



CGIAR



BUDGET PROCEDURES

2024

Science for a food-secure
future

Version 1 - June 2023

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1. | Introduction

1.1 The purpose of this document is to outline the process for the preparation of the 2024 CGIAR budget. It outlines an approach that will enable consistency, comparability, and the accurate presentation of operational budget.

1.2 The CGIAR budget will be developed through collaboration with Centers, the System Organization, Global Units, Regional Groups and Initiatives Platform Directors.

2. | Guiding Principles



2.1 Budget formulation:

The CGIAR Budget will be formed by aggregating Centers, the SO, Global Units and Regional Groups Budget data.



2.2 Definitions:

Centers and the Alliance are defined in this document as "Centers".



2024
2025
2026

2.3 Budget range:

Detailed Budgets are required to be prepared for 2024 and high-level Budget projections for 2025 and 2026.



2.4 Accountability:

Budget owners are Accountable and Responsible for their respective Budget and are required to ensure good stewardship, financial health, and financial stability on a continuous basis.



2.5 Transparency:

Centers and the System Organization commit to providing clear, timely, and comprehensive information about its budgeting process, allocations, and expenditures. This transparency helps to instill trust among stakeholders and allows them to hold the organization accountable.



2.6 Cost-effectiveness:

Centers and the System Organization resources are used in the most efficient and effective way possible. It involves seeking to minimize costs without compromising the quality of research and striving to maximize the impact of each dollar spent.



2.7 Risk-based approach:

Centers and the System Organization are recommended to develop their budgets using a risk-based approach. Developing scenarios that account for differing funding and operational risks will enhance the quality of financial planning. This approach will also allow for a more effective allocation of resources towards activities that, according to risk assessments, are most likely to impact organizational goals.



2.8 Evidence-based:

Decisions regarding budget allocations and financial management are made based on robust evidence and data. This includes evidence from research, past performance data, audits, and evaluations. The aim is to ensure that resources are allocated and used in ways that are most likely to achieve the organization's strategic objectives and deliver the highest possible value for money.



2.9 Flexibility and Adaptability:

The world of agricultural research and funding is complex and constantly changing. In this context, CGIAR seeks to remain flexible and adaptable in its financial management. This means being prepared to adjust plans and budgets in response to changing circumstances, new opportunities, or emerging challenges. This flexibility helps to ensure that the organization can continue to deliver on its mission even in a changing environment.

3. | Main Roles and Responsibilities

3.1 The CGIAR budget roles and responsibilities are based on a RASCI Model detailed in **Annex 1: RASCI Model**. The Model constitutes a matrix outlining the roles and responsibilities of key stakeholders who are involved in the budget preparation and approval.

3.2 Below are the main responsibilities around the budget process:

3.2.1 Global Director, Innovative Finance and Resource Mobilization (IFRM):

Obtains the preliminary funding pledges and funding outlook from Window 1 Funders for the next funding cycle(s).

3.2.2 CGIAR Executive Managing Director (EMD):

Approves the funding outlook presented by IFRM, recommends the budget envelopes for Science, Regional and Global Units and approves the draft Window 1 Budget.

3.2.3 Science Managing Directors (SMDs):

Sub-allocate the budget envelopes by Initiatives and Platforms. Oversee the Science Group Projects, managed by Centers, integration into the portfolio. In addition, sub-allocate budget envelopes by individual Science Global Units.

3.2.4 Managing Directors (MDs) of Communications and Outreach (C&O), Regions and Partnership (R&P) and Institutional Strategy and Systems (IS&S):

Sub-allocate budget envelopes by individual Regional and Global Units.

3.2.5 Initiative Leaders and Platform

Directors: Develop and monitor the Plan of Results and Budget (PORB) and Window 1 Budget by Initiatives and Platforms.

3.2.6 Regional and Global Directors:

Develop and monitor the Budget for their Units.

3.2.7 Centers Directors General (DGs):

Develop and monitor the Budget for their Centers.

3.2.8 Global Director, Business Operations and Finance (BO&F):

Plans the budgeting process, determines the strategic financial objectives, develops the Window 1 Budget paper (FinPlan) and consolidates the CGIAR Budget.

3.2.9 CGIAR Audit, Finance and Risk

Committee (AFRC): Endorses draft Window 1, Centers, and CGIAR Budgets for System Organization and Centers Board review.

3.2.10 CGIAR System Board:

Recommends the Window 1 Budget for CGIAR System Council approval.

3.2.11 Centers Board:

Approves Centers Budgets.

3.2.12 CGIAR System Council:

Approves Window 1 Budget.

3.2.13 Senior Director, Financial Planning and Analysis (FP&A):

Supports the strategic planning and budget life cycle, including development, consolidation, monitoring and reporting of the CGIAR Budget.

3.2.14 Director, Program Finance:

Supports the development, budgeting, monitoring and reporting of Initiatives, Platforms and Science Group Projects.

3.2.15 Global Head, Project Coordination Unit:

Supports the development and monitoring of Initiatives, Platforms and Science Group Projects Plan of Results and Budget (PORB).



4. | Overarching Budgeting Principles



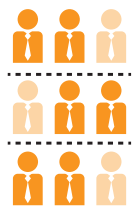
4.1 Window 1 funding:

The basis for Window 1 funding estimates shall be the latest available data of pledges from funders and other funding analysis.



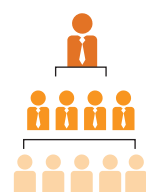
4.6 Capital expenditure for Initiatives:

The Initiative or Platform incurs capital expenditure when it spends USD 30,000 or more to purchase, maintain, or enhance fixed assets like buildings, vehicles, equipment, or land. These expenditures must be incorporated into the Initiatives and Platforms budgets in consultation with Science Senior Directors and written approval must be obtained from the respective Initiative Lead and Platform Director before the acquisition.



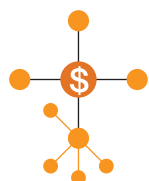
4.2 Staff Planning:

The System Organization and Centers should evaluate current staffing levels and assess any gaps or surpluses in resources, considering factors like anticipated turnover, retirements, and changes in business needs. Then, budget 2024 and future staffing needs based on these insights and align them with the budget by considering salaries, benefits, training, and other related costs. Staff recruitment and redundancy costs shall also be considered as part of this process.



4.7 System Board and System Council:

The System Board and System Council budget shall be estimated by the System Organization by the respective Legal and Governance lead, in conjunction with the relevant Board/Council Chair. Centers will budget for any additional costs related to the Center Board members. Similarly, other global governance and oversight costs will be budgeted at the System Organization by the respective Global Director.



4.3 CGIAR Global Positions:

Agreement should be reached between the System Organization and Centers on the allocation of Global Positions staff time to cost centers and/or projects. Centers should engage with their HR points of contact, the System Organization, and the FP&A team when budgeting for these positions.



4.4 Staff costs:

Staff costs should be estimated based on time and allocated to a relevant area(s), e.g. Global Unit, Regional Unit, Initiative, Platform, research project or Center. Each Center must be in a position to demonstrate how estimations were calculated and provide detailed staff lists for Initiatives and Platforms when requested.



4.5 Center DG costs:

DGs salary and benefits costs are incurred by the Center.

5. | Costing Principles for 2024



5.1 Overhead rates:

Each entity will prepare the budgets using their calculated overhead rates and cost allocation methodologies, based on [CGIAR Cost Principles and Indirect Cost Guidelines](#). The overhead rates will be reviewed regularly to ensure correct charging of overheads – some adjustments may be proposed over the course of the year.



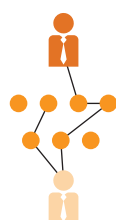
5.4 CSP (Cost Sharing Percentage):

Based on the [Policy on CGIAR System Cost Financing](#), the System Organization and System Entities costs must be funded by the 2% Cost Sharing Percentage (CSP) collection from all funding sources. An estimate of CSP collection is also presented with a matching budget request for the System Organization and other Centers. Budgets should include CSP forecast data for all funding sources.



5.2 Exchange rates:

Centers that do not have or use Forward FX rates should utilize the exchange rate as of the **15th of September 2023** and the proposed source is the <https://www.oanda.com> website. Centers that do currently use and have Forward FX rates for secured expenses / overheads should utilize those Forward FX rates within the Budget Data Collection template for those specific items. Centers can use a different exchange rate for their own internal analysis if required.



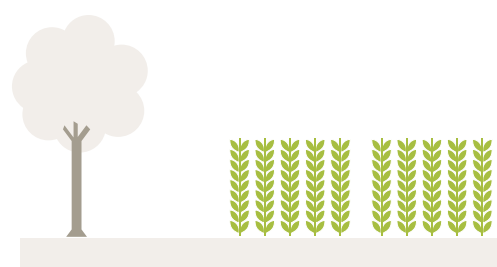
5.5 Business Services to Initiatives and Platforms:

CGIAR Global Groups will centrally provide business services to Initiatives. The activities and cost of these services will be defined by the Global Groups in coordination with Science Managing Directors. Such costs shall be allocated to Initiatives based on the assumptions outlined in [Annex 2: Business Services to Initiatives and Platforms](#).

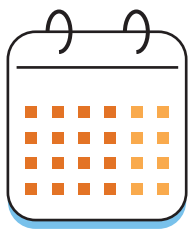


5.3 Inflation rates:

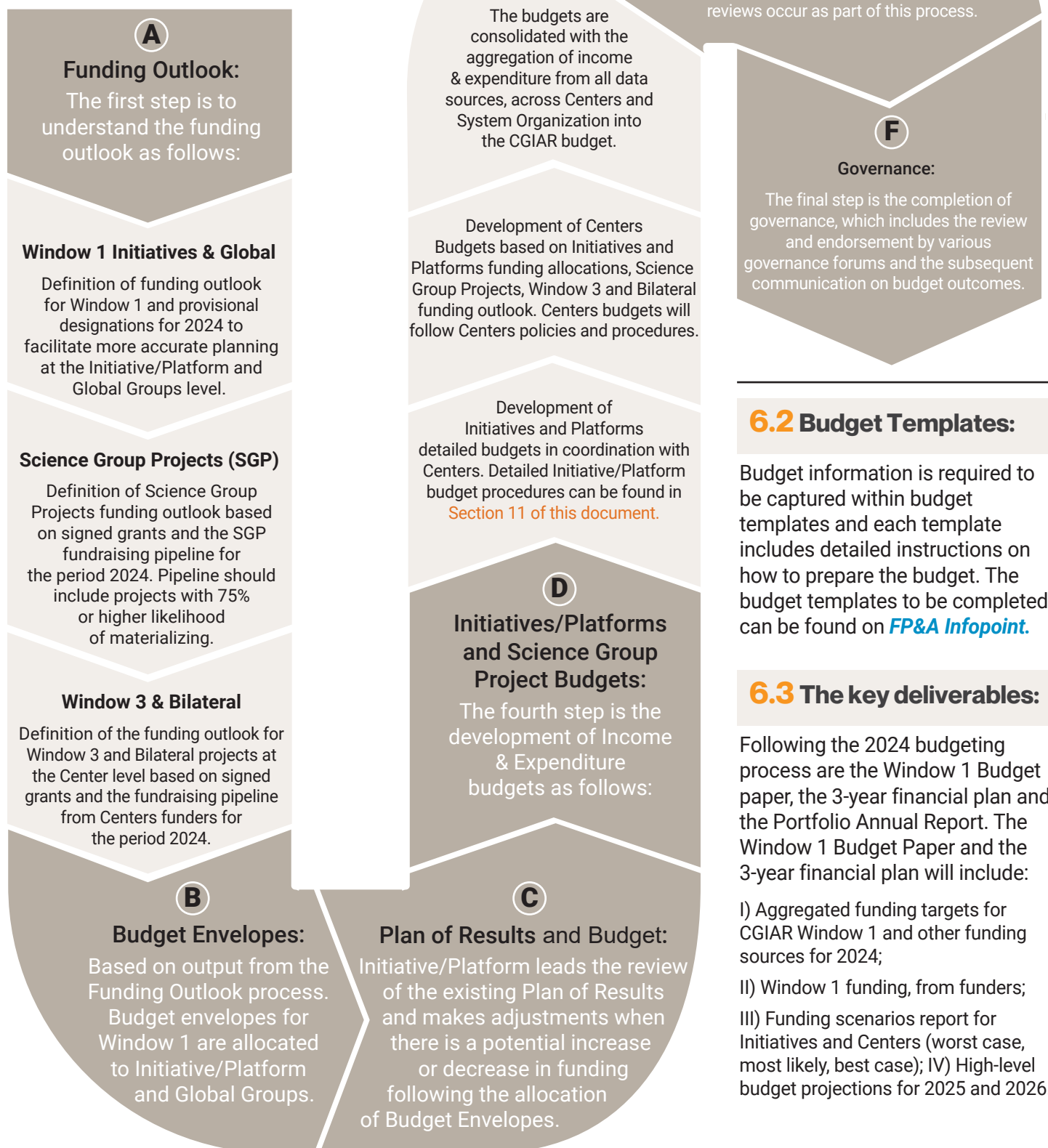
Entities will use their projected inflation rate in all the countries where they operate and will need to provide a clear list of all the rates included in the 2024 Data Collection Template. The FP&A Team will consolidate, review, and analyze the different inflation rates and contact the Centers to request additional information about specific countries where a material variation has occurred. Material variations will be identified by a comparison to the inflation rates listed on [FP&A Infopoint](#). It is encouraged that Centers ensure inflation forecasts are broadly consistent with inflation listed on [FP&A Infopoint](#) or provide a rationale for any material departure.



6. | Budgeting Process



6.1 The budget Process will follow six broad steps, captured in the budget calendar.



6.2 Budget Templates:

Budget information is required to be captured within budget templates and each template includes detailed instructions on how to prepare the budget. The budget templates to be completed can be found on [FP&A Infopoint](#).

6.3 The key deliverables:

Following the 2024 budgeting process are the Window 1 Budget paper, the 3-year financial plan and the Portfolio Annual Report. The Window 1 Budget Paper and the 3-year financial plan will include:

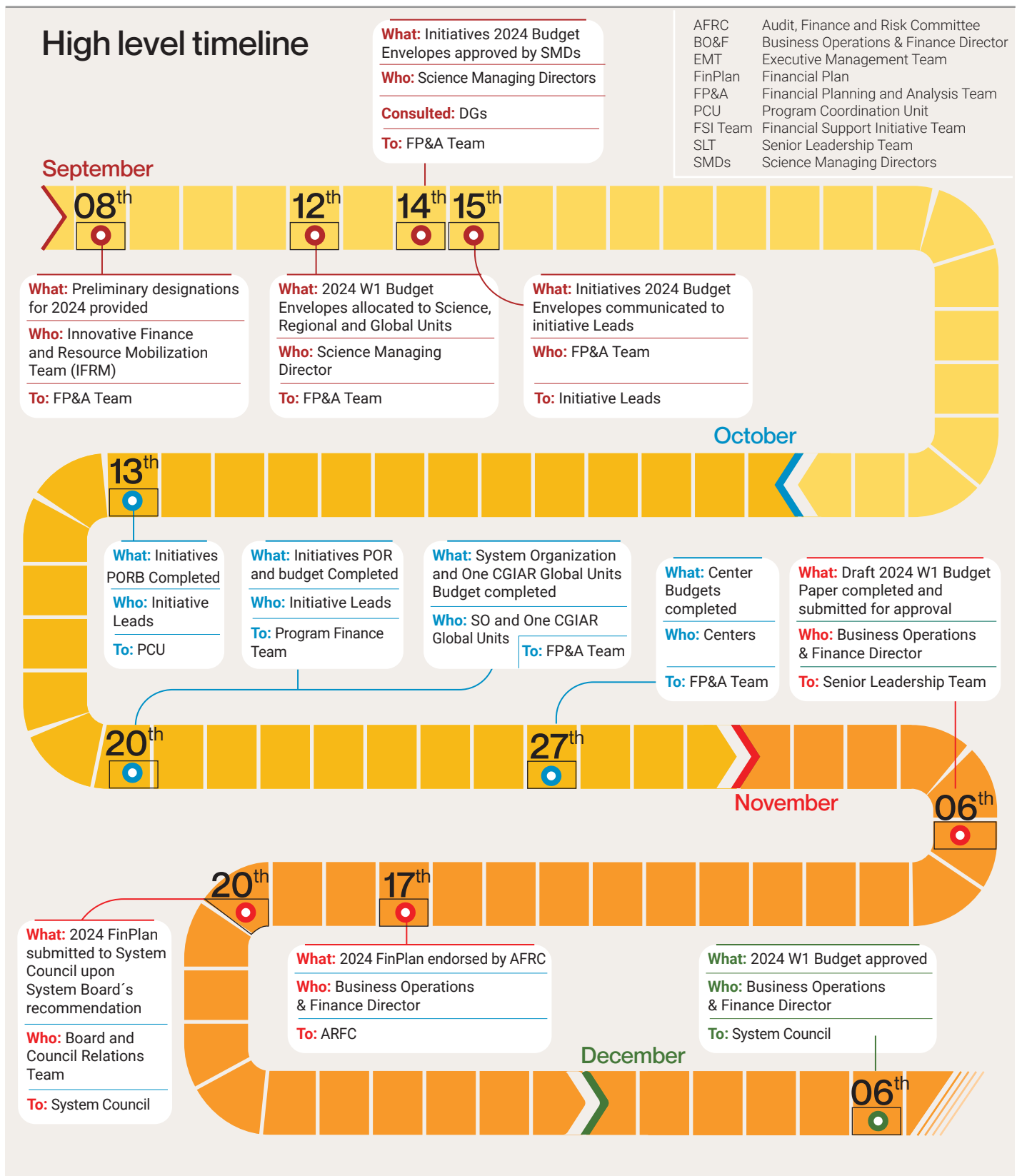
- I) Aggregated funding targets for CGIAR Window 1 and other funding sources for 2024;
- II) Window 1 funding, from funders;
- III) Funding scenarios report for Initiatives and Centers (worst case, most likely, best case); IV) High-level budget projections for 2025 and 2026.

7. | Budget timeline and key dates

7.1 The budget process for 2024 is set to begin in August 2023 and will be finalized in December 2023.

7.2 Figure 1 below defines the high-level budget timeline and approval process. The detailed budget calendar is included on [FP&A Infopoint](#).

Calendar for Budget 2024



8. | Revenue and expenses forecasting

8.1 The forecast is a dynamic, living process, subject to regular reviews and potential revisions (quarterly, bi-annually, and so on). This is to align any shifts in the organization's financial situation or strategic focus. However, two official forecasts are envisioned for 2024 as outlined below.

8.2 Quarter 1 forecast is the first forecast and will be prepared in May 2024, after the completion of the Initiatives and Platforms Reflect Process² and consists of four main components outlined below:

8.2.1 The first component of the forecast will involve the confirmation of funding targets for Window 1 funds, funding allocations to Initiatives and Platforms, 2023 carryover and commitments.

8.2.1.1 Commitments of 2023 W1 funding are required to be reported by Centers by the **31st of January 2024**.

8.2.1.2 Carryovers of 2023 W1 funding are required to be reported by Centers by the **30th of March 2024**. Carryover amounts are calculated based on the most Updated 2023 Window 1, minus 2023 Final Expenses minus 2023 Final Commitments reported by Centers.

8.2.1.3 The detailed Commitments and Carryover procedures is included in **Annex 3: Initiatives and Impact Area Platforms Carryover Approach and Reporting for 2022**.

8.2.2 Based on the updated Window 1 Budget Paper, Initiative Leaders and Platform Directors will review their expenses and allocation of funds by Center, leading to a revised flow of funds.

8.2.3 The second component of the forecast will require a detailed review of Window 3 and the Bilateral pipeline and projects implementation targets.

8.2.4 The third component of the forecast is the review of other revenue projections, including cost recoveries and investment income, based on market projections.

8.2.5 After reviewing and projecting funding, the fourth component of the forecast will focus on projecting expenses for the year. This should include a breakdown of projected expenses such as operational expenses, programmatic expenses, and any unexpected costs that may arise.

8.2.6 The deadline for the forecast is the **31st of May 2024**.

8.3 The second forecast (Q3 forecast) will be prepared in **September 2024** and consists of a review of Window 1 funds projections, accompanied by the funding scenarios report for Initiatives/Platforms and Centers, Window 3 and Bilateral revenue and any other funding projections along with expenses projections for the year.

8.4 A detailed calendar and procedural document will be provided by the FP&A team before the 31st of January 2024 to enable the completion of the first and second forecast.



² The reflect process consists of the Report-Reflect-Replan **annual adaptive management cycle**, as part of the CGIAR Technical Reporting Arrangement. The reflect process enables Initiatives to assess their implementation and make recommendations for how to adapt and evolve in the context of changing capacities, budgets, and circumstances.

9. | Budget monitoring and reporting

9.1 Monitoring the budget is important to ensure that the financial, operational and capital plans that were developed and approved for implementation as part of the budget processes are being implemented. Regular, comprehensive monitoring of the budget allows Centers to evaluate cost provisions, ensure Initiatives, Platforms, Science Global Projects and institutional budgets are making expected progress towards goals/expectations, learn more about trends and other deviations that may impact future operations, and finally demonstrate transparency by sharing findings from this regular monitoring.

9.2 Every budget owner must diligently monitor their budget on a monthly basis to stay informed about significant discrepancies. This regular scrutiny of variances is a crucial managerial duty. It empowers budget owners to adjust their activities and strategies when needed, track financial progress, and detect deviations in expenses, unauthorized spending, and errors. The Financial Planning and Analysis Team is available as a helpful resource to address any inquiries regarding variance analysis.

9.3 A set of dashboards were developed to ensure continuous monitoring of Initiatives, Platforms and CGIAR Global Budgets. The dashboards are updated in a timely fashion and accessible by budget owners in the following links:

- ▶ [Initiatives and Platforms Dashboard](#)
- ▶ [CGIAR Global Groups Dashboard](#)
- ▶ [Financing Plan Dashboard](#)

9.4 The System Organization will monitor the implementation of the activities being carried out under the CGIAR Portfolio in accordance with the CGIAR System Charter and the CGIAR System Framework

9.5 The System Organization will perform spot checks on randomly selected transactions and may require detailed expense transactions and supporting documentation from Centers for the effective monitoring of Initiatives, Platforms, Science Group Projects, hosted staff transactions and other activities implemented under the CGIAR Portfolio.

9.6 The Center Program Finance will support the Initiative and Platform Teams with financial analysis and periodical reports based on Initiatives and Platforms Dashboard and ANAPLAN information, as well as the analysis of spending and forecast of budgets at the Center level where an Initiative is being implemented. Detailed guidance will be provided in the Initiatives and Platforms Financial Reporting and Monitoring Procedures under development.

10. | Lessons learned and continuous improvement

10.1 The purpose of lessons learned is to bring together any insights gained during a process that can be usefully applied on future processes. Adaptive management, based on lessons learned, should be used as part of a continuous improvement process.

10.2 Lessons learned applied to the budgeting process involves documenting, categorizing, and analyzing information from past budget cycles, including successes, failures, and challenges, then transforming these into actionable insights.

10.3 The insights from past budgeting processes will be integrated into the planning phase of the next budget cycle and communicated to all relevant stakeholders. The FP&A Team will then monitor the effects of these changes throughout the budget cycle, making adjustments as necessary.

10.4 This cycle of learning and improving will be ongoing, with new lessons captured and applied after each budget or funding cycle. This approach ensures our budgeting process remains dynamic, effective, and continually evolves to meet our needs.

11. | CGIAR Initiatives, Platforms and Science Group Projects Budget

11.1 Roles and Responsibilities:

11.1.1 Science Managing Directors (SMDs) are responsible for defining Initiatives and Platforms budget envelopes and approving the budgets under the guidance of the Global Director for Business Operations and Finance. They are also responsible for the Science Group Projects (SGPs) integration into the Portfolio.

11.1.2 Senior Science Directors (SDs) provide guidance to Science Managing Directors (SMDs) in creating strategic science plans. They coordinate Plans of Results (POR) and budget conversations with Initiative Leads, Platform Directors, and Centers. SDs offer strategic advice to SMDs on budget planning for Initiatives and Platforms, considering research costs identified in collaboration with Centers, Initiative Leaders and Platform Directors.

11.1.3 Initiative Leaders and Platform Directors are responsible for developing the budget, providing leadership in the budgeting process, approving work packages budgets, and consolidating budgets. They are also responsible for the monitoring and oversight of the Initiatives and Platforms budgets. In some instances, Initiative Leaders are responsible for the coordination of budget development at the Center level.

11.1.4 Work Package Leaders are responsible for the development of budgets at the Center level, in coordination with Program Managers, Project Managers, Science Leaders of Centers, as appropriate.

11.1.5 The Global Program Finance Team in coordination with Centers Finance teams are responsible for supporting Initiative Leaders and Platform Directors with financial information for the budget development, forecast, monitoring and reporting in coordination with Centers.

11.1.6 The People and Culture Team is responsible for supporting Initiative Leaders and Platform Directors with staff-related information for the budget development and coordination with Centers on staff recruitment or assignment to Initiatives and

Platforms.

11.1.7 The Project Coordination Team is responsible for supporting the Initiative Leaders and Platform Directors with the development of the Plan of Results.

11.1.8 The Centers Initiatives and Platforms Financial Focal Points are responsible for providing financial support and financial information to work package leads and the Global Program Finance team to prepare the Initiatives and Platforms budget and forecasts.

11.2 Budgeting Process

11.2.1 The 2024 Initiatives and Platforms budgets will be based on the Window 1 Funding Outlook accompanied by funders' preliminary allocations for Initiatives and Platform areas.

11.2.2 The Window 1 Funding Outlook will lead to the preliminary funding allocations between Initiatives/Platforms and Centers for 2024. This information will be available by the **15th of September 2023**.

11.2.3 Science Group Projects (SGPs) will be budgeted in accordance with the available funds as per the applied integration mechanism.

11.2.4 The deadline for the completion of the Initiatives and Platforms Budget is the **13th of October 2023** to facilitate the timely and necessary board and council approvals before the new financial year.



11.2.5 Upon confirmation of funding targets for Window 1 funds, funding allocations to Initiatives and Platforms, 2023 carryover and commitments, Initiative Leaders and Platform Directors will prepare a forecast reviewing their expenses and allocation of funds by Center, leading to a revised flow of funds. The deadline for the forecast is the **31st of May 2024**.

11.2.6 To operationalize and monitor the budget starting in January 2024, a Plan of Results (POR) and detailed budget for all the Initiatives and Platforms, work packages, Center, natural account, and other dimensions included in the budget templates are required.

11.2.7 Staff allocation to Initiatives and Platforms is an essential part of the budget as it will help the Initiative Leaders and Platform Directors to identify if the right level of resources and skills are being deployed to deliver on the plan of results and budgets. The Staff Planning Guidance and Template is included in the [FP&A Infopoint](#). Completed Staff Planning Templates should be sent to initiativepeopleresourcing@groups.cgiar.org. Initiative Leaders and Platform Directors may reject budgets submitted without or with incomplete staff planning information.

11.2.8 The 2024 budget will include a detailed breakdown by main accounts: personnel, partnerships, consultancies, workshop/travel costs, etc. Mapping by country of benefit is mandatory.

11.2.9 Partnerships will be managed by the Center responsible for the activity. The process for managing Initiatives and Platforms partnerships will be formulated with a view to having better coordination between Partnerships and Centers in 2024.

11.2.10 Long-term partner agreements shall be based on incremental funding provisions and are subject to funding availability. Long-term partner agreements need to allow for the transfer of partner agreements between Centers in the event of a material funding reallocation.

11.2.11 Sub-contracting between Centers is not permitted.

11.2.12 Short-term Deployment of Staff to Initiatives and Platforms (less than 6 months) will be managed through an invoicing process between the Centers in coordination with the People & Culture Global Group. Longer-term deployments of 6 months or greater (concurrent or non-current months) to another Center may result in an adjustment to

the flow of funds.

All staff assignment to Science initiatives should follow the Internal Outreach SOP (Standard Operating Procedures).

11.2.13 The template and additional instructions for the Initiatives and Platforms 2024 budget can be found in the [FP&A Infopoint](#).

11.2.14 It is intended to enhance financial management in the sense that Centers will be encouraged to implement under a risk framework approach, where revenue and expenditure need to be matched, not only at the institutional level but also at the level of individual activities. With that in mind, Centers shall be entitled to spend up to 10% more than the budget heading amount for any budget heading, provided that the actual costs are reduced by the same amount in one or more of the other budget lines. The Centers shall provide information about the relevant budget line changes, higher than 10%, as part of the Adaptive Initiative Management and Reporting Guidance for Initiative Teams and in the Initiatives and Platforms Financial Reporting and Monitoring Procedures under development.

11.3 Initiatives and Platforms Plan of Results and Budget

11.3.1 A primary component of Initiatives and Platforms planning cycle is the Plan of Results and Budget (PORB). The PORB outlines the implementation timeline and funding allocated to Centers and Work packages through the Budget process. The Plan of Results, alongside the Budget, form the basis for Decision Letters which are issued by the System Organization to Centers. The PORB should include scalable elements (both upward and downward scaling) to facilitate shifts in funding that may arise during the year.

11.3.2 Work Package Leaders will review all Results within their Work Package, in order to update implementation schedule for 2024 budgets, by Center.

11.3.3 The Initiative Leaders and Platform Directors, in coordination with Senior Science Directors, will review the consolidated PORB reflecting updated results (matching to results listed in the reviewed/updated Theory of Change) PORBs aggregated by Global Science Groups shall be approved by Science Managing Directors.

11.3.4 Budgets percentages included in the PORB should reflect the estimated cost of implementation of each output, by each Center involved in the implementation of the activity and should add up to 100% per Work Package.

11.3.5 The Initiative Leaders and Platform Directors are responsible for ensuring that funding use follows planned results and within the applicable implementing Centers.

11.3.6 The Initiatives/Platforms Leaders should populate the PORB template including the planned results as provided in the updated Theory of Change following the 2023 re-plan process and 2024 forecast. PORB template available on [FP&A Infopoint](#).

11.3.7 Updated PORBs should be submitted to the PCU team (projectcoordinationunit@cgiar.org) – by the **13th of October 2023**.

11.4 Initiatives and Platforms Carryover

11.4.1 Window 1 funding that was allocated in 2023 for Initiatives and Platforms that has not been utilized i.e. is unspent, can be carried forward at an **Initiative or Platform level** to 2024, subject to the Reflect Process (Technical Reporting Arrangement endorsed by SIMEC). Initiatives and Platforms teams under the supervision of Senior Directors and Science Managing Directors and in consultation with Centers Directors General (DGs) are required to consider Initiatives Carryovers by:

11.4.1.1 Assessing if internal reprioritization decisions within or between work packages is required, for example, to maximize expected contribution to impact the year ahead.

11.4.1.2 Documenting, reprioritization decisions and the supporting rationale if internal reprioritization decisions have been performed.

11.4.1.3 Updating (if required) the Initiative and Platform's Theory of Change (TOCs), risk register and mitigating actions, during the subsequent plan stage of the Report-Reflect-Plan cycle.

11.4.1.4 Ensuring the proposed changes are accurately reflected in the Plan of Results and

budget for 2024 and ensure internal budget reallocation between work packages is formalized.

11.4.2 More information about this process can be found on [FP&A Infopoint](#). Specific procedures related to Initiatives and Platforms Financial Reporting and Monitoring Process will be available later in 2023.

11.4.3 Subsequent to any reprioritization, all the activities for 2024 will be fully costed. If the total cost of an Initiative or Platform exceeds the funding target, the Initiative Leader may utilize carryover funds from 2023 to supplement an initiative budget in 2024.

11.4.4 Planned activities should take into consideration the flow of funds. Acknowledging the challenges to change the flow of funds, Initiatives and Platforms have the option to reallocate activities between Centers when reasonable and operationally possible to do so.

11.5 Initiatives Procurement

11.5.1 When budgeting for procurement, Initiative Leaders, Platform Directors and Centers should keep in mind some key principles for a successful procurement process:

11.5.1.1 Center focal points should share the initiatives and platforms procurement plan with the center's procurement team as soon as the budget is approved. This will allow for opportune feedback, advice, and guidance.

11.5.1.2 For large purchases, be mindful that some centers may have pre-financing restrictions and cannot complete purchases if funding is unavailable. Remember to have opportune conversations with the Center's procurement and finance to seek support and resolutions early, at the procurement planning stage.

11.5.1.3 Be mindful that import restrictions and diplomatic or tax exemptions bureaucracy can slow down purchase completions considerably, sometimes by as much as six months. Start the procurement process with plenty of time.

11.5.1.4 Contact pro-actively the Digital and Data teams when budgeting IT equipment and software to ensure compliance and prompt support and advice.

12. | System Organization Budget

12.1 Cross-CGIAR oversight, governance, management and advisory activities are overseen by the CGIAR respective Global Leaders, through the matrix. The budget is held in the System Organization and deployed to the relevant Centers where costs are incurred.

12.2 The System Organization costs comprise the costs of running CGIAR as well as the 'CGIAR' integration process, including global staff costs associated with CGIAR's integrated matrix structure.

12.3 While System Organization costs are indirect in nature, they are not paid for using overhead, as the System Organization does not deliver research activities, attracting an overhead rate. Instead, System Organization costs are primarily funded through the Cost Sharing Percentage (CSP) and a portion of Window 1 funding – typically 10%. Specific Bilateral funding may also be granted to the System Organization for specific operational activities.

12.4 Based on the policy on [CGIAR System Cost Financing](#), the System Organization is expected to have its annual budget and work plan approved by the System Council prior to the start of each calendar year.

12.5 For this purpose, this section of the Budget Procedures outlines the process for the preparation and approval of the System Organization's annual workplan and budget.

12.6 Roles and Responsibilities

12.6.1 Senior Director, Financial Planning and Analysis (FP&A) is responsible for creating and communicating the System Organization annual budget development calendar following the confirmation of the date of the last System Council meeting of the fiscal year.

12.6.2 System Organization respective Global and Regional Directors (budget owners), are accountable for ensuring that annual plans and budgets are prepared for each Cost Center within their unit.

12.6.3 The CGIAR Executive Management Team (EMT)* is responsible for reviewing the budget prior to being presented to the System Organization Managing Director.

12.6.4 The System Organization Managing Director is responsible for approving the budget before submission to the Audit, Finance and Risk Committee (AFRC) for endorsement and System Board for recommendation and finally to the System Council for ultimate approval of the budget.

12.7 Budgeting Process

12.7.1 The System Organization 2024 budget will be based on Window 1 Funding Outlook, projected CSP collection and other funding projections for the year.

12.7.2 The budget will be aligned with budget envelopes defined by the CGIAR Executive Managing Director (EMD), Global and Regional units' agreed Objectives and Key Results (OKRs), previous year's budget performance, and the overarching priorities for the subsequent year.

12.7.3 Each unit should complete an annual plan (Objectives and Key Results – OKR), incorporating organizational priorities and taking direction from the strategic plan, where applicable. The annual plan sets forth a specific detailed agenda of objectives and activities for the fiscal year and is designed to focus activities on organizational goals and priorities.

12.7.4 Global and Regional Units Leaders, referred to as "budget owners," are responsible for preparing their budgets at the cost-center level, providing a breakdown of expenses across major categories such as personnel, consultancies, workshop/travel costs, etc. Budget owners are advised to engage their teams in the budget process and collaborate with other units on activities that could benefit from economies of scale and cost efficiencies.

12.7.5 All costs related to global conferences, workshops, and other events either led by the CGIAR or involving the participation of various regional and global units will be assessed by the Managing Director of Communications and Outreach (C&O). These costs may be integrated into the C&O Budget for enhanced oversight and cost-effectiveness.

12.7.6 All costs related to the acquisition or subscription of software and purchase of IT devices will be assessed by the Global Director of Digital and Data (D&D). These costs may be integrated into the C&O Budget for enhanced oversight and cost-effectiveness.

* The CGIAR Executive Management Team (EMT) is formed by the Science Managing Directors, Managing Director, Institutional Strategy and Systems Managing Director, Managing Director, Regions and Partnership and Managing Director, Communications and Outreach.

12.7.7 Once completed and approved by their respective leaders, Global and Regional budgets are consolidated by the FP&A Team and forwarded to the Global Director, Business Operations and Finance (BO&F) for review.

12.7.8 The Global Director of Business Operations and Finance (BO&F) reviews the units and the consolidated budget before presenting them to the CGIAR Executive Management Team (EMT) for evaluation.

12.7.9 The EMT is responsible for ensuring that budgets are aligned with pre-defined budget envelopes, agreed Objectives and Key Results (OKRs), and the overarching priorities for the subsequent year.

Once these criteria are met, budgets are submitted to the CGIAR Executive Managing Director (EMD) for approval prior to being presented to the AFRC for endorsement, System Board for recommendation and finally to the System Council for ultimate approval.

12.7.10 Budget templates, which include last year's projections and key cost assumptions, can be accessed on [FP&A Infopoint](#).

12.7.11 The FP&A Team will support budget owners in developing, consolidating and monitoring the budgets.

12.7.12 The deadline for the completion of the System Organization Budget is the **20th of October 2023**.

12.8 Staff Planning



12.8.1 Staff planning is an essential part of the budget process, as salaries and associated costs make up a significant portion of the Centers expenses. The process helps determine the necessary human resources to achieve short and long-term strategic objectives.

12.8.2 In coordination with the Global P&C Team, the FP&A Team will review current staffing levels, evaluate the current costs and define the baseline for the 2024 staff planning, which will be shared with the budget owners.

12.8.3 Budget owners will forecast the staffing needs for the coming year. This should include both the number of employees needed and the types of roles and skills required. Long-term consultants should also be considered in the staffing plans.

12.8.4 Once the staffing needs are clear, the FP&A Team will calculate the associated costs. This

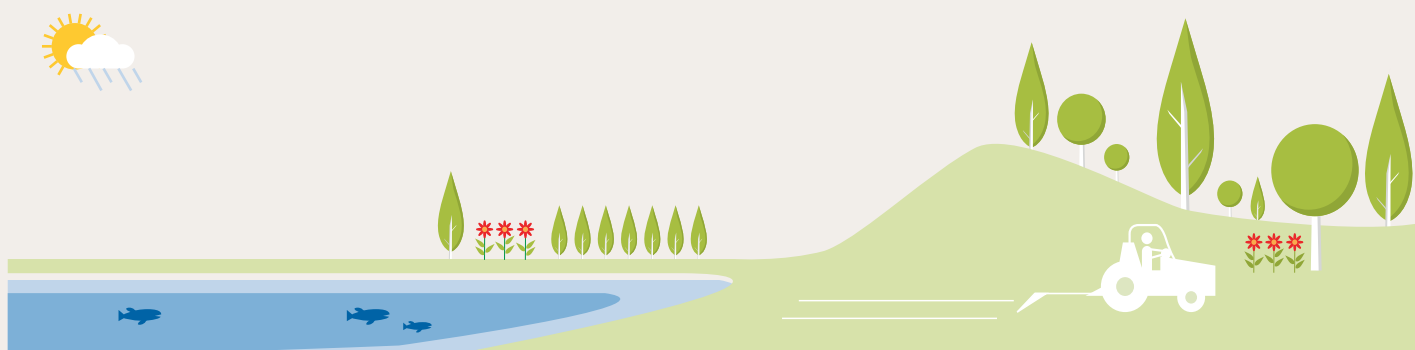
should include salaries, benefits, recruitment costs, training costs, salary raises and any other associated expenses. Hosted staff costs should also be considered as part of total staff costs.

12.8.5 A consolidated staff planning and costing will be submitted to the CGIAR Executive Managing Director (EMD) for approval.

12.8.6 If the projected staffing costs exceed the available budget, budget owners will be asked to adjust their staff planning accordingly.

12.8.7 Once the staff budget is finalized, it should be integrated into the overall budget. This ensures that staffing plans are aligned with the System Organization financial capabilities and strategic objectives.

12.8.8 After the budget is implemented, the actual staffing costs should be monitored and compared to the budget. If there are significant discrepancies, adjustments may be necessary.



Annex 1: RASCI Model

1 What is a RASCI Model?







1.1 RASCI is a matrix to clearly outline the roles and responsibilities of key stakeholders who are completing a task or should be kept informed about a process or project.

1.2 The matrix defines the individuals who are:

- R Responsible** for completing a task,
- A Accountable** for the task and related resources
- S Supportive** to responsible team members
- C Consulted** and give advice to the responsible members
- I Informed** and kept in the loop of various stages in the process.

1.3 The CGIAR defined a RASCI matrix for the following Window 1 budget processes outlined below: Funding Outlook, Budget Envelopes, Plan of Results, Initiatives & Platforms Budget, Global, SO, Regions & Science Leadership Budgets and Governance.

High Level W1 Budget RASCI

	1. Funding Outlook	2. Budget Envelopes	3. Plan of Results	4. Initiatives Budget	5. Global & Regions Budget	6. Governance
 Responsible	IFRM	Science & Global MD's	Initiative & Platform Leads	Initiative Leads	Global/Reg. Direc. SO • SMD's	Global Direc. of Legal & Govern.
 Accountable	MD IS&S	EMD	SMD's	SMD's	MD's	EMD • DGs
 Support	FP&A	FP&A • Center Teams	PCU Team	Finance Teams	FP&A	Governance Center Teams
 Consulted	SMD's • GMD's RD's • DGS	Initiative Leads RD's • GSDs	DGs • DDG-R HoR	DGs • DDG-R HoR • SSDs	EMT	EMT
 Informed	SLT & DG's	SSD's • SLT DG's	GDBO&F WP Leads	Centers Science Teams	Global & Regional Units • EMT	SLT • DGs Center Boards
 Approval	EMD		Ack / Approval DG's • SMD's	SMD's	MDs	ARFC,Boards & System Council

AFRC	Audit, Finance and Risk Committee	IFRM	Innovative Finance and Resource Mobilization Team
BO&F	Business Operations & Finance	IS&S	Institutional Strategy & Systems
DDG	Deputy Director General	MD IS&S	Managing Director of Institutional Strategy & Systems
DG	Director General	MDs	Managing Directors
EMT	Executive Management Team	RDs	Regional Directors
FP&A	Financial Planning and Analysis Team	SLT	Senior Leadership Team
GMD's	Global Managing Directors	SMDs	Science Managing Directors
GSDs	Global Senior Director	SO	System Office
HoR	Head of Research	SSDs	Science Senior Director

RASCI Budget model

● Responsible
 ● Accountable
 ● Support
 ● Consulted
 ● Informed
 ● Approval



1. Funding Outlook	2. Budget Envelopes	3. Plan of Results	4. Initiatives Budget	5. Global & Regions Budget	6. Governance
Preliminary designations for 2024 provided	Top down allocation of budget envelopes across individual units	Initiative leads in partnership with Centers develop Plan of Results	Preparation of detailed budgets by Initiative across Centers	Preparation of detailed budgets for Global Units, Regions & Partnerships	The consolidation, review and Governance processes for the OneCGIAR Budget
8th of September	15th of September	29nd of September	13th of October	13th of October	6th of December

Centers

Centers				● Informed	
Center Board					● Approval
Director General	● Consulted	● Informed	● Cons. ● Aknowl.	● Consulted	● Informed
Deputy Director General Research / HoR			● Consulted	● Consulted	
Finance /Teams			● Consulted	● Support	

Leadership

Executive Managing Team		● Responsible			● Consulted	● Consulted
Senior Leadership Team	● Informed	● Informed				● Informed
Executive Management Director	● Approval	● Accountable				● Accountable

Regions & Partnership

Managing Director- Regions & Partnership	● Consulted	● Responsible			● Acc. ● App.	
Regional Director - WCA		● Consulted			● Resp. ● Infor.	
Regional Director - SA		● Consulted			● Resp. ● Infor.	
Regional Director - SEA		● Consulted			● Resp. ● Infor.	
Regional Director - ESA		● Consulted			● Resp. ● Infor.	
Regional Director- CWANA		● Consulted			● Resp. ● Infor.	
Regional Director - CA		● Consulted			● Resp. ● Infor.	
Regional Director - LAC		● Consulted			● Resp. ● Infor.	
Global Director - P&A		● Consulted			● Resp. ● Infor.	

C & Outreach

Managing Director- C&O		● Responsible			● Acc. ● App.	
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Institutional Strategy & Systems

MD - Institutional Strategy & Systems	● Accountable	● Responsible			● Acc. ● App.	
Global Director - BO&F		● Consulted	● Informed		● Resp. ● Infor.	
Global Director - DD		● Consulted			● Resp. ● Infor.	
Global Director - P&C		● Consulted			● Resp. ● Infor.	
Global Director - G&CA		● Consulted			● Resp. ● Infor.	● Responsible
Global Director - EMO		● Consulted			● Resp. ● Infor.	
GD - Innov. Finance and Resource Mobil.	● Responsible	● Consulted			● Resp. ● Infor.	
Finance Planning & Analysis Team	● Support	● Consulted		● Support	● Support	

Research

Lead - RCP			● Support			
Managing Director - Genetic Innovation	● Consulted	● Responsible	● Acco. ● Appr.	● Acco. ● Appr.		
Managing Dir. - Resilient Agrifood Systems	● Consulted	● Responsible	● Acco. ● Appr.	● Acco. ● Appr.		
Managing Dir. - Systems Transformation	● Consulted	● Responsible	● Acco. ● Appr.	● Acco. ● Appr.		
Senior Directors		● Informed			● Cons. ● Infor.	
Initiative & Platform Leads		● Consulted	● Responsible	● Responsible	● Resp. ● Infor.	
Workpackages Leads			● Informed	● Informed		

Governance

AFRC					● Resp. ● App. ● Approval	
System Council					● Resp. ● App. ● Approval	
System Board					● Resp. ● App. ● Approval	

Annex 2: Professional Services to Initiatives

2 Introduction.

2.1 This annex outlines the methodology to allocate a category of costs and on-call services to Initiatives and Platforms. This category of costs and on-call services is defined as direct costs and is directly attributed and allocated to Initiatives and Platforms.

3. Definition

3.1 Initiatives and Platforms require professional services to operate effectively. These services will be provided by the CGIAR Global Groups. The professional services and the associated costs relate predominantly, but are not limited to Finance, Communications, People and Culture and Project Coordination with direct support to Initiatives and Platforms.

3.2 CGIAR Global Leaders are responsible for identifying necessary services and respective costs in collaboration with Initiative Leaders and Platform Directors.

3.3 Global Leaders hold ultimate responsibility for the budget formulation and implementation of both pooled and on-call services.

4. The professional service costs are comprised of two types:

4.1 Pooled – these are costs that benefit all Initiatives and Platforms. The costs are grouped before being allocated to Initiatives and Platforms budgets.

4.2 On-call – these are costs that are at the discretion of an Initiative or Platform, incurred for a specific need. These can include, e.g. staffing or support for the delivery of a specific product. These services are separate and do not overlap with those provided at the Centers level, i.e. to implement work packages for an Initiative or Platform.

4.3 The Initiative Leader or Platform Director must approve on-call activities and costs in coordination with the Global Director responsible for the service provision.

5. Pooled Services Cost Pools

5.1 The costs associated with CGIAR Global Groups that provide essential services to all Initiatives are grouped into a cost pool. This cost pool is separate from the costs incurred at a Center.

5.2 The CGIAR Global Group cost pool is comprised primarily of staff time costs or consultancy costs and is on a full-cost basis. i.e. the cost pool will include and not be limited to Salaries, Fringe Benefits, Allowances, Facilities, IT support and other essential costs.

5.3 This cost pool will be invoiced directly to Centers and will utilize Initiatives and Platforms budgets. The invoices will be issued on a quarterly basis, with more details on [FP&A Infopoint](#).

6. Cost allocation

6.1 The CGIAR Global Group cost pool will be allocated on a proportional basis across all Initiatives and Platforms and will be based on the 2024 budgets.

6.2 Costs will be allocated according to the flow of funds to Centers (more details about the costs and allocations across Initiatives and Centers can be found on [FP&A Infopoint](#)).

6.3 On-call services will be agreed upon and costed by Initiative or Platform.



7. On-call services

7.1 The on-call services include and are not limited to professional report writing, support for event organization, collateral support, consultancy support and short-term staffing etc.

7.2 The on-call services are available to all Initiatives and Platforms and benefit from bulk negotiations, are standardized and are a cost-effective mechanism for CGIAR.

7.3 Institutional Strategy & Systems and Communications & Outreach Global Groups will be responsible for the management of on-call services.

7.4 The on-call services will be procured and contracted by Centers or System Organization, depending on their ability to maximize the benefit of centralized procurement.

7.5 Initiative Leads and Platform Directors will be responsible for approving the request and engaging with Global Groups to deliver the services.

7.6 The cost of the services will be invoiced to the Initiative(s) participating Centers by the contracting entity.



Annex 3: Initiatives and Impact Area Platforms Carryover Approach and Reporting for 2023.

1. Introduction

1.1 Carryover is defined as unutilized balance of funds allocated to Initiatives and Platforms, after considering expenses and commitments as of end of the financial year.

1.2 Fiscal year carryover will be based on allocated funds not reported as expenditure or accrued expenditure in the Center's 2023 financial statements or commitments as of the **31st of December 2024**.

1.3 **Carryover** is the balance of allocated funds after the deduction of expenditures (actual or accrued) in the Center's 2023 financial statements ending the 31st of December 2023 and the set aside amount for the fulfillment of commitments.

1.3.1 **Commitments** are considered "set aside funds," as approved under the 2023 Plan of Results to be expensed by the 31st of March 2024.

1.3.2 **Commitments** are binding obligations signed with external parties (partners, vendors or consultants) as approved for the 2023 Plan of Results.

2. Carryover Approach for 2024:

2.1 Allocated funds (as per 2023 Decision Letters and Plan of Results) that are not spent or committed as of 31st of December 2023 will be reported by Centers and reviewed by the Science Managing Directors.

2.2 Any redistribution of funds will follow the REFLECT process and be recorded during the Q1 Planning Phase II in Q1 2024.

2.3 In exceptional circumstances, any shifts within designations are subject to funder approval.

2.4 Unspent funds disbursed to Centers in 2023 do not need to be transferred back to the trust fund, but will be offset from the first tranche of disbursements due in Q1 2024.

2.5 From the program perspective, carryover provides 2023 balances as input for the REFLECT process, and from the Center perspective it allows for clarity on eligibility of costs on 2023 fiscal expenditures for purposes of financial planning and delivery.

2.6 These commitments allow Centers to fulfill binding obligations in support of external party relationships by establishing eligibility of costs expensed in 2024. As a result, agreed upon work-plans can continue until the 31st of March in support of the delivery of the 2023 Plan of Result.



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