 spend (est.) US\$m	2023 budget US\$m	2024 Baseline vs. 2023 budget
Initiatives & Platforms Budget	I. Science and innovation	345.42	90.18%	266.33	273.45	323.46	+21.96
	Initiatives and Platforms	322.93	84.31%	243.52	256.87	301.00	+21.93
	Carryover	47.53	12.41%			52.00	- 4.47
	New for-year Funder contributions	275.40	71.90%	243.52	256.87	249.00	+26.40
System Entities Budget	Science Groups*	8.00	2.09%	6.53	4.04	6.36	+1.64
	Regions and Partnership*	6.21	1.62%	7.81	5.68	7.55	-1.34
	Portfolio Performance/Project Coord. Units*	4.52	1.18%	4.72	2.95	4.82	-0.30
	Digital & Data*	3.75	0.98%	3.75	3.91	3.73	+0.02
	II. Institutional enablers	19.67	5.14%	20.89	18.24	22.56	-2.89
	Legal and Risk	1.47	0.38%	1.57	1.69	1.39	+0.08
	Business Op. & Finance	4.59	1.20%	5.25	4.76	5.23	-0.64
	People and Culture (P&C)*	4.35	1.14%	4.83	4.26	4.82	-0.47
	Innovative Fin. & Resource Mobilization	3.17	0.83%	3.17	2.09	3.05	+0.12
	Communications and Outreach*	3.20	0.84%	3.66	3.9	3.53	-0.33
	Executive Office**	2.88	0.75%	2.41	1.54	4.54	-1.66
	III. Governance & independent functions	17.95	4.69%	17.47	13.21	14.89	+3.06
	System Council and committees ^a	1.27	0.33%	1.27	1.18	1.20	+0.07
	System Board and committees	3.27	0.85%	2.64	2.72	1.88	+1.39
	Inde. Advisory & Evaluation Service (IAES) ^a	9.72	2.54%	9.72	6.36	8.28	+1.44
	Ethics & Business Conduct, Internal Audit	2.48	0.65%	2.48	1.42	2.02	+0.46
	Secretariat of the Board and Council	1.21	0.32%	1.36	1.53	1.51	-0.30
	Grand total	383.05		304.69	304.90	360.90	

^a Not under the System Board's purview. IAES includes the Independent Science for Development Council (ISDC), the Standing Panel on Impact Assessment (SPIA), and the CGIAR evaluation function.

* The proposed 2024 budget allocation for these functions includes \$3.1m in Special Project carryforward as follows: (i) \$0.53m from the French Government for Research activities led by the Science Groups, (ii) \$2.02m for Capsha, led by Partnerships & Advocacy in Regions & Partnership, and (iii) \$0.51 for the BMGF investment in targeted digital enablement opportunities, divided across Digital and Data (\$0.31m), Communications and Outreach (\$0.16m), and People and Culture (\$0.04m). In addition, \$3.37m in new W1 funding is earmarked for Special Projects as follows: (i) additional funding from the French Government to Science Groups (\$0.53m), (ii) a BMGF investment in innovation scaling strategies by the Portfolio Performance Unit (\$0.54m) and (iii) Capsha – Partnerships & Advocacy (\$2.3m, of which \$2.1 from BMGF and additional contribution of at least \$0.2m from Germany/ BMZ towards the early-career scientists program).

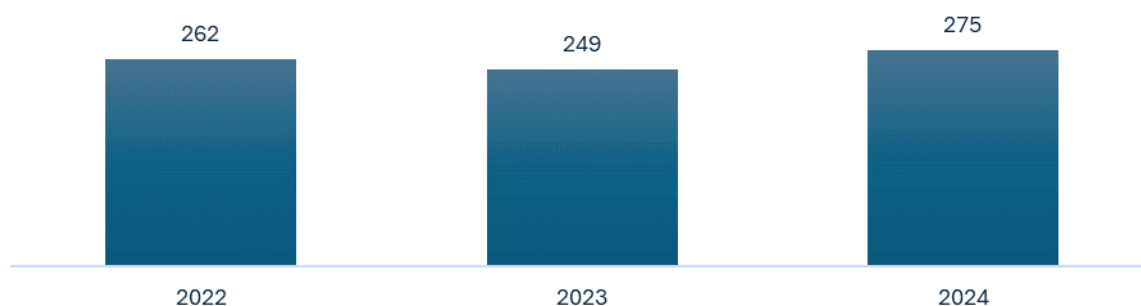
** The 2023 budget included a strategic reserve for the Executive Office, to ensure in-year flexibility to accommodate new strategic priorities with the anticipated change in leadership.

F. Connecting workplan and budget: CGIAR leadership comments

Pillar I: Science and Innovation

31. 2024 is the final year of delivery of the current portfolio of Initiatives and Platforms, with significant end-of-Initiative outcome expectations. It also marks a critical year for CGIAR science and innovation with the development of the next CGIAR Portfolio from 2025.
32. To deliver on leadership's first objective of relevant and impactful science and innovation, this revised budget allocates \$345m or 90% of available resources to CGIAR science and innovation. Allocations to CGIAR Initiatives and Platforms are restored to the levels targeted at the start of 2023: **new funding towards Initiatives and Platforms increases by \$32m (13%)** from the provisional budget approved in December 2023, **to \$275m**. This is the highest level since CGIAR embarked on its 2030 Research and Innovation Strategy and the current Initiatives and Platforms were created (Figure 5).

Figure 5: Allocations of new pooled funding to Initiatives and Platforms, 2022–24 (US\$m)



33. **In addition, Initiatives and Platforms can count on US\$48m in carryover**, bringing the overall envelope for 2024 to US\$323m. This will help ensure continued, strong delivery towards the Initiatives' and Platforms' 3-year targets.
34. In line with CGIAR leadership's objective to welcome back ICRISAT into CGIAR's Integrated Partnership, harnessing its capabilities in support of the current Portfolio, the proposed Initiative and Platform allocations include **an allocation of \$2m to ICRISAT** as part of the Genebanks Initiative. In addition, ICRISAT will contribute towards, and receive pooled funding through several other Initiatives⁵.
35. Annex I sets out the proposed allocations to Initiatives and Platforms, taking into account Funder designations. In the spirit of limiting disruption, **Centers have already started work based on the provisional budget approved in December 2023**. This **upwards adjustment will allow Centers to amplify** what has already been

⁵ Genetic Innovation: Accelerated Breeding; Systems Transformation: Foresight, Digital, Agroecology, National Policies & Strategies, and NEXUS; Resilient Agri-food Systems: Excellence in Agronomy, Plant Health, and Mixed Farming Systems.

started, without needing to slow down. Initiative and Platform Leads are already working with Centers to discuss these increased allocations and determine the most appropriate amount for each Center for each Initiative and Platform. This exercise will be completed in the next weeks, taking into account the REFLECT process and any carryover adjustments, with final increases for each Center adopted at the end of this process.

36. Following the CGIAR Portfolio Retreat convened by the EMD on 21–22 January, the Portfolio design process has been recast to significantly raise CGIAR’s level of ambition, with 10 ‘Megaprograms’ intended to span all sources of funding – pooled and non-pooled – and bring out the best of Centers’ collective capabilities in the face of our biggest global challenges. In response, the proposed allocation to CGIAR’s three Science Groups (\$8.0m) – Genetic Innovation, Resilient Agri-Food Systems, and Systems Transformation – represents a significant increase on previous years, with additional resources to cover the cost of Megaprogram design.
37. In addition to the substantive design of 10 Megaprograms, a robust partner and stakeholder engagement effort will be essential to ensuring that the next portfolio is grounded in and responsive to demand, priorities, and opportunities at the local, national, regional, and global levels. This includes a series of Portfolio Listening Sessions, the launch of a revised CGIAR Engagement Framework and new Partnership Strategy, as well as coordinated CGIAR engagement in global policymaking processes. These deliverables – as well as the Capsha project – are reflected in the allocation towards Regions and Partnerships.
38. Alongside the Portfolio design process, the inaugural **CGIAR Science Week** – to be held in Nairobi, Kenya on 1–5 July 2024 – is a major priority for leadership. The Science Week will bring together the CGIAR community working for a food, nutrition and climate secure future to co-create a roadmap for food, land and water systems transformation; forge partnerships for action; build the case for investment; and inspire change.⁶ The cost of organizing the Science Week – estimated at \$0.5m – is reflected in the Science Groups’ revised budget allocation for 2024.
39. Table 4 provides a summary of the workplan pursued, its alignment with the overall objectives set by CGIAR leadership for 2024 and with resourcing from budget.

⁶ <https://www.cgiar.org/news-events/event/cgiar-science-week/>

Table 4: 2024 priorities for science and innovation besides Initiatives & Platforms

	Baseline scenario (US\$m)	Evolution vs 2023 budget	2024 priorities
Science Groups	8.00	+1.64	<ul style="list-style-type: none"> • Delivery of final year of current, 2022—24 Portfolio of Initiatives & Platforms • Design of next CGIAR Portfolio to be launched in 2025 • CGIAR Science Week
Regions and Partnership	6.21	-1.34	<ul style="list-style-type: none"> • Partner and stakeholder engagement in support of CGIAR Portfolio design • Launch of revised CGIAR Engagement Framework and new Partnership Strategy • Continued delivery of CapSha project
Portfolio Performance and Project Coordination Units	4.52	-0.30	<ul style="list-style-type: none"> • Performance and results management and project coordination in support of the current 2022—24 Portfolio • Design inputs towards the next CGIAR Portfolio
Digital and Data (D&D)	3.75	+0.02	<ul style="list-style-type: none"> • Design of Data and Digital Innovations Enabler as part of the new CGIAR Portfolio • Delivery of CGIAR360 Platform and other targeted investments • Continued core digital and data services to the Initiatives, Platforms, and partnership-wide functions

Pillar II: Institutional enablers

40. The institutional enablers' workplan, and therefore their budget, is the result of two complementary considerations:
- Operationally, CGIAR leadership has started a careful review of institutional enablers to ensure they are fit-for-purpose to deliver on the Integrated Partnership and play their role as enablers of CGIAR and its Centers. Workforce and consulting budgets have been scrutinized and are being aligned with a reviewed workplan, fully in line with the three North Star objectives set by management. This has led to significant changes, as explained below.
 - Strategically, CGIAR leadership has been intentional in maximizing funding allocations to science and innovation. Accounting for increased costs related to the implementation of the new governance arrangements and the growing budgets approved by CGIAR's governance bodies for independent advice and evaluation, notably ISDC and SPIA (see detail in the Pillar III section below), implies delivering institutional enablers on a reduced budget.
41. The ICI and delivery of the Internal Rules Framework (IRF) will be implemented through a transparent, inclusive, and collaborative process that will determine the functions that will be integrated and coordinated across the partnership, as well as those that will be delivered independently by each Party. This process will unfold in 2024. Pending agreement on functions to be integrated or coordinated, the

institutional enablers will primarily focus on core business continuity functions, recognizing the critical needs related to the delivery of the current portfolio. Activities that require a renewed mandate through the ICI process will be postponed.

42. For Business Operations and Finance, key contributions towards the next Portfolio will include a comprehensive, external, and independent study of **CGIAR's strategic assets**, with a view to identifying options for their sufficient, sustainable, and predictable financing. Related to the above, the Group will continue to steward the collaborative effort **to review and redefine CGIAR's financial model and funding modalities** to ensure that these are best-in-class to support the new Portfolio.
43. As discussed above, one of leadership's three overarching goals for the year 2024 is to elevate CGIAR's funding and visibility on global agendas. This is reflected in the workplan of Communications & Outreach (C&O) and Innovative Finance & Resource Mobilization (IFRM), in particular, which play instrumental roles in running CGIAR's fundraising campaign and raising CGIAR's profile in key global fora. In line with these priorities **the IFRM and C&O functions will be brought closer together and revisited to ensure they bring strong value for money**. The IFRM budget will see a modest increase from 2023, **balanced by budget adjustments** in other institutional areas.
44. Overall, in the Baseline Scenario, the proposed allocations to institutional enablers **represent a \$1.22m (6%) reduction**, compared to the provisional budget approved in December 2023, and a **\$2.89m (13%) reduction compared with the 2023 budget**.
45. Table 5 below summarizes the key 2024 priorities for institutional functions under the Baseline scenario.

Table 5: 2024 priorities for institutional enablers

	Baseline scenario (US\$m)	Evolution vs 2023 budget	2024 priorities
Business Op. & Finance	4.59	-0.64	<ul style="list-style-type: none"> Review of CGIAR's strategic assets Collaborative process to review and redefine CGIAR's financial model and funding modalities to ensure fit for purpose Enabling finance & business operations services to Initiatives, Platforms and partnership-wide functions
Communications & Outreach	3.20	-0.33	<ul style="list-style-type: none"> CGIAR "With Science We Can" campaign Strengthen CGIAR's visibility, relevance, and impact on key global fora notably G7, G20, UNFCCC COP, UNGA Science Week CGIAR Flagship Report*
Executive Office	2.88	-1.66	<ul style="list-style-type: none"> Leadership in line with the overarching goals for 2024: <ul style="list-style-type: none"> Deliver relevant and impactful research and innovations Elevate CGIAR's funding and visibility on global agendas Ensure CGIAR is fit for purpose and efficiently organized Consistent with the above; selected, strategic processes directly budgeted under the Executive Office, including leadership's review of the 'One CGIAR' organizational structure; and key senior leadership meetings and events
Innovative Fin. & Resource Mobilization	3.17	+0.12	<ul style="list-style-type: none"> Run existing campaign, assure funding targets for current Portfolio, and start fundraising for the next CGIAR Portfolio Diversify the Funder base, forge relationships and build trust with a growing number of Funders, including new effort on innovative and climate finance Collaborative process to review and redefine CGIAR's financial model and funding modalities to ensure fit for purpose
Legal and Risk	1.47	+0.08	<ul style="list-style-type: none"> Implementation of CGIAR's new governance arrangements (amendments to core governing documents, etc.) Legal implementation of new funding modalities Enabling legal services to the Initiatives, Platforms, and partnership-wide functions
People and Culture (P&C)	4.35	-0.47	<ul style="list-style-type: none"> Contributions to leadership's review of the 'One CGIAR' organizational structure, implementation of resulting changes Enabling core people and culture services to the Initiatives, Platforms, and partnership-wide functions Enabling achievement of the vision as laid out in the Framework for Advancing Gender equity, Diversity and Inclusion in CGIAR's workplaces

* With \$540k in additional financing from Germany/BMZ

Pillar III: Governance and independent functions

46. The year 2024 is critical for the implementation of CGIAR's new governance arrangements. At the time of the development of the provisional 2024 budget in Q4 of 2023, the costs of those arrangements were not yet known.

47. The cost associated with the System Council are expected to be consistent with 2023, with a marginal increase in the Trustee Support fees for 2024.
48. In other areas of governance of the Integrated Partnership, it is anticipated that the General Assembly of the Centers will be reactivated, and a new Host Country Platform formed. Growth in the budget is expected to be mostly associated with the workings of the new Integrated Partnership Board (and its committees), driven primarily by the increase in Board members (moving from 8 to 14), members' compensation (daily fees) compounded by frequency of their meetings and other engagements (number of days). Based on initial proposals, commitments could represent up to \$3.27m for the year, an increase of \$1.39m (74%) compared with 2023. This figure remains tentative as discussions are ongoing involving the Board, the Nominations Committee for the Integrated Partnership Board, and the System Council.
49. The budget for the Independent Advisory and Evaluation Service (IAES) is on a path of significant rise, in line with increased ambitions endorsed by the System Council. The IAES workplan for 2024 will focus on the continuous provision of operational support to the Independent Science for Development Council (ISDC), the Standing Panel on Impact Assessment (SPIA), and the implementation of CGIAR's multi-year, independent evaluation plan as approved by the System Council. A key deliverable for IAES in 2024 is the implementation of SPIA's new 2024—2030 workplan, with an ambitious target of US\$34.6-49.5m for the seven-year period, including \$4.6m for 2024. This includes the transition into SPIA's new operational modality, which is expected to rely on growing additional resources beyond 2024.
50. Ethics and Business Conduct and Internal Audit (alongside with External Audit) have been identified in the CGIAR memorandum on the implementation of governance recommendations as priority areas for integration. Accordingly, the budget reflects a growth in these areas, to allow for the necessary investments that will underpin the move to an integrated structure.
51. Governance functions are supported by a small secretariat within CGIAR. Management is taking an active look at streamlining this function while offering the best service to the future Integrated Partnership Board, the System Council, and their committees. Early efficiency gains were identified and are reflected in a reduced budget for secretarial services to governance bodies.
52. Table 6 summarizes the priorities for governance and independent functions.

Table 6: 2024 priorities for governance and independent functions.

	Baseline scenario (US\$m)	Evolution vs 2023 budget (US\$m)	2024 priorities
System Council & Committees	1.27	+0.07	<ul style="list-style-type: none"> The mandate and functions of the System Council and its committees are set out in the CGIAR System Framework. The Council will meet twice in person in 2024, with both meetings representing critical decision moments for the new CGIAR Portfolio and the associated pooled funding modalities. In addition, several virtual touch points are envisaged as part of the implementation of CGIAR's new governance arrangements, and the Portfolio design process.
System Board & Committees, General Assembly of Centers, Host Country Platform	3.27	+1.39	<ul style="list-style-type: none"> The mandate and functions of the System Board and its committees are set out in the Charter of the CGIAR System Organization. Pursuant to the CGIAR memorandum on the implementation of governance recommendations, the System Board will be recast as the Integrated Partnership Board, with its membership expanding to fourteen voting members. Further details on the Board's 2024 workplan are provided in Annex VI.
Independent Advisory & Evaluation Service (IAES) incl. ISDC and SPIA ^a	9.72	+1.44	<ul style="list-style-type: none"> The IAES workplan for 2024 focuses on the continuous provision of operational support to the Independent Science for Development Council (ISDC), the Standing Panel on Impact Assessment (SPIA), and the implementation of CGIAR's multi-year, independent evaluation plan as approved by the System Council. A key deliverable for IAES in 2024 is the implementation of SPIA's new 2024—2030 workplan. This includes the transition into SPIA's new operational modality, which requires additional resources.
Ethics & Business Conduct, Internal Audit	2.48	+0.46	<ul style="list-style-type: none"> The Ethics and Business Conduct workplan for 2024 will focus on policy development, training, and culture development initiatives to reinforce an ethical culture across CGIAR, ensuring that ethical considerations are integral to CGIAR operations. The Internal Audit workplan for 2024 proposes to perform three thematic assurance and three strategic, advisory engagements with a cross-CGIAR scope. In addition, the System Organization internal audit plan includes a review of the System Organization application of compliance with policies and procedures to different categories of staff (e.g. through credit card mgt, performance mgt, and travel) and change implementation of delegation of authority.
Secretariat of the Board and Council ^a	1.21	-0.3	<ul style="list-style-type: none"> The governance team provides dedicated secretariat services to all CGIAR-wide governing bodies, including the System Council, the System Board, and their committees, as well as the General Assembly of the Centers. The implementation of CGIAR's new governance arrangements comes with a need for more frequent and more intensive governance-level engagement and resulting demands on the Secretariat.

^a Not under the System Board's purview.

G. Surge Scenario

53. In the **Surge Scenario**, total resources available would increase from \$383m to **\$395m** as for-year 2024 Funder income would rise to \$319m. The Surge Scenario is based on the materialization of all existing pledges and commitments.
54. Under a possible surge scenario, priority will continue to be given to science and innovation, with the objective to direct at least **90 cents out of every additional dollar to science** (subject to any Funder designations). Depending on future agreement on areas for integration and coordination, and subject to available resources, the remaining 10 cents may be directed towards accelerating selected institutional workstreams in support of the Integrated Partnership. These could be launched in Q3, pending management review.

H. Risks inherent to the current budget

Risk on available resources:

55. There is a remaining risk related to Funders fulfilling their pledges and commitments, or unfavorable exchange rate volatility of Funder currencies vis-à-vis US\$. At the time of writing, **assured resources** (those with 100% certainty), which include the 2023 carryover, other revenue, CSP collected on 2023 Window 3 and bilateral funds, and Funder pre-payments *in-year 2023 for-year 2024*, represent a total of US\$110m (~29% of the Baseline Scenario).
56. Another risk pertains to uncertainties regarding Funder designations. Even if the expected resources are secured or exceeded, Funders could choose to earmark their funds tightly to the same initiative(s), resulting in overfunding some areas and leaving others underfunded.
57. Through the prioritization of science, significant reductions have been made across the institutional enablers. Some activities in the interim may need to be paused or reprioritized. Further, there is a limited ability to take on additional activities due to limited resources.

Mitigation:

58. The Baseline Scenario is anchored in robust historical data. Committed resources, whereby a Funder has confirmed their funding decision in writing, but money has not yet been received, and pledged funding, where a Funder has publicly quoted their intent to fund CGIAR, but has not yet translated this intention in writing, have been discounted for risk on an historical basis.
59. CGIAR management has set the goal to elevate funding and visibility as one of its three priorities for 2024. This includes running a strong campaign towards the \$4bn in 2025–27, setting out an ambitious strategy to fund CGIAR’s next portfolio and move towards \$2bn/year and strengthening our relevance in key global fora, and

building trust with a broader group of Funders. As part of this, the innovative finance and resource mobilization function will be strengthened and reformed in 2024, increasing its capacity to deliver new sources of funding and engaging with existing Funders to move from pledges to commitments and payments. In addition, the ongoing review of financial modalities should facilitate acquisition of new resources.

60. The effects of foreign exchange volatility will be closely monitored and communicated to stakeholders throughout the period that this budget covers. Where possible, the Window 1 Liquidity and Stabilization Fund will be used to mitigate any material downside foreign exchange impacts on Portfolio funding receipts. Recourse to the Liquidity and Stabilization Fund may also be considered in case of funding drop, as set out in Annex III.
61. Ultimately, to the extent possible subject to Funder designations, CGIAR management will seek to ensure that any downward fluctuation or funding gap will preserve the budget going to Initiatives and Platforms.

Box: The Liquidity and Stabilization Fund

The purpose of the Window 1 Liquidity and Stabilization Fund is to provide a reliable source of pre-financing cash flow for a portion of Window 1 funding to science and innovation during the first quarter of the fiscal year, when some Funders may not yet have paid their contributions to CGIAR. On average, 80% of the liquidity and stabilization fund is used for prefinancing purposes. The fund can be used as an interim contingency resource, to ensure business continuity in case fundraising targets do not materialize. The System Council has approved a multi-year target of US\$50m for the Fund, with variability of +/- 10%. The System Board also may recommend to the System Council that CGIAR make strategic use of this Fund for investments required to address such global challenges. This enhances the CGIAR's response and ability to position itself as an innovative and transformative global leader of agricultural research excellence. See table 7 below for the status of the Fund's balance.

Table 7: Evolution of the Liquidity and Stabilization Fund

W1 Liquidity and Stability Fund Analysis	2022 Actual	2023 Actual	2024 Budget
1. Opening Balance	40.4	74.1	112.9
2. W1 Contributions from Funders*	281.1	322.1	307.8
3. Carryover returned to W1	4.9		
4. CSP collection from W3 & Bilateral grants	10.8	11.1	9.8
5. Interest Income from CGIAR Trust Fund	1.5	5.3	5.0
6. W1 disbursement to Programs	-213.4	-259.1	-320.0
7. Disbursements to CGIAR global cost + projects	-51.2	-40.6	-56.7
Cash Balance	74.1	112.9	58.8
Unpaid balance of budget	45.0	56.5	
Net Balance	29.1	56.4	58.8
*of which, contribution receivable		1.0	258.3

Risk on spending:

62. The year 2024 is transitional: significant efforts will be deployed to develop a strong CGIAR Portfolio from the year 2025 onwards, but it is too early to determine how this may affect CGIAR's business model and, therefore, its structure and spending.
63. Depending on the outcome of these processes, additional spending needs may emerge, for instance to acquire new or adapt existing skills and competencies, invest in promising assets underpinning our future science, or implement integration and coordination plans.
64. The process itself, including running a wide consultation of CGIAR's stakeholders through listening sessions held in regions and countries, and bringing CGIAR and other scientists together to cross-fertilize ideas during CGIAR Science Week, will represent additional one-off costs increasing the pressure on this year's budget.
65. Implementation of ICI and the Internal Rules Framework is just starting, and the process will determine which areas One CGIAR will enable through integration and coordination. The structure put in place to run One CGIAR may not be fit-for-purpose to deliver on the evolving model, and there is a risk that spending goes to perpetuate activities and expenses that are no longer relevant or strategic.
66. A broadened Integrated Partnership Board and ambitious growth mandates given to independent functions by the System Council, supported by Window 1 funding, means that the portion of non-science costs supported by the 'System Entities' budget is on a long-term growth path, and this growth may not be matched by additional Funder contributions.

Mitigation:

67. The new CGIAR leadership is taking a close look at the existing structure and will propose, by Spring 2024, changes to ensure that it remains fit-for-purpose.
68. CGIAR leadership has set three overarching goals for 2024, cascaded into key results and targets across the organization, to guide the efficient deployment and accountability in the use of resources. This budget brings clarity to the use of funds and how they connect to workplans, themselves guided by the three goals.
69. Decisions on investment made in 2024 will be flexible to accommodate different paths that may emerge for the organization as it gets ready for the future.
70. Consistent with the mandates and workplans for CGIAR's governing bodies and independent functions, costs and trends identified in this budget equips the IPB, System Council and independent bodies to anticipate and plan for costing and funding implications of decisions on governance and independent functions.

I. Projection 2025

Revenues

71. It is CGIAR leadership's intention to move to more predictable, multi-year budgeting processes and visibility. This will go together with efforts to increasingly secure multi-year pledges as we move into the next Portfolio. This will be brought to the budget presentation in next year's paper. The current paper, written in a transition year, lays out rough initial hypotheses to provide an early estimate of the 2025 budget.
72. The 2024 Baseline budget includes a carryover worth US\$64.93m. By definition, a carryover is a one-off windfall. In contrast, new Funder contributions are estimated to total US\$318—329m, including US\$308—319m to Window 1 and US\$9.8m CSP collected on previous year's Window 3 and bilateral funding (see Table 1 above). These financial flows have a potential for recurring if Funder support can be sustained.
73. CGIAR's ability to raise significant funding will be strongly connected with the final shape and attractiveness of the next science and innovation Portfolio, as well as the overall availability of Funder contributions, which depends on international and geopolitical contexts far beyond CGIAR's control.
74. Nonetheless, prioritization of resource mobilization alongside the design of a strong CGIAR Portfolio is expected to set the organization on course for long-term funding growth, and recent Funder pledges in support of CGIAR at COP28 demonstrate that Funder interest remains strong. Historical trends since the beginning of the 'One CGIAR' integration process in 2019 have demonstrated robust growth in Window 1 funding (see Figure 2 above).
75. Assuming current trends continues and circa 7% growth is secured from 2024 to 2025, Window 1 funding could reach US\$328—352m in 2025, with additional CSP collected on 2024 Window 3 and Bilateral bringing another US\$10—11m, bringing the overall 2025 baseline and surge scenarios to US\$338—363m.
76. While these fundraising efforts would translate into a significant **increase** in Window 1 funding compared to 2024, the absence of carryover bringing an exceptional windfall would translate into a **decrease** in the overall 2025 budget baseline scenario, from US\$383m to US\$338m (minus US\$45m).

Spending

77. Should such a funding scenario materialize, the spending envelope would need to match available resources.

78. The costs linked to governance and independent functions are essentially outside the scope of CGIAR management. The budget of the Independent Advisory and Evaluation Service is set on a growth trajectory in the coming years.
79. Even before factoring in an increase to sustain the agenda of independent functions, amounts available for science and innovation and institutional enablers collectively would be down to US\$320—345m. Compared with US\$365m in the 2024 baseline budget, this represents a significant reduction of US\$20—45m.
80. In practice, it is difficult to forecast the amounts that will be needed for 2025 investments in science and innovation: they will be driven by the final shape of the next Portfolio and the results of the ongoing process to design CGIAR's 10 Megaprograms. Besides, as the 10 Megaprograms are intended to encompass all CGIAR funding beyond Window 1, new and different financing modalities may prevail.
81. Likewise, the amount of investment needed in institutional enablers will be a function of the outcomes of ICI and IRF processes and reflect continuous investment in resource mobilization capacities to secure long-term growth and sustainability. In addition, ICI benefits are expected to be costed and shared among Centers, enabling the possibility that gains offset expenses and that Centers may directly contribute, financially or in-kind, to integrated and coordinated work.
82. Revisiting these assumptions in the second half of 2024, in light of progress in the various areas highlighted above, will be critical to ensuring long-term sustainability.

ANNEXES

ANNEX I: Revised, 2024 allocations to CGIAR Initiatives and Impact Area Platforms

Science Group	Initiative No.	Initiative name	Baseline Scenario					Surge Scenario			Provisional, W1 budget as approved in Dec 2023	Provisional 2023 actual	2023 budget
			Designated (USDm)	Portfolio (USDm)	Total new funding (USDm)	Preliminary Carryforward (USDm)	Total funding (USDm)	Total new funding (USDm)	Preliminary Carryforward (USDm)	Total funding (USDm)	Total new funding (USDm)	Total funding (USDm)	Total funding (USDm)
Genetic Innovation	INIT-01	Accelerated Breeding	17.82	13.20	31.02	0.58	31.6	32.35	0.58	32.93	25.89	27.40	27.22
Genetic Innovation	INIT-03	Genebanks	5.03	21.60	26.62	0.73	27.35	24.88	0.73	25.61	24.51	23.33	23.25
Genetic Innovation	INIT-04	Breeding Resources	2.26	0.46	2.72	0.98	3.70	2.35	0.98	3.33	2.60	1.79	2.73
Genetic Innovation	INIT-05	Market Intelligence	2.79	4.64	7.42	0.24	7.66	7.90	0.24	8.14	5.55	6.66	5.83
Genetic Innovation	INIT-06	Seed Equal	8.96	2.26	11.22	2.02	13.24	11.55	2.02	13.57	9.20	8.78	9.68
Total Genetic Innovation			36.9	42.1	79.0	4.6	83.6	79.0	4.6	83.6	67.8	68.0	68.7
Systems Transformation	INIT-31	Agroecology	10.45	0.22	10.67	4.61	15.28	10.87	4.61	15.48	9.06	6.80	9.09
Systems Transformation	INIT-23	Climate Resilience	4.63	2.89	7.51	2.21	9.72	8.91	2.21	11.12	6.77	7.00	7.11
Systems Transformation	INIT-25	Digital Innovation	0.00	4.02	4.02	0.44	4.46	4.92	0.44	5.36	3.75	4.49	3.93
Systems Transformation	INIT-24	Foresight	3.06	2.98	6.04	1.67	7.71	7.05	1.67	8.72	5.35	6.50	5.63
Systems Transformation	INIT-35	Fragility, Conflict, Migration	1.12	5.31	6.43	2.91	9.34	4.89	2.91	7.80	7.22	4.79	7.58
Systems Transformation	INIT-33	Fruits and Vegetables	7.29	0.02	7.31	3.77	11.08	7.56	3.77	11.33	5.71	6.75	5.70
Systems Transformation	INIT-26	Gender Equality	4.55	0.37	4.92	0.76	5.68	5.83	0.76	6.59	4.43	5.45	4.66
Systems Transformation	INIT-32	Low-Emission Food Systems	1.85	3.91	5.75	1.89	7.64	6.82	1.89	8.71	5.18	6.17	5.44

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Systems Transformation	INIT-27	National Policies and Strategies	0.01	5.57	5.58	1.02	6.60	6.98	1.02	8.00	5.31	7.18	5.57
Systems Transformation	INIT-28	NEXUS Gains	5.90	0.22	6.12	1.40	7.52	6.24	1.40	7.64	5.01	5.30	4.98
Systems Transformation	INIT-29	Rethinking Food Markets	1.83	3.38	5.21	2.69	7.90	6.17	2.69	8.86	4.69	4.78	4.93
Systems Transformation	INIT-30	Sustainable Healthy Diets	7.48	1.64	9.12	2.85	11.97	7.91	2.85	10.76	8.22	8.59	8.64
Total Systems Transformation			48.2	30.5	78.7	26.2	104.9	84.2	26.2	110.4	70.7	73.8	73.3
Resilient Agri-Food Systems	INIT-15	Aquatic Foods	1.86	4.39	6.25	0.66	6.91	6.55	0.66	7.21	4.97	5.18	5.23
Resilient Agri-Food Systems	INIT-11	Excellence in Agronomy	16.62	0.40	17.02	1.89	18.91	17.32	1.89	19.21	17.85	21.46	17.85
Resilient Agri-Food Systems	INIT-34	Livestock and Climate	7.71	0.02	7.73	0.40	8.13	8.00	0.40	8.40	6.02	6.68	6.18
Resilient Agri-Food Systems	INIT-19	Mixed Farming Systems	7.04	0.58	7.62	0.74	8.36	7.68	0.74	8.42	7.16	8.32	7.16
Resilient Agri-Food Systems	INIT-12	Nature-Positive Solutions	4.56	0.37	4.93	0.73	5.66	5.68	0.73	6.41	5.08	5.70	5.34
Resilient Agri-Food Systems	INIT-07	One Health	1.33	4.17	5.50	1.21	6.71	5.81	1.21	7.02	4.42	4.97	4.64
Resilient Agri-Food Systems	INIT-13	Plant Health	2.14	6.89	9.02	0.30	9.32	9.21	0.30	9.51	7.01	8.28	7.36
Resilient Agri-Food Systems	INIT-16	Resilient Cities	0.72	2.82	3.55	0.60	4.15	3.93	0.60	4.53	2.99	3.42	3.14
Resilient Agri-Food Systems	INIT-17	Sustainable Animal Productivity	10.24	3.94	14.18	0.97	15.15	14.87	0.97	15.84	11.28	14.02	11.87
Total Resilient Agri-Food Systems			52.2	23.6	75.8	7.5	83.3	79.0	7.5	86.5	66.8	78.0	68.8
Regional Integrated Initiatives	INIT-14	AgriLAC Resilient	0.96	2.77	3.73	1.11	4.84	4.86	1.11	5.97	3.95	3.49	3.12
Regional Integrated Initiatives	INIT-18	Asian Mega-Deltas	6.14	0.02	6.17	0.80	6.97	6.41	0.80	7.21	6.41	6.12	6.41
Regional Integrated Initiatives	INIT-21	Diversification in East and Southern Africa	10.52	0.02	10.54	2.75	13.29	10.89	2.75	13.64	9.87	8.34	9.92

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Regional Integrated Initiatives	INIT-10	Fragility to Resilience in Central and West Asia and North Africa	1.61	2.13	3.74	0.47	4.21	3.91	0.47	4.38	2.97	3.52	3.12
Regional Integrated Initiatives	INIT-20	Transforming Agrifood Systems in South Asia	1.36	2.56	3.93	0.10	4.03	4.10	0.10	4.20	3.16	4.15	3.32
Regional Integrated Initiatives	INIT-22	West and Central African Food Systems Transformation	3.83	0.02	3.85	0.26	4.11	3.99	0.26	4.25	3.99	4.37	3.99
Total Regional Integrated Initiatives			24.4	7.5	31.9	5.5	37.4	34.2	5.5	39.6	30.4	30.0	29.9
Impact Area Platforms	PLAT-02	Climate	1.06	0.02	1.09	0.52	1.61	1.11	0.52	1.63	0.97	0.50	1.02
Impact Area Platforms	PLAT-03	Environment	0.28	0.67	0.95	0.28	1.23	0.98	0.28	1.26	0.74	0.39	0.78
Impact Area Platforms	PLAT-01	Gender	4.56	1.41	5.97	2.89	8.86	6.25	2.89	9.14	4.75	5.30	4.99
Impact Area Platforms	PLAT-04	Nutrition	0.28	0.67	0.95	0.08	1.03	0.98	0.08	1.06	0.74	0.78	0.78
Impact Area Platforms	PLAT-05	Poverty reduction	0.28	0.67	0.95		0.95	0.98		0.98	0.74	-	0.78
Total Impact Area Platforms			6.5	3.4	9.9	3.8	13.7	10.3	3.8	14.1	7.9	7.0	8.4
Total Initiatives and Platforms			168.1	107.3	275.4	47.5	322.9	286.7	47.5	334.2	243.5	256.8	249.0

ANNEX II: CGIAR 'System Entities' budget

1. Consistent with past Window 1 Budget documents and as shown in Table 3 above, the CGIAR 'System Entities' budget encompasses all non-Initiative/ Platform costs. These include:
 - I. **Science and innovation:** Scientific leadership and engagement of CGIAR's Science Groups; science and Portfolio engagement with partners at all levels; thought leadership on the digital and data agenda in CGIAR's Portfolio; and Initiatives' and Platforms' performance management and coordination.
 - II. **Institutional enablers:** This area consists of the costs linked to functions, enabling and supporting the accomplishment of CGIAR's Integrated Partnership vision and mission: Business Operations and Finance (BO&F), Communications and Outreach (C&O), the Executive Office, Innovative Finance and Resource Mobilization (IFRM), Legal and Risk, and People and Culture (P&C).
 - III. **Governance and independent functions:** This area and associated costs are generally outside CGIAR management remit, and include expenses inherent to the CGIAR System Council, the CGIAR System Board and their committees; the Independent Advisory and Evaluation Service (IAES), comprising the Independent Science for Development Council (ISDC), the Standing Panel on Impact Assessment (SPIA), and the CGIAR evaluation function; as well as Ethics and Business Conduct (EBC) and internal audit.
2. Table 1 shows the revised, proposed allocations of resources towards CGIAR System Entities costs under the Baseline Scenario, compared with the provisional 2024 budget approved in December 2023, the approved 2023 budget, and estimated, actual 2023 spend.

Table 1: Revised, proposed allocation of resources towards CGIAR System Entities costs
(i.e. the Window 1 budget excluding CGIAR Initiatives and Impact Area Platforms)

	2024 Baseline Scenario		For reference			Variation
	US\$m	% of total	2024 budget Dec-23 US\$m	2023 spend (est.) US\$m	2023 budget US\$m	2024 Baseline vs. 2023 budget
I. Science and innovation	22.49	37.41%	22.81	16.58	22.46	+0.03
Science Groups	8.00	13.31%	6.53	4.04	6.36	+1.64
Regions and Partnership	6.21	10.34%	7.81	5.68	7.55	-1.34
Portfolio Performance/Project Coord. Units	4.52	7.52%	4.72	2.95	4.82	-0.30
Digital & Data	3.75	6.24%	3.75	3.91	3.73	+0.02
II. Institutional enablers	19.67	32.72%	20.89	18.24	22.56	-2.89
Legal and Risk	1.47	2.45%	1.57	1.69	1.39	+0.08
Business Op. & Finance	4.59	7.64%	5.25	4.76	5.23	-0.64
People and Culture (P&C)	4.35	7.23%	4.83	4.26	4.82	-0.47
Innovative Fin. & Resource Mobilization	3.17	5.27%	3.17	2.09	3.05	+0.12
Communications and Outreach	3.20	5.33%	3.66	3.9	3.53	-0.33
Executive Office	2.88	4.80%	2.41	1.54	4.54	-1.66
III. Governance & independent functions	17.95	29.87%	17.47	13.21	14.89	+3.06
System Council and committees ^a	1.27	2.12%	1.27	1.18	1.20	+0.07
System Board and committees	3.27	5.44%	2.64	2.72	1.88	+1.39
Inde. Advisory & Evaluation Service (IAES) ^a	9.72	16.16%	9.72	6.36	8.28	+1.44
Ethics & Business Conduct, Internal Audit	2.48	4.13%	2.48	1.42	2.02	+0.46
Secretariat of the Board and Council	1.21	2.02%	1.36	1.53	1.51	-0.30
Grand total	60.12		61.17	48.03	59.91	

^a Not under the System Board's purview. IAES includes the Independent Science for Development Council (ISDC), the Standing Panel on Impact Assessment (SPIA), and the CGIAR evaluation function.

- The overall allocations towards System Entities costs decreased under the Baseline Scenario, with \$1.05m (1.7%) from the provision provisional 2024 budget approved in December 2023.
- In terms of sources of funding, the System Entities costs – like the W1 budget as a whole – are covered through a mix of carryover and new funding contributions, with and without associated Funder earmarks. Table 2 provides a breakdown of those funding sources.

Table 21: Available resources towards 2024 System Entities costs (Baseline Scenario)

	Type	Available funding under 2024 Baseline Scenario (US\$m)	For reference: provisional 2024 budget approved in December 2023 (US\$)
Other revenue	One-off resources		
	Carryover of funds allocated to non-Initiative/ Platform costs*	7.80	8.10
	Special Projects carryover**	3.10	2.80
	Carryover of 'One CGIAR' integration funds***	6.50	6.50
	<u>Sub-total:</u>	<u>17.40</u>	<u>17.40</u>
	Other System Organization revenue		
	Other System Organization revenue	0.50	0.50
	CSP		
	CSP collected on 2023 Win. 3 & Bilateral	9.80	11.04
New W1 revenue	CSP collected on New Window 1 funding (limited to untied Portfolio Contributions)	6.16	5.54
	New Window 1 funding allocated to System Entities costs (untied Portfolio Contributions and funding towards non-Initiative/ Platform Special Projects)****	26.26	26.69
Grand total		60.12	61.17

* Funds previously allocated towards costs other than Initiatives and Platforms (also referred to as 'System Entities' costs)

** \$6.5m in funds approved by the System Council for use towards the 'One CGIAR' integration process in 2019

*** Funds carried over from various Special Projects (Capsha, a BMGF investment in targeted digital enablement opportunities, and a grant from the French Government for research leadership by the Science Groups).

**** This includes \$3.37m in new funding towards selected Special Projects, including (i) additional funding from the French Government to Science Groups (\$0.53m), (ii) a BMGF investment in innovation scaling strategies by the Portfolio Performance Unit (\$0.54m) and (iii) Capsha – Partnerships & Advocacy (\$2.3m, of which \$2.1 from BMGF and additional contribution of at least \$0.2m from Germany/ BMZ towards the early-career scientists program).

5. Consistent with the provisional 2024 budget approved in December 2023, the available resources towards System Entities' costs under the Baseline Scenario are primarily made up of new W1 contributions (44%); carryover of past allocations towards non-Initiative/ Platform costs, 'One CGIAR' integration costs, and Special Projects (29%), and CSP collected on past bilateral/ W3 funding as well as new W1 funding (27%).
6. As noted above on risk, the large share of carryover in the System Entities funding mix, being a one-off windfall, presents a risk to their future funding at current levels.

ANNEX III: Guiding principles for 2022—24 Window 1 Budgets

The Window 1 Budget is underpinned by the following guiding principles:

- I. **Carryover within the 2022—2024 Portfolio:** Carryover of Pooled funding (both portfolio and designated) within the implementation period (2022—2024) of an Initiative or Platform is permitted subject to rules of carryover as presented in the CGIAR Budget Procedures.
- II. **Indistinguishable Pooled funds at the CGIAR Center and thereafter:** Portfolio and Designated funding for a specific Initiative or Platform will be treated as indistinguishable by Funder in terms of financial reporting once received by the CGIAR Center.
- III. **Managing Unspent funds at end of 2024:** At the end of 2024, all unspent funds will be returned to Window 1 for reallocation towards the next CGIAR Portfolio as provided in Section 16.1 of the Financial Framework Agreement. All Initiatives and Platforms should be planning to fully implement the funds available to them, including unspent funds from prior years (2022—2023). Accruals related to issuing final Initiative or Platform reports, as included in the audited financial statements of each CGIAR Center, will be permitted.
- IV. **In this 2024 budget revision, partial de-linking of Pooled Portfolio and Designated Window 1 funds is applied.** Portfolio funds are ‘linked’ to designated funds at the beginning of the planning cycle in the sense that they are combined to build up the target Initiative/ Platform budgets over the business plan period.
- V. The Window 1 Portfolio funding will then be ‘de-linked’ from designated funding after the combined Window 1 Budget allocation/disbursement targets are identified and approved by the System Board and the System Council.
- VI. As a result, in the event of receipt in 2024 of unplanned Designated funding for a specific Initiative or Impact Area Platform that exceeds the approved allocation, it will be considered as additional funds available for use by the relevant Initiative or Impact Area Platform. It will not result in a downward adjustment of the planned allocation of W1 Portfolio funding.
- VII. If total Designated funding received in 2024 for a specific Initiative or Impact Area Platform is less than the FINPLAN allocation, additional portfolio funds may be allocated to offset the reduction (in part or in full) – although in this eventuality, contributions from the W1 Liquidity and Stabilization Fund will be considered subject to the limitation of paragraph below on the use of Window 1 Liquidity Stabilization Fund.
- VIII. **Use of Window 1 Liquidity and Stabilization Fund (‘Fund’):** Recognizing the need to provide near-term predictability, this Fund will be used to provide a partial guarantee of original combined pooled funding Window 1 Budget targets to each Initiative and Platform, subject to the following limitations:
 - a. The balance of the Fund is not drawn down more than \$10 million in any one year. In the event that more than \$10 million would be needed to fully guarantee combined Window 1 Pooled funding targets, the ceiling of \$10 million will be distributed on a pro-rata basis.
 - b. There remains a minimum balance of \$10 million in the Fund at the end of each calendar year.
 - c. Should there be a reduction of more than 20% of the overall Pooled funding inflow, the System Board may recommend to the System Council to make strategic use of the Fund to partially fulfil targets established in the Window 1 Budget.