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# CIAT Working Budget 1998 and Projections for 1999



To be Submitted to the Board of Trustees

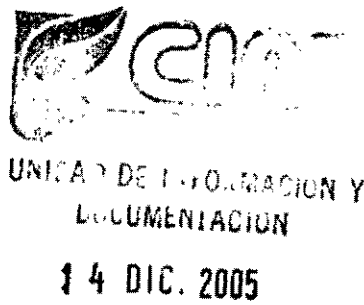
25 November, 1997



**CIAT WORKING BUDGET 1998**

**AND**

**PROJECTIONS FOR 1999**



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## A. INTRODUCTION

The fundamental premise underlying the design of CIAT's 1998 Working Budget (WB98), is to implement the research program contained in its Medium Term Plan (MTP 1998-2000). However it must be appreciated that we continue to operate in a dynamic environment buffeted by strong cross currents, not all of which are favorable nor could have been foreseen in detail at the time of preparing the MTP.

Estimates of the total income for WB98 remain very close to MTP projections. Table 15 of the MTP document showed an estimated income of US\$30.70m. At present the income estimates amounts to US\$33.87m; the latter figure includes US\$3.31m of outsourcing funds, which were added after instructions from the CGIAR and TAC. Outsourcing are funds received for systemwide initiatives and special projects which are transferred directly from CIAT to partners. Despite fluctuations in both currencies and the intentions of individual donors, the WB98 estimate for unrestricted income is quite close to that estimated in the MTP. Likewise, the WB98 estimates of highly restricted, systemwide, and self-generated income all match or slightly exceed levels projected in the MTP. WB98 does project significantly increased income from special projects.

Although CIAT is pursuing an aggressive effort at proposal development that has already yielded important successes, not all of this special project income is yet assured, similarly, while CIAT has tried to make conservative projections of expected donor income and currency relations, there is always some risk of unanticipated deterioration in income.

CIAT's Income Projections on Attachment II of this document, shows a conservative amount of US\$33.67 as well as an average estimate amounting to US\$33.86, which is the one used for our calculation. The difference between these two columns indicate that the downsize risk would amount to US\$0.19.

Despite expecting to meet its income targets, WB98 currently envisages a budget deficit, that was not foreseen when preparing the MTP in mid 1996. Various factors contribute to this outcome. Improved financial systems have led to a more accurate appreciation for the real costs of CIAT's operations. Several areas that were previously unbudgeted or under-budgeted, are now shown in WB98 at their true costs. These include, for example, food and housing and future liabilities for the external reviews.

Staff reductions, and therefore the costs of contract termination, have been greater than anticipated at the time of the MTP. This has imposed significant increases for one-time restructuring costs in 1997, and again in 1998. In part,

staff reductions have been greater than anticipated because of the continually increasing dollar costs of operations in Colombia and the need to impose a holdback of 5 percent on all projects at the time of the preparation of their 1998 budgets. In total CIAT will have spent over \$10m on contract terminations between 1996 and 1998.

Though the trend of increasing local costs has relaxed somewhat in recent months due to an acceleration in the nominal devaluation rate, the 45.7 percent increase in costs for CIAT 1992-1996 (CGIAR 1996 Financial Report, Table III-7, p.47), has not facilitated the keeping of planned expenditures within budget. The real revaluation of the Colombian peso, brought about by a rate of domestic inflation which persistently exceeds by a wide margin the nominal devaluation rate, is an ongoing source of erosion of CIAT's financial base. Between 1992 and 1997 we have lost more than 50 percent of the real purchasing power of every dollar received in donor contributions which we spend in Colombia. It is equivalent to a marginal income tax rate of over 50 percent.

Looking forward to 1998 and beyond, the continued viability of CIAT's MTP depends critically on successful income generation as well as careful resource management. The promise and the results of CIAT science must be communicated compellingly in order to attract continued financial support despite decreasing public investment in science, agriculture and development. Costs must be vigorously controlled. Selected areas are being targeted to further reduce costs and improve efficiencies (e.g. food & housing, station operations) and procedures to manage contract terminations have been improved. These and other cost reducing strategies need to be pursued with elan.

The following table summarizes CIAT's overall flow of income and expenditures.

**Table 1. Overall Income and Expenditures: 1995 - 1999**

	1995 Actual	1996 Actual	1997 Estimated	1998 Proposed	1999 Forecast
a. Income	33.10	33.90	35.53	33.87	32.77
b. Operating Expenditures	35.10	30.90	32.81	34.39	33.49
c. Sub total Operating Surplus/(Deficit) (a-b)	-2.00	3.00	2.72	-0.52	-0.72
d. Contract Terminations Fund	0.00	5.20	4.30	0.20	0.00
e. Total Expenditures (b+d)	35.10	36.10	37.11	34.59	33.49
f. Total Operating Surplus/(Deficit) (c-d)	-2.00	-2.20	-1.58	-0.72	-0.72

## B. ESTIMATED OUTCOME: 1997

### Income

At the time of finalizing the MTP document, after the BOT meeting in February 1997, income was estimated at US\$32.50m.

Income figures were revised in the light of new information, which changed the total available income to US\$35.53m, as shown in CIAT's budget overview (Attachment I).

The changes originated in (with the variations shown in parentheses):

- a.- New contributions and increments from Brazil, Thailand, Mexico, Canada, USAID, and EU (US\$1.47m).
- b.- Decreased contributions due to variations from the initial estimates in the currency exchange rates in relation to the dollar (US\$-0.60m).
- c.- Decrease of contributions from the World Bank, Spain, IDB, and UNDP (US\$-0.56m).
- d.- Incorporation of outsourcing funds, following instructions from TAC and the CGIAR (US\$1.77m). These amounts are funds received for systemwide and special projects which are transferred to partners.
- e.- Inclusion of new restricted projects (US\$0.88m).
- f.- New funds for systemwide initiatives (US\$0.43m).
- g.- Diminution of self-generated income estimates (US\$-0.35m). This figure includes the elimination of a transitory reserve that was originally projected.

### Expenditures

At the time of presenting the MTP documents, expenditures were projected at US\$31.40m. (OCTOBER 1996)

Expenditure estimates were subsequently revised to US\$37.11m, after monitoring actual expenses and consulting with project managers and heads of Units. (REVISAD EN ENERO FEBRERO 97)

Modifications to expenditures are as follows (with the additional amount shown in parentheses):

- a.- Lower personnel costs, because of the devaluation of the Colombian peso during the last months of 1997 (US\$-0.30m).
- b.- Deficit in supplies services unit due to the lower income generated in Miami office. (US\$0.1m).

- c.- New projects from various donors and adjustment of unbudgeted items (US\$1.16m).
- d.- Costs financed by outsourcing funds (US\$1.77m).
- e.- Increase in systemwide initiatives (US\$0.43m).
- f.- Increment of contract terminations (US\$2.10m). Of this increment, US\$0.80m refers to phase-out costs for personnel whose actual termination date is in 1998.
- g.- Creation of funds for staff development and training, and proposal development (US\$0.25m).
- h.- Larger depreciation costs (US\$0.20m).

With a total income of US\$35.53m and operational costs at US\$32.81m, an operational surplus of US\$2.72m is expected for 1997. This indicates that the underlying structural relations of income and expenditure were sound in 1997 (as they had been in 1996, when there was also a budget surplus before one time costs of contract terminations). However, with contract termination costs at US\$4.30m in 1997, the global deficit for CIAT would become US\$1.58m.

A proposal is hereby made to the BOT to request an exceptional authorization for the transfer of US\$0.80M from the Capital Fund to the Operations Fund to help offset part of the loss of reserves in this Fund due to the 1997 deficit. Proceeds from the sale of capital assets e.g. the airplane was previously assigned to the capital Fund. However it is now clear that CIAT will definitely not be replacing the plane so there is no need to maintain the provision in the capital fund. Moreover with the reduction of personnel and especially of operation in Carimagua there is decrease need to review some of our current capital assets.

The following table shows the movement of the Capital Fund and Operations Fund:

**Table 2. CIAT: Capital & Operation Funds: 1997-1998**

Capital Fund (US\$)		Operations Fund (US\$)	
Balance 01-01-97	2.6	Balance 01-01-97	2.8
Increment 1997	<u>1.8</u>	Operation Surplus 1997	<u>2.7</u>
	4.4		5.5
Utilization	<u>-3.1</u>	Contract Termination Fund	<u>-4.3</u>
Balance 31.12.97	1.3		1.2
Transfer to Operation Fund	<u>-0.8</u>	Transfer from Capital Fund	<u>0.8</u>
Balance 01-01-98	0.5	Balance 31-12-97	2.0
Increment 1998	<u>1.6</u>		
Available 1998	2.1		

## **C. PROPOSED WORKING BUDGET FOR 1998**

### **Income**

At the time of presenting the MTP, the income for 1998 was estimated at US\$30.70m. Our revised estimates (November 1997) indicate an income of US\$33.87m.

The following changes were introduced:

- a.- Increased contributions from Canada, Denmark, USAID, the World Bank, and tentatively South Africa (US\$1.16m).
- b.- Reduced contributions from Japan, Spain, and IDB (US\$-1.13m).
- c.- Decreases in donor contributions because of changes in exchange rates between the original currencies of contributions and the dollar (US\$-0.27m).
- d.- Increment of special projects and HRC outsourcing funds (US\$2.54m).
- e.- New funds for special projects (US\$0.41m).
- f.- Increment of systemwide initiatives funds (US\$0.22m). An increase of US\$0.77 of outsourcing funds and a decrease of US\$0.55m in CIAT's own programs were planned.
- g.- Increase of self-generated estimates (US\$0.25m).

### **Expenditures**

The MTP document showed projected expenses of US\$30.70m; current estimates (November 1997) are US\$34.59m.

The following changes were introduced to the calculations:

- a.- New projects funded by USAID, Brazil, and SDC (US\$0.42m).
- b.- Additional special projects (US\$0.41m).
- c.- Increment of systemwide funds (US\$0.22m).
- d.- Special projects and HRC outsourcing (US\$2.54m).
- e.- Correction of the Food and Housing Unit's estimates (US\$0.3m). At the time of preparing the MTP, it was thought that the Food and Housing facilities would be rented out to a contractor who would provide these services and would pay CIAT an amount of US\$0.30m. However, external consultants suggested that CIAT continue with the food and housing operations as currently performed under the Center's administration.



The reserves for inflation and revaluation were distributed to Projects and Units as expected. It should be noted that the 1998 expenditures already incorporate 75 percent of the provisions for contingencies as *envisaged in the MTP*.

With an income of US\$33.87m and operational expenditures of US\$34.39m, an operational deficit of US\$0.52m is expected. With contract termination costs at US\$0.20m, the global deficit for CIAT would be US\$0.72m.

At present a devaluation of the Colombian peso is taking place, which may result in a new average for the price of the dollar in 1998. With a more favorable exchange rate, CIAT's costs in Colombia could be expected to fall, offsetting the above-mentioned deficit.

CIAT's calculations for 1998 were made on the basis of a conservative estimate of the exchange rate for the US dollar equivalent to Col\$1,228. Current forecasts suggest that, in 1998, the US dollar could have an average price of Col\$1,325. Were this to eventuate, the exchange rate gains would amount to roughly 8 percent, which, when applied to a total of expenditures in Colombian pesos, equivalent to US\$10m, could provide savings of up to US\$0.80m.

## **D. PROPOSED 1998 WORKING BUDGET CHANGES FROM MTP**

In 1998, CIAT will be implementing the research program foreseen in the Medium Term Plan 1998-2000. Nevertheless, the 1998 Working Budget as presented above displays some variations from that which was envisioned for 1998 in the MTP. These variations are due to a number of factors:

- Continued efforts to reduce operational costs
- Ebbs and flows in donor commitments
- Selected reorganizations of responsibilities
- Minor strategic readjustments

Attachment III, Table D1 shows the changes between proposed 1998 Working Budget and the indicative budget for 1998 contained in the MTP. While the CGIAR Secretariat required that the MTP be presented on a total budget basis, without distinguishing between direct research operations and overhead costs, for greater transparency these are differentiated in Table D1.

Total research operations increase from US\$21.76m in the MTP to US\$24.42m in the 1998 Working Budget. About two-fifths of this apparent increase comes from a reclassification of activities into the Strengthening Linkages Project, SN2, (see below for explanation). Another 40 percent of this increase comes from growth in donor contributions to the Systemwide Programs, which, to a large extent, are implemented by partners rather than directly by CIAT. The rest of the increased research resources are based on projections of income expected from project proposals that have been submitted to donors but not yet approved.

Research related expenses decline by US\$0.51m in WB98, but this is mostly due to the reclassification of US\$0.40m of communication and US\$0.20m for documentation activities to the Strengthening Linkages Project, SN2. Without this reclassification, budgeted research related expenses would have increased slightly. This increase in assigned resources is due to a more realistic budgeting of the actual cost of these activities rather than an increase in the volume of activities in this area.

Resources for Internal Services and Administration rise from US\$3.26 in the MTP to \$4.16 in WB98. The largest part of this increase is due to a more realistic budgeting of the costs of food and housing, though the costs of maintenance, cleaning, financial administration and personnel management have also exceeded the MTP estimates.

### **D.1 Proposed Changes in Research**

Note that the discussion below is based on a comparison of MTP and October 1997 estimates of the operations part of the project budgets. Operations here

include direct costs of international and local salaries as well as the direct costs of all supplies, services and travel.

**SB1: Genetic Resources:** The modest increase in operations for this project is due to the allocation of some additional unrestricted resources to this strategic area.

**SB2: Biotechnology:** Some increase in resources in this project is anticipated due to an active effort in submitting new proposals to donors.

**IP1: Beans:** There has been a modest increase in resources for operations in this project due to the assignment of some unrestricted resources from the research holdback and the expectation of approval of some unanticipated small donor projects.

**IP2: Beans in Africa:** The decline in resources in this project is due principally to annual variations in the pattern of disbursement of resources from existing donor contracts.

**IP3: Cassava:** Some increase in resources in this project is anticipated due to an active effort in submitting new proposals to donors.

**IP4: Rice:** The substantial increase in resources in this project is due in part to the reclassification of the Director of FLAR from SN2 to this project. There has also been some increased commitment of unrestricted resources to this project.

**IP5: Forages:** The substantial increase in resources in this project is anticipated due to a very active effort in submitting new proposals to donors.

**PE1: IPM:** The substantial decrease in resources in this project is due principally to the projection that the UNDP cassava IPM project may not be funded, even though negotiations continue with various donors.

**PE2: Soils:** This project is anticipated to operate at a level slightly above that foreseen in the MTP due to funding of a new project.

**PE3: Watershed Management:** The winding down of a IDB funded project causes a modest decrease in the resources for this project.

**PE4: Land Use:** The minor decrease in this project is due to the non-materialization of some projects that had not been specifically identified in the MTP.

**PE5: Systems:** The very minor variation in resources to this project is due to year to year variation in the disbursement of existing donor contracts.

**SN1: Agroenterprises:** The increase in this project is due to the assignment of some resources from the research holdback and to anticipated revenues from proposals that have been submitted to donors.

**SN2: Institutional Linkages:** The substantial increase in resources associated with this project is due principally to reclassification of activities. Some US\$0.60 of communication and documentation activities that were formerly classified as research related, are now incorporated in this project. Likewise, a small part of the resources from the agreement with Colombia are being administered through this project.

**SN3: Participatory Research:** The decline of resources in this project appears to be due mostly to a drop in activities that had been outsourced to partners and also to the reclassification of activities from this project to Systemwide Programs.

**BP1: Impact:** This project is operating at the level foreseen in the MTP.

**SW1: Ecoregional:** This Systemwide Program is operating at the level foreseen in the MTP.

**SW2: Soils:** The increase in resources for this Systemwide Program reflects an increase in donor commitments.

**SW3: Participatory & Gender:** The increase in resources for this Systemwide Program reflects an increase in donor commitments.

## **D.2 Proposed Changes in Research Related**

As noted above the major change in this area was the reclassification of US\$0.60 out of communications into project SN2. Increases in resources assigned to Laboratory Services and the Villavicencio station represent a more accurate budgeting of the true cost of these activities rather than an increase in activities.

## **D.3 Proposed Changes in Internal Services & Administration**

The major changes in this area were due to the following:

- a.- Increase in costs of the office of the Controller due to the new activities acquired during 1997 as fully responsible for the Finance Management. (US\$0.10m).
- b.- Human Resources Unit costs increment due to the addition of costs for Health care, payroll software, etc. (US\$0.10m).
- c.- Maintenance and cleaning have been adjusted to a more realistic operational budget (US\$0.20m).

- c.- BOT liability insurance (US\$0.05m).
- d.- An increment of US\$0.05M is added to the office of the Director General since this office assumed greater responsibilities for donors relations.
- e.- Internal Audit Unit (US\$0.05m). A possible downsizing of the office has been postponed due to the excess of the activities planned for the period.
- f.- Food and Housing Unit increase (US\$0.30m). Explanations on this subject are given in C above.
- g.- Other minor changes (US\$0.06m).

A large part of these changes have actually been already implemented during 1997. As a consequence the actual increase in budgeted expenditures for Internal Services and Administration between 1997 and 1998 is US\$0.47m.

#### **D.4 Proposed Changes in Funds and Provisions**

Although the totals in this area show a modest change, there are some significant movements that should be noted. In the MTP, contingencies were carried as a separate line outside the rest of the budget. In WB98 US\$0.90m of the contingencies and the US\$1.30m inflation-revaluation provision have been distributed across the operational areas: research, research related, and internal services and administration. This leaves US\$0.30m in contingencies in WB98.

WB98 makes a new US\$0.20m provision for contract terminations. Additional contract terminations have emerged because of delays in the implementation of reductions that were foreseeable at the end of 1996 (e.g., food & housing); because of the termination of some donor funded projects to which permanent staff had been assigned; and because of continuing increases in the dollar cost of staff recruited in Colombia. The contract terminations represent a one-time restructuring cost, and do not affect ongoing operations.

Several new provisions have been introduced. A fund of US\$0.20m for staff development and training has been initiated. Provisions totaling US\$0.20m have been made for the EPMP, ICER and merit increase for national staff. Finally, a fund of US\$0.10m for proposal development has been established.

## **E. INDICATIVE BUDGET: 1999**

### **E.1. Financial Assumptions**

#### **Income**

At the time of preparing the MTP, an income of US\$31.70m was projected. New estimates show an income of US\$32.77m.

Modifications were:

- a.- Expectations of a larger self-generated income (US\$0.50m).
- b.- Outsourcing funds (US\$0.25m).
- c.- Increase of expected contributions (US\$0.33m).

The expected amount for 1999 is assumed to be at the same level as for 1998 for unrestricted and highly restricted categories.

Systemwide and special projects will remain as described in the MTP document.

Assumptions are made on the basis that the contributions from Colombia and IDB will continue at present levels.

#### **Expenditures**

At the time of preparing the MTP, expenditures were estimated at US\$31.70m.

Current projections are US\$33.49m.

Modifications were:

- a.- New projects (US\$0.94m).
- b.- Outsourcing funds (US\$0.25m).
- c.- Increase of funds (US\$0.60m).

With an income of US\$32.77m and expenditures of US\$33.49m, a deficit of US\$0.66m is currently forecasted.

If the assumptions used for the 1998 budget on the devaluation of the Colombian peso are fulfilled and sustained in 1999, an estimated gain of US\$0.80m from exchange rates could also arise in 1999.



## **E.2. Programmatic Implications**

The baseline plan for 1999 remains the implementation of the MTP. Under certain conditions this will be a viable and successful approach. However, the further out into the future that plans extend, the greater the risk that some external or random shock will vitiate the future scenario. Prudent planning requires the building of strategies that provide resiliency.

Putting additional economies in force to lower the CIAT cost structure is a high priority. Complementing this strategy are linked efforts to improve organizational and individual productivity: increased investment in training of employees; improved personnel planning and evaluation procedures; management through self-directed teams; streamlined information systems. Without improving productivity, cost reduction risks simply reducing output in step with reductions in input.

Aggressive and creative efforts to seek potential investors in development oriented research is essential. While enhancing and building upon the commitment of CIAT's historic donors through the CGIAR, new donor windows and stakeholders need to be attracted to invest in CIAT. This will require a compelling message about the results and potential of CIAT; sensitivity to the priorities of investors; the flexibility to rise to new challenges; and an even stronger commitment to the timely delivery of outstanding results.

Increased efficiencies and active resource mobilization may not suffice to insure the full implementation of the MTP as planned. Consequently, options for marginal adjustments in the research program cannot be completely excluded, and could be a third element in response to potential future shocks.

**CIAT BUDGET OVERVIEW 1995 - 2000**

As of 25 November 1997 (Millions of US\$)

	1995	1996	1997	1998	1999	2000
	Actual	Actual	Estimated	Proposed	Forecast	Indicative
<b>Income</b>						
CGIAR: Unrestricted	23.40	15.20	14.49	13.37	13.37	13.37
CGIAR: Highly Restricted	3.30	6.60	8.12	6.85	6.85	6.83
One-time CG Contribution	0.00	3.20	1.65	0.00	0.00	0.00
Systemwide Programs	0.30	0.40	2.03	1.82	1.60	1.60
Special Projects	4.90	5.60	7.84	9.63	8.10	8.90
Self-generated	1.20	2.90	1.40	2.20	2.50	2.50
Unspecified Donors (URC)	0.00	0.00	0.00	0.00	0.35	0.50
<b>Total Income</b>	<b>33.10</b>	<b>33.90</b>	<b>35.53</b>	<b>33.87</b>	<b>32.77</b>	<b>33.70</b>
<b>Expenditures</b>						
<b>Own Projects</b>						
Unrestricted + Restricted	28.30	23.40	20.48	21.22	21.49	16.00
Strategic Research Initiative Fund	0.00	0.10	0.20	0.20	0.60	0.60
Special Projects	4.90	5.60	7.84	9.63	8.10	8.90
<b>Sub-Total Own Program</b>	<b>33.20</b>	<b>29.10</b>	<b>28.52</b>	<b>31.05</b>	<b>30.19</b>	<b>25.50</b>
<b>Systemwide Programs</b>	<b>0.30</b>	<b>0.40</b>	<b>2.03</b>	<b>1.82</b>	<b>1.60</b>	<b>1.60</b>
<b>Funds and Provisions</b>						
Depreciation (Capital)	1.60	1.40	1.80	1.60	1.60	1.60
Contingency Fund	0.00	0.00	0.21	0.30	0.00	1.80
Proposal Development Fund	0.00	0.00	0.08	0.10	0.15	0.15
Staff Development and Training Fund	0.00	0.00	0.17	0.20	0.25	0.25
Holdbacks Inflation (3%)	0.00	0.00	0.00	(0.53)	(0.50)	(0.50)
Additional (2%)	0.00	0.00	0.00	(0.35)	0.00	0.00
Other Provisions <sup>2</sup>	0.00	0.00	0.00	0.20	0.20	0.20
Inflation + Revaluation	0.00	0.00	0.00	0.00	0.00	2.50
<b>Sub-Total Funds and Prov.</b>	<b>1.60</b>	<b>1.40</b>	<b>2.26</b>	<b>1.52</b>	<b>1.70</b>	<b>6.00</b>
<b>Total Own Projects + S.W. + Funds</b>	<b>35.10</b>	<b>30.90</b>	<b>32.81</b>	<b>34.39</b>	<b>33.49</b>	<b>33.10</b>
<b>Sub total Operating Surplus/(deficit)</b>	<b>-2.00</b>	<b>3.00</b>	<b>2.72</b>	<b>-0.52</b>	<b>-0.72</b>	<b>0.60</b>
Contract Terminations Fund	0.00	5.20	4.30	0.20	0.00	0.00
<b>Total CIAT Expenditures</b>	<b>35.10</b>	<b>36.10</b>	<b>37.11</b>	<b>34.59</b>	<b>33.49</b>	<b>33.10</b>
Total operating surplus/(deficit)	-2.00	-2.20	-1.58	-0.72 <sup>3</sup>	-0.72 <sup>3</sup>	0.60
Ranges operating surplus/(deficit) <sup>4</sup>	0.00	0.00	[-1.58 to -1.37]	[-0.72 to -0.42]	[-1.07 to -0.72]	[0.10 to 2.40]
Reserves at end of year US\$ (millions) <sup>5</sup> (Operation Fund)	5.00	2.80	[2.02 <sup>6</sup> to 2.23]	[1.30 to 1.81]	[0.23 to 1.09]	[0.33 to 3.49]

<sup>1</sup> Unrestricted + Restricted Core in 2000 does not include provisions for Inflation + Revaluation at this stage.

In 1999, there is an allowance for 3 % inflation to expenditures funded with URC funds and HRC funds (EC, Colombia, UK).

<sup>2</sup> Includes provisions for EPMR and ICER and merit increase for NRS

<sup>3</sup> If the devaluation of the Colombian peso result as analyzed in section C, the deficit will be off set.

<sup>4</sup> Lower band assumes no further income from unspecified donors, all the contingency fund spent.

The upper band assumes extra income from unspecified donors, no spending from the contingency fund

<sup>5</sup> Ranges are shown which depend on to the extent that the Contingency Fund is used.

<sup>6</sup> Proposal for US\$ 0.8 million of capital Fund to be transferred to Operation Fund in 1997

## Attachment II

CIAT INCOME 1997 - 1998 As of 25 November 1997						
	1997	1998				
	US\$ Adjusted	US\$ MTP	Currency	Conversion		Average US\$
				Conservative	Optimistic	
<b>Unrestricted</b>						
Australia	193,000	160,000	250,000	190,019	192,308	191,164
Belgium	82,000	160,000	3,000,000	85,508	85,798	85,653
Canada	941,000	700,000	1,300,000	963,805	977,444	970,625
China						
Denmark	675,000	170,000	3,700,000	570,856	572,755	571,806
Ford FDN	400,000	400,000	400,000	400,000	400,000	400,000
Germany	511,000	500,000	900,000	529,842	531,758	530,800
Japan	3,158,633	3,300,000	341,800,000	2,924,342	3,051,786	2,988,064
The Netherlands	105,000	120,000	200,000	104,216	104,822	104,519
Mexico	30,000					
Norway	394,000	400,000	2,700,000	388,909	392,385	390,647
Spain	60,000	80,000	60,000	60,000	60,000	60,000
Switzerland	1,288,000	1,400,000	1,700,000	1,166,381	1,234,568	1,200,475
Sweden	266,000	300,000	2,100,000	284,600	287,278	285,939
USA	2,370,000	2,100,000	2,370,000	2,370,000	2,370,000	2,370,000
World Bank	4,010,000	2,798,400	2,798,400	3,143,578	3,171,910	3,157,744
South Africa			60,000	60,000	60,000	60,000
Unspecified Donors		200,000				
One-time Allocation For 1997						
Denmark	800,000					
E. C.	250,000					
World Bank	600,000					
<b>Total Unrestricted</b>	<b>16,133,633</b>	<b>12,788,400</b>		<b>13,242,056</b>	<b>13,492,812</b>	<b>13,367,434</b>
<b>Restricted</b>						
<b>Highly Restricted</b>						
Australia	667,255	350,000	598,000	598,000	598,000	598,000
Inter-American Development Bank						
Carry-Over from Previous Year		400,000				
New Money	650,000	400,000				
European Commission	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Canada	884,000	681,000	877,200	877,200	877,200	877,200
Colombia	1,720,000	1,900,000	2,565,000,000	1,865,455	1,900,000	1,882,728
USA		440,000	309,600	309,600	309,600	309,600
Switzerland	740,000	169,000	103,200	103,200	103,200	103,200
Rockefeller FDN	160,000	160,000	160,000	160,000	160,000	160,000
UNDP	417,000					
EMBRAPA/BRASIL	130,000		130,000	130,000	130,000	130,000
United Kingdom	504,000	500,000	316,000	514,492	515,080	514,786
Thailandia	50,000		50,000	50,000	50,000	50,000
Switzerland	500,000	500,000	520,000	520,000	520,000	520,000
<b>Total Highly Restricted</b>	<b>8,122,255</b>	<b>7,200,000</b>		<b>6,827,947</b>	<b>6,863,080</b>	<b>6,845,514</b>
<b>Special Projects</b>						
With contracts	6,463,381	1,621,000	3,974,001	3,974,001	3,974,001	3,974,001
Projected		5,279,000	3,458,000	3,458,000	3,458,000	3,458,000
Outsourcing	1,375,000		2,200,162	2,200,162	2,200,162	2,200,162
<b>Total Special Projects</b>	<b>7,838,381</b>	<b>6,900,000</b>		<b>9,632,163</b>	<b>9,632,163</b>	<b>9,632,163</b>
<b>Total Restricted</b>	<b>15,960,636</b>	<b>14,100,000</b>		<b>16,460,110</b>	<b>16,495,243</b>	<b>16,477,677</b>
<b>Systemwide Programs</b>						
Ecoregional	344,000		224,000	224,000	224,000	224,000
Switzerland	66,000		100,000	100,000	100,000	100,000
IDB	278,000		124,000	124,000	124,000	124,000
SWNM	755,060		755,000	755,000	755,000	755,000
Switzerland	303,030		303,000	303,000	303,000	303,000
The Netherlands	79,223		79,000	79,000	79,000	79,000
Germany	135,872		136,000	136,000	136,000	136,000
Norway	112,758		113,000	113,000	113,000	113,000
United Kingdom	124,177		124,000	124,000	124,000	124,000
FPR/GA	936,740		840,000	840,000	840,000	840,000
Germany	88,000		88,000	88,000	88,000	88,000
The Netherlands	101,569		101,569	101,569	101,569	101,569
Canada	134,171		87,431	87,431	87,431	87,431
Denmark	250,000		200,000	200,000	200,000	200,000
Norway	160,000		160,000	160,000	160,000	160,000
Italy	170,000		170,000	170,000	170,000	170,000
Australia	33,000		33,000	33,000	33,000	33,000
<b>Total Systemwide</b>	<b>2,035,800</b>	<b>1,602,000</b>	<b>1,819,000</b>	<b>1,819,000</b>	<b>1,819,000</b>	<b>1,819,000</b>
<b>Self-Generated Income</b>	<b>1,400,000</b>	<b>1,950,000</b>	<b>1,950,000</b>	<b>2,150,000</b>	<b>2,250,000</b>	<b>2,200,000</b>
<b>Grand Total</b>	<b>35,530,069</b>	<b>30,440,400</b>		<b>33,671,166</b>	<b>34,057,055</b>	<b>33,864,111</b>

## Attachment III

Table D-1 : Comparison MTP 1998 Budget and November 1997 Budget Estimates (US\$ ,000)

#	Project Title	MTP			Nov97			Change		
		Budget	Overhead	Total	Budget	Overhead	Total	Budget	Overhead	Total
SB-1	Integrated Conservation of Neotropical R	799	470	1,269	866	389	1,255	67	(81)	(14)
SB-2	Agrobiodiversity Assessment & Enhancement	2,064	1,148	3,212	2,486	1,117	3,603	422	(31)	391
IP-1	Better Beans Sust. Productivity, Input Use Eff	1,687	730	2,417	1,886	848	2,734	199	118	317
IP-2	Meeting Demands for Beans in Africa	2,570	1,266	3,836	2,238	1,006	3,244	(332)	(260)	(592)
IP-3	Roots and Devel. Genetic Enhanc. of Cassava	908	401	1,309	1,046	470	1,516	138	69	207
IP-4	Improved Rice Germplasm for L. A. and Car	1,575	685	2,240	1,912	860	2,772	337	195	532
IP-5	Tropical Grasses and Legumes	1,250	736	1,986	1,567	704	2,271	317	(32)	285
PE-1	IPM for a Safer Environment	1,477	623	2,100	1,178	529	1,707	(299)	(94)	(393)
PE-2	Confronting Soil Degradation	1,266	678	1,944	1,401	629	2,030	135	(49)	86
PE-3	Community Management of Watershed Res	1,897	984	2,881	1,548	596	2,244	(149)	(288)	(437)
PE-4	Env. Sust. & Land Use Dynamics	693	585	1,578	923	415	1,338	(70)	(170)	(240)
PE-5	Sustainable Use of Natural Resources	2,459	1,219	3,678	2,392	1,075	3,467	(67)	(144)	(211)
SN-1	Rural Agroenterpris	614	294	908	954	430	1,384	340	136	476
SN-2	Strengthening Private & Public Linkages	343	202	545	1,169	526	1,695	826	324	1,150
SN-3	Methods of Farmer Participation	952	364	1,316	682	307	989	(270)	(57)	(327)
BP-1	Assess. of Past & Expected Impact of Res.	359	211	570	358	160	518	(1)	(51)	(52)
SW1	SW Tropical Latin America Program - TLAP	226		226	224		224	(2)		(2)
SW2	SW Soil, Water & Nutrient Management - SWNM	275		275	755		755	480		480
SW3	SW Farmer Participatory Research/GA - FPR/GA	250		250	840		840	590		590
<b>Total Budget<sup>2</sup></b>		<b>21,764</b>	<b>10,576</b>	<b>32,340</b>	<b>24,425</b>	<b>10,161</b>	<b>34,586</b>	<b>2,661</b>	<b>(415)</b>	<b>2,246</b>
<b>Overhead</b>		<b>MTP</b>			<b>Nov/97</b>			<b>Change</b>		
		<b>Budget</b>	<b>Total</b>		<b>Budget</b>	<b>Total</b>		<b>Budget</b>	<b>Total</b>	
<i>Other Research</i>										
Research Management		527			506			(21)		
Strategic Research Initiative		400			200			(200)		
Holdback for Research		289			-			(289)		
<b>Total Other Research</b>		<b>1,216</b>			<b>706</b>			<b>(510)</b>		
<b>Research Related</b>										
Laboratory Services		120			175			55		
Field Operations		397			300			(97)		
Carimagua		-			-			-		
Villavicencio					38			38		
Training & Conferences		403			415			12		
Information Systems										
Data Mgmt. & Network		1,167			1,145			(22)		
Communications		613			243			(370)		
Library & Documentation		400			264			(136)		
Others (PARC and Contribution to FLAR)		100			110			10		
<b>Total Research Related</b>		<b>3,200</b>			<b>2,690</b>			<b>(510)</b>		
<b>Internal Services, Management Admin.</b>										
Financial Administration		461			567			106		
Personnel Management		274			372			98		
Purchasing		69			76			7		
Office of Executive Officer		377			366			(11)		
Maintenance		213			326			113		
Motorpool & Transportation		(55)			(52)			3		
Institutional Protection		412			429			17		
Cleaning		100			190			90		
Mail Room		64			67			3		
Insurance		200			203			3		
Gardens		72			73			1		
Energy		410			416			6		
Telephone Plant		60			62			2		
Board of Trustees		176			222			46		
Office of Director General		342			392			50		
Management International Staff		111			106			(5)		
Internal & External Audit		150			194			44		
Food & Housing		(300)			-			300		
Projects Administration		124			156			32		
<b>Total Internal Services, Management</b>		<b>3,260</b>			<b>4,165</b>			<b>905</b>		
<b>Funds and Provisions</b>										
Depreciation		1,600			1,600			-		
Contingencies		-			300			300		
Proposal Development Fund		-			100			100		
Inflation + Revaluation		1,300			-			(1,300)		
Staff Development and Training		-			200			200		
Others: ICER & IPMR		-			150			150		
Merit Increase NRS		-			50			50		
Contract Terminations Fund		-			200			200		
<b>Total Funds and Provisions</b>		<b>2,900</b>			<b>2,600</b>			<b>(300)</b>		
<b>Total Overhead</b>		<b>10,576</b>			<b>10,161</b>			<b>(415)</b>		
Contingencies		1,200						(1,200)		(1,200)
<b>Total Budget</b>		<b>33,540</b>			<b>34,586</b>					<b>1,046</b>

<sup>1</sup> This project includes US\$ 4 of the Communication Unit and US\$ 2 of the Library and Documentation Unit funded by E C and US\$ 2 of Carimagua expenses funded by Colombia Government in 1998

<sup>2</sup> The MTP budget includes US\$ 3,048 of Outsourcing fund.