



FINANCIAL STATEMENTS

YEARS ENDED 31 DECEMBER 2007 AND 2006

CENTER FOR INTERNATIONAL FORESTRY RESEARCH (CIFOR)

Statement of the Board Chair 2007

Financial Position

CIFOR recorded total revenues of US\$ 18.8 million and total expenditures of US\$ 16.9 million resulting in an operating surplus of US\$ 1.9 million. The operating surplus was higher than the initial forecast mainly due to the favourable exchange rates and new restricted activities contracted during the year.

I am pleased to report that the Institute is in sound financial health with liquidity and reserve levels continuing to remain above the CGIAR recommended benchmarks. CIFOR intends to maintain the levels slightly above the recommended benchmarks reflecting the Center's ability to meet short term and long term obligations and be able to respond to and mitigate systemic funding risks.

For the 2008 program of work and budget, we are planning a small deficit budget, with the additional funds being used to align CIFOR activities with the new approved strategy.

Risk Management

Financial risks are part of a broader spectrum of risks that CIFOR manages. The Board approved a risk assessment which uses a framework that allows the Board and management, with assistance from Internal Audit, to:

- identify, evaluate, and prioritize risks and opportunities across the organization;
- develop risk mitigation strategies which balance benefits with costs;
- monitor the implementation of these strategies.

The Board reviews the risks regularly to ensure that adequate attention is being paid to high risks and management has put in place adequate risk mitigation strategies. In line with this, the Board receives, at its request, regular quarterly summaries on the financial status.

CIFOR will continue to monitor the risks associated with exchange rate fluctuations and donor policies. As conveyed above, it is our intention to maintain a reasonable level of reserves to be able to mitigate these risks.

Research:

Despite the added burden of developing a new strategy, CIFOR was able to maintain its high level research output. The Centre continued its work on decentralisation, poverty and forests, climate change and mitigation and adaptation, biodiversity in fragmented landscapes, payment for environmental services, rights and resources and promoting governance in protected areas.

CIFOR's expertise was also in demand from various forest law enforcement, governance, and trade (FLEGT) initiatives. CIFOR's work on forest industry finance influenced the design of the EU Action Plan and World Bank initiatives on this topic.

CIFOR released major publications on financing pulp mills, decentralization in Indonesia, law enforcement and rural livelihoods and several publications in the Adaptive Collaborative Management (ACM) Series. CIFOR also co-published an edited volume on illegal logging with Earthscan, and a study on forests in post-conflict DRC with the World Bank and other organizations.

At the UNFCCC Conference of the Parties (COP) in Bali in December 2007, CIFOR organised the first ever Forest Day in partnership with the Government of Indonesia and the Collaborative Partnership of Forests. This event brought together over 800 participants and the closing statement was accepted by the UNFCCC Executive Secretary to help with the climate change negotiations.

Board of Trustees

The full BOT and its committees met in December 2007 in Bogor and reviewed the proposed new strategy for CIFOR. The comments of the Board have been positively received by Management and will be incorporated into a final version to be approved by the full BoT in the May 2008 meeting.

Finally, I would like to acknowledge the contributions and commitment of CIFOR's management and staff, our investors and the vital global network of partners for their active commitment to 'research that matters'.



Andrew Bennett
Chair, Board of Trustees

May 2008

Management Statement of Responsibility for Financial Statements

The accompanying financial statements of the Center for International Forestry Research (CIFOR) are the responsibility of management and have been prepared in accordance with accounting principles generally accepted in Indonesia. CIFOR management is responsible for the substance and objectivity of the information contained therein.

Our financial reporting practices follow the “Accounting Policies and Reporting Practices Manual – Financial Guidelines Series No.2” of the Consultative Group on International Agricultural Research. CIFOR maintains a system of internal control designed to provide reasonable assurance that assets are safeguarded and transactions are properly recorded and executed in accordance with management’s authorization.

A system of reporting within CIFOR presents management with an accurate view of the operations, enabling us to discern risks and, at the same time, providing a reliable basis for the financial statements and management reports.

The Board of Trustees exercises its responsibility for these financial statements through its Finance and Audit Committee. The Committee meets regularly with management and representatives of the external and internal auditors to review matters relating to financial reporting, internal controls, and auditing.



Frances Seymour
Director General



Kumar Tumuluru
Director, Finance & Administration

Bogor
May 2008

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2007 AND 2006

CONTENTS

INDEPENDENT AUDITOR'S REPORT -----	Page	1
STATEMENTS OF FINANCIAL POSITION		
31 DECEMBER 2007 AND 2006 -----		2
STATEMENTS OF ACTIVITIES		
YEARS ENDED 31 DECEMBER 2007 AND 2006 -----		3
STATEMENTS OF CHANGES IN NET ASSETS		
YEARS ENDED 31 DECEMBER 2007 AND 2006 -----		4
STATEMENTS OF CASH FLOWS		
YEARS ENDED 31 DECEMBER 2007 AND 2006 -----		5
NOTES TO THE FINANCIAL STATEMENTS		
YEARS ENDED 31 DECEMBER 2007 AND 2006 -----		6 - 13
SCHEDULE 1: SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS - SCHEDULE OF GRANTS		
YEAR ENDED 31 DECEMBER 2007 -----		14 - 16
SCHEDULE 2: SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS - SCHEDULE OF RESTRICTED GRANTS		
YEAR ENDED 31 DECEMBER 2007 -----		17 - 28
SCHEDULE 3: SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS - COMPUTATION OF INDIRECT EXPENSE RATIOS		
YEARS ENDED 31 DECEMBER 2007 AND 2006 -----		29



Siddharta Siddharta & Widjaja
Registered Public Accountants

33rd Floor Wisma GKBI
28, Jl. Jend. Sudirman
Jakarta 10210
Indonesia

Telephone +62 (0) 21 574 2333
+62 (0) 21 574 2888
Fax +62 (0) 21 574 1777
+62 (0) 21 574 2777

Independent Auditor's Report

No.: L.07 - 3733 - 08/V.15.002

The Board of Trustees of
the Center for International Forestry Research ("CIFOR")

We have audited the accompanying statements of financial position of CIFOR as of 31 December 2007 and 2006, and the related statements of activities, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of CIFOR's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CIFOR as of 31 December 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in Indonesia.

Our audits were conducted for the purposes of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Schedules 1, 2 and 3 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Siddharta Siddharta & Widjaja
Registered Public Accountants

Drs. Agung Nugroho Soedibyo
Public Accountant License No. 98.1.0151

Jakarta, 15 May 2008

The accompanying financial statements are not intended to present the financial position, changes in net assets and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures, and practices to audit such financial statements are those generally accepted and applied in Indonesia.

Center for International Forestry Research

Siddharta Siddharta & Widjaja - Registered Public Accountants,
an Indonesian partnership and a member firm of the KPMG
network of independent member firms affiliated with
KPMG International, a Swiss cooperative.

License No. : KEP - 232/KM.6/2002

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2007 AND 2006

(In thousands of US Dollar)

ASSETS	Notes	2007	2006
CURRENT ASSETS			
Cash and cash equivalents	2a,3	10,353	6,046
Short-term time deposits	4	3,704	3,125
Accounts receivable			
Donors, net	5	3,116	2,682
Employees		170	180
Others	6	910	848
Prepaid expenses		253	345
TOTAL CURRENT ASSETS		<u>18,506</u>	<u>13,226</u>
NON-CURRENT ASSETS			
Property, plant and equipment, net	2d,7	1,798	1,556
Other assets		36	64
TOTAL NON-CURRENT ASSETS		<u>1,834</u>	<u>1,620</u>
TOTAL ASSETS		<u>20,340</u>	<u>14,846</u>
 LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable			
Donors	2b,5	7,160	3,737
Others		34	52
Accrued expenses	8	1,359	897
TOTAL CURRENT LIABILITIES		<u>8,553</u>	<u>4,686</u>
NON-CURRENT LIABILITIES			
Employee benefits obligation	9	1,720	1,999
NET ASSETS			
Unrestricted			
Undesignated	2e,11	7,064	5,158
Designated	2e,11	3,003	3,003
TOTAL NET ASSETS		<u>10,067</u>	<u>8,161</u>
TOTAL LIABILITIES AND NET ASSETS		<u>20,340</u>	<u>14,846</u>

See Notes to the Financial Statements, which form an integral part of these financial statements.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

STATEMENTS OF ACTIVITIES
YEARS ENDED 31 DECEMBER 2007 AND 2006
(In thousands of US Dollar)

	Notes	2007			2006
		Unrestricted	Restricted	Total	Total
REVENUES					
Grants	2b,5	8,324	9,854	18,178	15,736
Other revenues		606	-	606	462
Total revenues		<u>8,930</u>	<u>9,854</u>	<u>18,784</u>	<u>16,198</u>
EXPENSES					
Program related expenses	2c,10	5,039	9,854	14,893	14,238
Management and general expenses		2,875	-	2,875	2,812
		7,914	9,854	17,768	17,050
Indirect expense recovery		(890)	-	(890)	(527)
Total expenses		<u>7,024</u>	<u>9,854</u>	<u>16,878</u>	<u>16,523</u>
CHANGES IN NET ASSETS		<u>1,906</u>	<u>-</u>	<u>1,906</u>	<u>(325)</u>
 SUPPLEMENTARY SCHEDULE OF EXPENSES - CLASSIFIED BY NATURE OF EXPENSES					
Personnel costs		4,159	3,973	8,132	8,100
Supplies and services		2,161	1,325	3,486	2,738
Partnership activities		802	4,014	4,816	4,764
Operational travel		478	542	1,020	1,048
Depreciation of property, plant and equipment		314	-	314	400
Indirect expense recovery		(890)	-	(890)	(527)
Total expenses		<u>7,024</u>	<u>9,854</u>	<u>16,878</u>	<u>16,523</u>

See Notes to the Financial Statements, which form an integral part of these financial statements.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED 31 DECEMBER 2007 AND 2006
(In thousands of US Dollar)

	<u>Undesignated</u>	<u>Designated</u>		<u>Total</u>
		<u>Invested in property, plant and equipment</u>	<u>Reserve for replacement of property, plant and equipment</u>	
Balance as at 31 December 2005	5,483	1,648	1,355	8,486
Depreciation for the year ended 31 December 2006	-	(400)	400	-
Additions of property, plant and equipment during the year ended 31 December 2006	-	314	(314)	-
Net book value of disposals of property plant and equipment during the year ended 31 December 2006		(6)	6	-
Changes in net assets for the year ended 31 December 2006	<u>(325)</u>	<u>-</u>	<u>-</u>	<u>(325)</u>
Balance as at 31 December 2006	5,158	1,556	1,447	8,161
Depreciation for the year ended 31 December 2007	-	(314)	314	-
Additions of property, plant and equipment during the year ended 31 December 2007	-	581	(581)	-
Net book value of disposals of property plant and equipment during the year ended 31 December 2007		(25)	25	-
Changes in net assets for the year ended 31 December 2007	<u>1,906</u>	<u>-</u>	<u>-</u>	<u>1,906</u>
Balance as at 31 December 2007	<u>7,064</u>	<u>1,798</u>	<u>1,205</u>	<u>10,067</u>

See Notes to the Financial Statements, which form an integral part of these financial statements.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

STATEMENTS OF CASH FLOWS
YEARS ENDED 31 DECEMBER 2007 AND 2006
(In thousands of US Dollar)

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	1,906	(325)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	314	400
Gain on the disposal of property, plant and equipment	(111)	(37)
Allowance for doubtful accounts	11	-
Changes in:		
Accounts receivable		
Donors	(445)	1,224
Employees	10	94
Others	(62)	(120)
Prepaid expenses	92	(31)
Other assets	28	(18)
Accounts payable		
Donors	3,423	(280)
Others	(18)	3
Accrued expenses	462	(49)
Employee benefits obligation	(279)	(295)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,331</u>	<u>566</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(581)	(314)
Proceeds from the disposal of property, plant and equipment	136	43
Placement of short-term time deposits	(579)	(3,125)
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,024)</u>	<u>(3,396)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,307	(2,830)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	6,046	8,876
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u><u>10,353</u></u>	<u><u>6,046</u></u>

See Notes to the Financial Statements, which form an integral part of these financial statements.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED 31 DECEMBER 2007 AND 2006

1. GENERAL

- a. The Center for International Forestry Research (“CIFOR”) was established on 5 March 1993 in Canberra, Australia. CIFOR is operating as a non-profit organization, international in status and non-political in management, staffing and operations. CIFOR is financially supported primarily by the members of the Consultative Group on International Agricultural Research (“CGIAR”).

The purpose of CIFOR is to contribute to the sustained well-being of people in developing countries, particularly in the tropics, through strategic partnerships and applied research and related activities in forest systems and forestry, and by promoting the transfer of appropriate new technologies and the adoption of new methods of social organization for national development.

CIFOR’s headquarters is in Bogor, Indonesia. The Government of Indonesia provides CIFOR with a land area for its headquarters and research activities, as set forth in an agreement dated 15 May 1993. Based on this agreement, CIFOR is exempted from all taxes in Indonesia.

- b. As at 31 December 2007 and 2006, the members of the Board of Trustees were as follows:

	2007	2006
Chair of the Board of Trustees	: Dr. Andrew Bennett, CMG	Dr. Andrew Bennett, CMG
Vice Chair of the Board of Trustees	: Dr. Christine Padoch	Dr. Christine Padoch
Members	: Dr. Jurgen Blaser Dr. Walter P. Falcon Dr. Cristian Samper Ms. Yumiko Tanaka Dr. Jacques Valeix Mr. Wahjudi Wardojo MSc. Dr. Benchaphun Ekasingh Ms. Frances Seymour Ms. Lynn Haight Ms. Claudia Martinez Prof. Hosny El-Lakany	Dr. Jurgen Blaser Dr. Walter P. Falcon Dr. Cristian Samper Ms. Yumiko Tanaka Dr. Jacques Valeix Mr. Wahjudi Wardojo MSc. Dr. Benchaphun Ekasingh Ms. Frances Seymour Dr. Eugene Terry Dr. Sunita Narain Dr. Francois Tchala-Abina Ms. Angela Cropper

- c. As of 31 December 2007 and 2006, CIFOR had 169 and 178 employees, respectively.
- d. The financial statements were authorized for issuance by the Board of Trustees on 15 May 2008.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEARS ENDED 31 DECEMBER 2007 AND 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies adopted by CIFOR, which are based on CGIAR accounting policies and reporting practices manual, are in accordance with the accounting principles generally accepted in Indonesia and the financial statements are presented in conformity with the Statement of Financial Accounting Standards No. 45, "Financial Statements of Not-for-profit Organizations". The significant accounting policies, consistently applied in the preparation of the financial statements for the years ended 31 December 2007 and 2006, were as follows:

a. *Basis for preparation of the financial statements*

CIFOR's cash inflows and outflows are predominantly in US Dollar ("USD") and accordingly, US Dollar has been used as CIFOR's recording and reporting currency. The financial statements are prepared on the accrual basis, using the historical cost concept.

The statements of cash flows present the changes in cash and cash equivalents from operating, investing and financing activities. CIFOR considers short-term time deposits with maturities of not more than three months at the date of placement to be cash equivalents. The statements of cash flows are prepared using the indirect method.

b. *Revenue recognition*

Unrestricted grants:

Unrestricted grants are grants received that are not restricted by donors and may be used for the purposes specified in CIFOR's articles of association. Unrestricted grants are recognized as revenue in the year in which the grants are pledged, as long as collection is probable, and when the donor imposed conditions are met.

Restricted grants:

Restricted grants are grants received in support of specified projects or activities mutually agreed upon by CIFOR and donors. Restricted grants are recognized as revenue when the grant conditions have been met and the related expenses have been incurred.

At each period end, to the extent there are grants that are conditional upon incurrence of expenditures, the excess of the amounts received over the amounts expended is considered to be a refundable advance and is presented as an account payable.

c. *Expenses*

Expenses are recognized in the statement of activities as incurred. Equipment that is restricted for use in restricted projects and that requires approval from donor upon disposition at the conclusion of the related project, is directly expensed as acquired.

Indirect expenses charged to restricted project activities and classified as part of research programs expenses are credited to an indirect expense recovery account. The rate of the indirect expense recovery is determined by the agreement with each donor.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEARS ENDED 31 DECEMBER 2007 AND 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation. Property, plant and equipment are depreciated using the straight line method over their estimated useful lives as follows:

Infrastructure and leasehold improvements	25 years
Office furniture and equipment	5 years
Computers	3 years
Vehicles	4 - 5 years

Property, plant and equipment acquired through the use of grants restricted for certain projects are to be expensed outright and the expenses are charged directly to the restricted projects.

e. *Net assets*

Net assets that are derived from donor-restricted grants are classified as restricted net assets. Unrestricted net assets are subdivided as designated if they have been appropriated by the Board of Trustees for specific purposes such as capital build-up reserve for replacement of property, plant and equipment, or earmarked for contingent liabilities. Designated net assets are identified on an annual basis by the Board of Trustees.

f. *Foreign currency transactions*

Transactions denominated in currencies other than USD are converted to USD at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in currencies other than USD are translated into USD at the exchange rates prevailing at balance sheet date.

As of 31 December 2007 and 2006, the rates used for the translation are as follows:

	2007	2006
	USD	USD
Indonesian Rupiah 1,000	0.1067	0.1109
British Poundsterling 1	1.9826	1.9620
European Euro 1	1.4619	1.3147

Exchange gains and losses arising on transactions in currencies other than USD and on the translation of monetary assets and liabilities in currencies other than USD are recognized in the statement of activities.

g. *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEARS ENDED 31 DECEMBER 2007 AND 2006

3. CASH AND CASH EQUIVALENTS

	2007	2006
	USD 000	USD 000
Cash on hand	13	19
Cash in banks	7,217	2,026
Cash equivalents (time deposits with original maturities of three months or less)	3,123	4,001
	10,353	6,046

4. SHORT-TERM TIME DEPOSITS

This account represents USD time deposits with original maturities of more than three months but less than one year. The interest rates per annum during the year ended 31 December 2007 ranged from 4.58% to 5.52% (2006: 4.50% - 5.48%).

5. GRANTS

Donors	2007						2006
	Beginning balance		Revenue		Ending balance		Revenue
	A/R	A/P	from grants	Fund received	A/R	A/P	from grants
	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000
Unrestricted	723	601	8,324	7,796	1,708	1,058	7,811
Restricted	1,959	3,136	9,854	13,360	1,419	6,102	7,925
	2,682	3,737	18,178	21,156	3,127	7,160	15,736
Allowance for doubtful accounts	-	-	-	11	(11)	-	-
	2,682	3,737	18,178	21,167	3,116	7,160	15,736
Total	2,682	3,737	18,178	21,167	3,116	7,160	15,736

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEARS ENDED 31 DECEMBER 2007 AND 2006

6. ACCOUNTS RECEIVABLE OTHERS

	2007	2006
	USD 000	USD 000
Advances to suppliers and consultants	517	492
Advances to partners	345	319
Interest receivables	48	37
	910	848

7. PROPERTY, PLANT AND EQUIPMENT

	2007			Ending
	Beginning	Additions	Disposals	balance
	USD 000	USD 000	USD 000	USD 000
Acquisition cost:				
Infrastructure and leasehold improvements	1,563	43	-	1,606
Office furniture and equipment	860	15	(35)	840
Computers	1,335	133	(47)	1,421
Vehicles	1,223	279	(215)	1,287
	4,981	470	(297)	5,154
Construction in progress	-	111	-	111
	4,981	581	(297)	5,265
Accumulated depreciation:				
Infrastructure and leasehold improvements	(547)	(63)	-	(610)
Office furniture and equipment	(777)	(27)	25	(779)
Computers	(1,201)	(111)	47	(1,265)
Vehicles	(900)	(113)	200	(813)
	(3,425)	(314)	272	(3,467)
Net book value	1,556			1,798

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEARS ENDED 31 DECEMBER 2007 AND 2006

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

	2006			Ending balance USD 000
	Beginning balance USD 000	Additions USD 000	Disposals USD 000	
Acquisition cost:				
Infrastructure and leasehold improvements	1,553	10	-	1,563
Office furniture and equipment	848	12	-	860
Computers	1,336	61	(62)	1,335
Vehicles	1,125	231	(133)	1,223
	<u>4,862</u>	<u>314</u>	<u>(195)</u>	<u>4,981</u>
Accumulated depreciation:				
Infrastructure and leasehold improvements	(443)	(104)	-	(547)
Office furniture and equipment	(733)	(44)	-	(777)
Computers	(1,108)	(152)	59	(1,201)
Vehicles	(930)	(100)	130	(900)
	<u>(3,214)</u>	<u>(400)</u>	<u>189</u>	<u>(3,425)</u>
Net book value	<u>1,648</u>			<u>1,556</u>

During the years ended 31 December 2007 and 2006, the assets acquired through the use of restricted grants amounted to USD 35,016 and USD 50,408, respectively. As of 31 December 2007 and 2006, the total existing assets acquired through the use of restricted grants amounted to USD 401,065 and USD 468,866, respectively.

8. ACCRUED EXPENSES

	2007 USD 000	2006 USD 000
Supplies and services	722	414
Partnership activities	470	414
Personnel costs	167	69
	<u>1,359</u>	<u>897</u>

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEARS ENDED 31 DECEMBER 2007 AND 2006

9. EMPLOYEE BENEFITS OBLIGATION

Accruals were made for separation payments, unutilized leave and other entitlements for staff members as follows:

	2007 USD 000	2006 USD 000
Internationally recruited staff	989	1,254
Nationally recruited staff	1,725	1,724
	2,714	2,978
Funds separately invested for CIFOR Provident Fund of the nationally recruited staff members	(994)	(979)
	1,720	1,999

In accordance with the CIFOR Provident Fund Policy Manual, CIFOR provides the Indonesian nationally recruited staff members with a contribution of 12.5% of each member's base salary. The fund is managed by a Committee which consists of three national staffs elected by the members and two *ex officio* members, the Controller and the Human Resources Manager. The number of participating staff members as of 31 December 2007 and 2006 was 110 and 99, respectively. The costs of this program were USD 137,000 in 2007 and USD 132,000 in 2006.

10. EXPENSES

The following summarizes the expenses of each activity group classified by function and nature of expenses:

	2007		2006	
	Program related expenses USD 000	Management and general expenses USD 000	Total USD 000	Total USD 000
Unrestricted				
Personnel costs	2,480	1,679	4,159	5,143
Supplies and services	1,127	1,034	2,161	1,960
Partnership activities	802	-	802	1,048
Operational travel	373	105	478	574
Depreciation of property, plant and equipment	257	57	314	400
	5,039	2,875	7,914	9,125
Indirect expense recovery	(486)	(404)	(890)	(527)
	4,553	2,471	7,024	8,598
Restricted				
Personnel costs	3,973	-	3,973	2,957
Supplies and services	1,325	-	1,325	778
Partnership activities	4,014	-	4,014	3,716
Operational travel	542	-	542	474
	9,854	-	9,854	7,925
	14,407	2,471	16,878	16,523

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)
YEARS ENDED 31 DECEMBER 2007 AND 2006

11. NET ASSETS

	2007 USD 000	2006 USD 000
The account represented unrestricted net assets as follows:		
Undesignated-operating funds	7,064	5,158
Designated-invested in property, plant and equipment	1,798	1,556
Designated-reserve for replacement of property, plant and equipment	1,205	1,447
	<u>3,003</u>	<u>3,003</u>
	<u>10,067</u>	<u>8,161</u>

12. RECLASSIFICATION OF 2006 ACCOUNTS

Certain accounts in the 2006 financial statements have been reclassified to conform with the presentation of accounts in the 2007 financial statements as follows:

	Before reclassification USD 000	Reclassification USD 000	After reclassification USD 000
Cash and cash equivalents	9,171	(3,125)	6,046
Short-term time deposits	-	3,125	3,125
Cash flows from investing activities:			
Placement of short-term time deposits	-	(3,125)	(3,125)
Net increase (decrease) in cash and cash equivalents	295	(3,125)	(2,830)

The reclassification did not affect the total assets, total liabilities, net assets and changes in net assets as of and for the year ended 31 December 2006 as previously reported.

13. CONTINGENT LIABILITIES

CIFOR had no significant contingent liabilities as at 31 December 2007 and 2006.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 1/1

SUPPLEMENTARY SCHEDULE OF GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
<u>Unrestricted</u>					
Australia	410	-	221	189	189
Binnacle Family Foundation	25	-	-	25	-
Canada	405	-	-	405	376
China	-	10	-	10	10
Finland	-	512	-	512	440
France	-	110	-	110	96
Germany	247	-	-	247	230
Indonesia	54	-	-	54	54
Israel	-	50	-	50	50
Japan	-	18	-	18	53
Netherlands	1,851	-	617	1,234	1,223
Norway	1,143	-	-	1,143	1,146
Philippines	1	8	-	9	8
Sweden	656	-	220	436	375
Switzerland	443	-	-	443	411
USA	-	1,000	-	1,000	725
United Kingdom	1,289	-	-	1,289	1,164
World Bank	1,150	-	-	1,150	1,261
Sub-total	<u>7,674</u>	<u>1,708</u>	<u>1,058</u>	<u>8,324</u>	<u>7,811</u>
<u>Restricted</u>					
African Forestry Research Network (AFORNET)	13	-	-	13	-
African Wildlife Foundation (AWF)	(3)	3	-	-	2
Aristotle University of Thessaloniki	30	-	10	20	-
Asian Development Bank (ADB)	-	-	-	-	73
Association Intercooperation Madagascar (AIM)	-	3	-	3	-
Australian Agency for International Development (AusAID)	-	62	-	62	-
Australian Centre for International Agricultural Research (ACIAR)	333	-	89	244	82
Belgium	9	-	9	-	37
Brazil (EMBRAPA)	40	-	33	7	-
Canada	31	-	32	(1)	136
CARREFOUR	-	-	-	-	3
CARPE	(3)	3	-	-	-
CECOFORMA	-	-	-	-	15
Centre de Cooperation Internationale en Recherche Agromonique Pour le Developpement (CIRAD)	48	252	3	297	364
CGIAR Secretariat	44	8	28	24	-
Charles Stewart Mott Foundation	100	-	85	15	-
Conservation International Foundation	10	8	-	18	101
Convention on Biological Diversity (CBD) Secretariat	-	-	-	-	2
CORDAID	93	-	-	93	263
DANIDA	39	-	26	13	-
Carried forward	<u>784</u>	<u>339</u>	<u>315</u>	<u>808</u>	<u>1,078</u>

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 1/2

SUPPLEMENTARY SCHEDULE OF GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
<i>Brought forward</i>	784	339	315	808	1,078
European Commission	3,838	408	1,558	2,688	824
Finland	245	-	98	147	110
Federal Office for the Environment (Switzerland - FOEN)	110	-	95	15	-
Food and Agriculture Organization of the United Nations (FAO)	589	34	471	152	144
Ford Foundation	642	-	247	395	375
France	343	-	-	343	164
German Agency for Technical Cooperation and German Federal Ministry for Economic Cooperation and Development (GTZ/BMZ)	810	34	556	288	434
German Foundation for International Cooperation	-	-	-	-	5
Global Forest Watch	(4)	4	-	-	12
Indonesia	6	-	6	-	-
INIA (Spain)	764	-	455	309	603
Innovative Resource Management (IRM)	24	-	14	10	(5)
INRENA	(25)	-	-	(25)	(11)
International Centre for Research in Agroforestry (ICRAF)	10	9	5	14	(29)
International Development Research Centre	738	17	18	737	353
International Food Policy Research Institute	35	3	3	35	72
International Fund for Agricultural Development	128	195	-	323	223
International Institute for Environment and Development	29	19	-	48	3
International Institute of Tropical Agriculture (IITA)	2	5	1	6	(5)
International Plant Genetic Resources	-	-	-	-	3
International Tropical Timber Organization	19	-	14	5	144
Italy	61	-	17	44	35
Japan	563	-	293	270	180
Japan International Research Center for Agricultural Sciences (JIRCAS)	3	-	-	3	-
Korea	150	-	44	106	150
MacArthur Foundation	380	-	285	95	25
National Central University	12	-	12	-	-
Netherlands	1,378	46	773	651	487
Netherlands Development Organization	1	-	1	-	3
Norway	200	-	85	115	-
Organisation Africaine du Bois (OAB)	1	-	1	-	-
Others	54	27	-	81	-
Overseas Development Institute	16	28	4	40	33
Peruvian Secretariat for International Co- operation	28	-	-	28	55
PI Environmental Consulting	3	-	-	3	-
Sweden	624	-	278	346	494
Swedish International Biodiversity Programme (SwedBio)	110	-	30	80	-
<i>Carried forward</i>	12,671	1,168	5,679	8,160	5,959

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 1/3

SUPPLEMENTARY SCHEDULE OF GRANTS
YEAR ENDED 31 DECEMBER 2007
(In thousands of US Dollar)

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
<i>Brought forward</i>	12,671	1,168	5,679	8,160	5,959
Swedish University of Agricultural Sciences	14	5	-	19	4
Swiss Agency for Environment, Forests and Landscape	14	-	9	5	98
Switzerland	476	-	215	261	268
The David and Lucile Packard Foudation	100	-	-	100	-
The Nature Conservancy	-	-	-	-	(26)
The Overbrook Foundation	1	-	-	1	59
The Tinker Foundation Incorporated	103	-	70	33	24
Tropenbos International	2	-	-	2	34
Tropical Forest Foundation	54	16	-	70	100
United Kingdom (DFID)	18	4	-	22	489
United Nations Educational, Scientific and Cultural Organization (UNESCO)	1	-	-	1	2
United Nations Environment Programme (UNEP)	219	-	52	167	252
United Nations Forum on Forests (UNFF)	28	-	-	28	12
United Nations Institute for Training and Research (UNITAR)	104	-	-	104	-
U. S. A.	227	83	-	310	256
United States Forest Service (USFS)	2	-	-	2	2
Virginia Polytechnic Institute	13	-	-	13	-
Wageningen International	25	2	-	27	14
Wildlife Conservation Society (WCS)	10	-	-	10	-
World Bank	295	139	24	410	182
World Conservation Union (IUCN)	39	2	1	40	20
WorldFish Center	5	-	-	5	-
World Resources Institute	31	-	-	31	141
World Wide Fund for Nature	85	-	52	33	35
Sub-total	<u>14,537</u>	<u>1,419</u>	<u>6,102</u>	<u>9,854</u>	<u>7,925</u>
	22,211	3,127	7,160	18,178	15,736
Allowance for doubtful accounts	<u>11</u>	<u>(11)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>22,222</u></u>	<u><u>3,116</u></u>	<u><u>7,160</u></u>	<u><u>18,178</u></u>	<u><u>15,736</u></u>

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 2/1

SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>African Forestry Research Network (AFORNET)</i>					
AFORNET Scientific Evaluation	08/06-01/07	13	-	13	13
		13	-	13	13
<i>Aristotle University of Thessaloniki</i>					
Governance and Ecosystems Management for the Conservation of Biodiversity	11/06-04/08	27	-	20	20
		27	-	20	20
<i>Association Intercooperation Madagascar (AIM)</i>					
Memorandum between CIFOR and the Association Intercooperation Madagascar (AIM)	03/07-02/11	32	-	3	3
		32	-	3	3
<i>Australian Agency for International Development (AusAID)</i>					
REDD Study 5 on Peatlands	11/07-03/08	62	-	62	62
		62	-	62	62
<i>Australian Centre for International Agricultural Research (ACIAR)</i>					
Can Decentralization Work for Forests and the Poor? Policy Research to Promote Sustainable Forest Management, Equitable Economic Development, and Secure Local Livelihoods in Indonesia	01/03-06/07	305	283	5	288
Enhancing Forestry in Indonesia and Australia	01/05-12/07	76	39	29	68
Avoiding Elite Capture of Forestry Decision-making and Benefits	07/05-06/07	154	64	70	134
Asia Forest Partnership - Meeting and Information	08/06-12/07	7	3	4	7
Improving Economic Outcomes for Smallholders Growing Teak in Agroforestry Systems in Indonesia	01/07-07/10	632	-	130	130
Carbon Sequestration and Poverty Reduction	04/07-05/07	6	-	6	6
		1,180	389	244	633
<i>Brazil (EMBRAPA)</i>					
Research Activities in Brazil	01/06-12/08	40	-	7	7
		40	-	7	7
<i>Carried forward</i>		1,354	389	349	738

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 2/2

SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>Brought forward</i>		1,354	389	349	738
<i>Canada</i>					
Forest Livelihoods and Change	04/02-03/05	103	101	2	103
University of Alberta CGIAR-Canada					
Linkage Fund	01/05-03/08	128	96	(3)	93
		231	197	(1)	196
<i>Centre de Cooperation Internationale en Recherche Agromonique Pour le Developpment (CIRAD)</i>					
Biodiversity in Managed Forested Landscapes	01/02-12/07	144	120	36	156
Leveling the Playing Field : Fair Partnership for Local Development to Improve the Forest Sustainability in Southeast Asia	08/03-03/08	992	798	161	959
Implementing the FORINFO in Central Africa	01/05-06/07	39	36	-	36
Ecotourism for Sustainable Development	01/06-open	30	25	8	33
Assessing Local Impacts of Forest Policies in the Congo Basin	08/06-08/08	175	37	87	124
FORAF in Central Africa	04/07-04/10	132	37	5	42
		1,512	1,053	297	1,350
<i>CGIAR Secretariat</i>					
NRM Impact Assessments	09/03-12/07	30	20	10	30
Development of Jepara Teak Furniture Common Branding	06/07	5	-	5	5
Shared learning - Research Priority	01/07-12/07	13	-	1	1
Getting the Most Out CIFOR Strategy	08/07-07/08	8	-	8	8
		56	20	24	44
<i>Charles Stewart Mott Foundation</i>					
Assess the State of Play on Climate Change and Forest	06/07-06/08	50	-	15	15
		50	-	15	15
<i>Conservation International Foundation (CIF)</i>					
Hydrological Assessment Project of the Mamberamo	01/07-02/07	20	-	18	18
		20	-	18	18
<i>CORDAID</i>					
Mitigating conflict in Papua, Indonesia	07/05-12/07	409	316	93	409
		409	316	93	409
<i>Carried forward</i>		3,632	1,975	795	2,770

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 2/3

SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>Brought forward</i>		3,632	1,975	795	2,770
<i>DANIDA</i>					
Tropical Forests Poverty Alleviation	08/07-12/10	237	-	13	13
		237	-	13	13
<i>European Commission</i>					
Rehabilitation and Re-dynamization of the research station of I'IRET with Makokou/Ipassa	01/02-12/07	1,047	923	(5)	918
Tropical Forests and Climate Change Adaptation	03/05-02/09	3,973	1,155	904	2,059
Forest Management by Small Farmers in the Amazon	02/05-01/08	106	23	33	56
EFORWOOD - Tools for Sustainability Impact Assessment of the Forestry - Wood Chain	11/05-10/09	42	-	6	6
Biodiversity in Fragmented Landscapes- Asia	01/07-12/07	766	-	766	766
Biodiversity in Fragmented Landscapes- Latin America	01/07-12/07	457	-	457	457
Biodiversity in Fragmented Landscapes- A.C.P	01/07-12/07	399	-	399	399
Establishment of A Forestry Research Network for Africa, Caribbean Pacific Countries	09/07-12/10	7,498	-	128	128
		14,288	2,101	2,688	4,789
<i>Finland</i>					
Finnish Associate Expert Programme	09/04-02/08	223	163	60	223
Finnish Associate Expert Programme	11/06-10/08	195	28	87	115
		418	191	147	338
<i>Federal Office for the Environment (Switzerland FOEN)</i>					
Forest Governance in Africa	01/07-03/08	110	-	15	15
		110	-	15	15
<i>Food and Agriculture Organization of the United Nations</i>					
A Study on the Contribution on NTFP Products in Food Security	12/06-02/07	6	-	6	6
A Study on Gender and Forestry	12/06-06/07	8	-	8	8
Legal & Regulatory Framework for the Use of NWFPS in Central Africa	01/07-04/07	3	-	3	3
Rehabilitation of Agricultural and Forestry Research in the Democratic Republic of Congo	03/07-03/10	1,357	-	87	87
Mobilization and Strengthening of Capacities of Small and Medium Size Enterprise Involved in Works on NTFP in Central Africa	08/07-03/08	86	-	48	48
		1,460	-	152	152
<i>Carried forward</i>		20,145	4,267	3,810	8,077

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 2/4

SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>Brought forward</i>		20,145	4,267	3,810	8,077
<i>Ford Foundation</i>					
Support to Young Professional Development and Leadership for Forestry Reform in Indonesia	04/02-12/08	415	297	68	365
Support to Strengthen the Operations of Grassroots Organizations in Latin America Focused on Natural Resources Management	09/02-open	430	392	8	400
Responsive Policy Research and Development for Sustainable Global Forest Rights Action Research	01/06-12/08	500	138	170	308
Learning to be Responsible: Addressing Social, Economic and Environmental Issues for Social Responsibility of Forest-based Businesses	06/06-06/08	500	16	149	165
		1,845	843	395	1,238
<i>France</i>					
Secondment of French Scientists (In-Kind)	01/05-12/07	695	352	343	695
		695	352	343	695
<i>German Agency for Technical Cooperation and German Federal Ministry for Economic Cooperation and Development (GTZ/BMZ)</i>					
Making Local Government More Responsive to the Poor: Developing Indicators and Tools to Support Sustainable Livelihood Development under Decentralization	05/03-03/07	1,553	1,285	138	1,423
Understanding and Reducing Barriers to Adaption o Sustainable Forest Management Practices	07/03-12/07	308	249	29	278
Strengthening Scientific Collaboration in Forestry	08/06-02/07	60	40	12	52
Tropical Forest Climate Change and Vulnerability	11/06-10/09	284	18	75	93
Forest Governance Workshop Africa - Durban	01/07-01/08	42	-	34	34
		2,247	1,592	288	1,880
<i>INIA (Spain)</i>					
Amazon Initiatives	03/05-12/09	180	31	46	77
Forma CDM in Latin America	07/05-07/07	1,234	971	263	1,234
Institutional Strengthening for Sustainable Resources	02/07-02/10	1,512	-	-	-
		2,926	1,002	309	1,311
<i>Carried forward</i>		27,858	8,056	5,145	13,201

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 2/5

SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>Brought forward</i>		27,858	8,056	5,145	13,201
<i>Innovative Resource Management (IRM)</i>					
Field Test COAIT - the Community Option Investment	08/03 - open	19	2	10	12
Field Test COAIT - the Community Option Investment - Ph 3	10/03 - open	15	5	-	5
		34	7	10	17
<i>INRENA</i>					
Training Forest Concessionaires in the Peruvian Amazon	09/02-12/07	77	102	(25)	77
		77	102	(25)	77
<i>International Centre for Research in Agroforestry (ICRAF)</i>					
Harmonizing Poverty Reduction and Environmental Goals in Policies and Planning for Sustainable Development	01/07-12/07	9	-	9	9
Case Study on Reducing Emission from Deforestation (RED)-COP13	02/07-12/07	10	-	5	5
		19	-	14	14
<i>International Development Research Centre (IDRC)</i>					
Vulnerability and Resilience : Response of Women and Forest Products to Escalating logging in Eastern Amazon	12/03-12/07	108	105	3	108
Improving Livelihoods and Equity in Community Forestry in Nepal : The Role of Adaptive Collaborative Management	02/04-02/07	368	287	81	368
Global Forest Rights Action Research	01/06-12/08	1,038	192	602	794
New Model Forest in Cameroon	06/06-03/07	90	40	43	83
Consulting Contract Support Broadening IMFNS Diversity	12/06-02/07	8	-	8	8
		1,612	624	737	1,361
<i>International Food Policy Research Institute (IFPRI)</i>					
Collective Action to Secure Property Rights for the Poor: Avoiding Elite Capture of Natural Resource Benefits and Governance Systems	07/04-12/07	125	114	11	125
Decentralization, Democracy and Institutional change in Forest Management in Indonesia	11/06-05/07	20	7	17	24
Renegotiating Livelihoods and Sustainability after Uganda's Forest Sector Governance Reform	08/06-08/07	30	23	7	30
		175	144	35	179
<i>Carried forward</i>		29,775	8,933	5,916	14,849

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 2/6

SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>Brought forward</i>		29,775	8,933	5,916	14,849
<i>International Fund for Agricultural Development (IFAD)</i>					
Review of project "Creating Space for Local Management	01/03-12/07	20	20	(20)	-
Forests that Benefit the Poor	04/04-06/08	900	482	343	825
		920	502	323	825
<i>International Institute for Environment and Development</i>					
Forest Governance Learning Group	06/06-12/08	89	3	48	51
		89	3	48	51
<i>International Institute of Tropical Agriculture (IITA)</i>					
ACM activities in Cameroon	2003-open	25	20	-	20
NTFP Income Generation Poverty Reduction	04/07-05/07	14	-	6	6
		39	20	6	26
<i>International Tropical Timber Organization (ITTO)</i>					
The Bulungan Model Forest - Ph 2	01/03-open	809	790	5	795
		809	790	5	795
<i>Italy</i>					
Italian JPO	10/03-10/07	278	218	44	262
		278	218	44	262
<i>Japan</i>					
Rehabilitation of Degraded Tropical Forest Ecosystem	04/95-03/08	3,900	3,879	18	3,897
Asia Forest Partnership (AFP) - Phase 2	01/05-12/08	80	9	49	58
Sustainable Utilization of Diverse Forest Environmental Benefits	01/06-12/08	500	78	157	235
Supporting Partnership for the Promotion of Sustainable Forest Supporting Partnership for the Promotion of Sustainable Forest Management in Asia	01/06-03/08	71	22	46	68
		4,551	3,988	270	4,258
<i>Japan International Research Center for Agricultural Sciences (JIRCAS)</i>					
Japan-CGIAR Fellowship 2006 - 2007	01/07-02/07	3	-	3	3
		3	-	3	3
<i>Korea</i>					
A study on the policy analysis of forest carbon	01/07-05/08	150	-	106	106
		150	-	106	106
<i>Carried forward</i>		36,614	14,454	6,721	21,175

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 2/7

SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>Brought forward</i>		36,614	14,454	6,721	21,175
<i>MacArthur Foundation</i>					
Capacity Building to Improved Biodiversity Conservation and Human Well-being in East Asia	06/06-05/09	200	21	26	47
Gathering, Analyzing, Exchanging & Disseminating Information Relating to Promoting & Enhancing Sustained Biodiversity Conservation and Other Environment Services in Ecuador and Colombia	01/07-12/08	250 450	- 21	69 95	69 116
<i>Netherlands</i>					
Dutch Associate Expert Programme	07/02-10/09	2,428	1,772	554	2,326
Forest Partnership	08/04-08/10	479 2,907	161 1,933	97 651	258 2,584
<i>Netherlands Development Organization</i>					
The Congo Basin Forest and Water Management Program	04/05-open	9 9	7 7	- -	7 7
<i>Norway</i>					
International Cooperation for Helping Countries Facing an illegal Logging Crisis	01/07-12/09	562 562	- -	115 115	115 115
<i>Others</i>					
Forest Day Event	01/07-12/07	78 78	- -	81 81	81 81
<i>Overseas Development Institute (ODI)</i>					
The VERIFOR Project: Institutional Options for Verifying Legality in the Forest sector	02/05-01/09	329 329	77 77	40 40	117 117
<i>Peruvian Secretariat for International Co- operation</i>					
Monitoring of Timber Concessions (phase II)	08/05 - 12/07	101 101	73 73	28 28	101 101
<i>PI Environmental Consulting</i>					
Development of SST Software	08/02 – 12/07	25 25	15 15	3 3	18 18
<i>Carried forward</i>		41,075	16,580	7,734	24,314

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 2/8

SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>Brought forward</i>		41,075	16,580	7,734	24,314
<i>Sweden</i>					
Swedish JPO	09/03 - 08/07	198	191	7	198
Achieving The Millenium Development Goals in Africa Dry Forests: From Local Action to National Policy Reform	07/06-07/09	1,327	134	339	473
		1,525	325	346	671
<i>Swedish International Biodiversity Programme (SwedBio)</i>					
Changing the health worker's paradigm- riches from the forests	01/07-06/09	219	-	80	80
		219	-	80	80
<i>Swedish University of Agricultural Sciences</i>					
Reduced Impact Logging Models to Promote Biodiversity	01/03 - 12/07	43	33	10	43
DOIT - A/R Coordination	01/07-06/08	9	-	9	9
		52	33	19	52
<i>Swiss Agency for Environment, Forests and Landscape</i>					
Workshop on Forest Governance and Decentralization in Asia	07/05-02/07	130	116	5	121
		130	116	5	121
<i>Switzerland</i>					
Secondment of Switzerland Scientist (In-kind) Stakeholders and Biodiversity at the Local Level (Phase 3)	01/06-12/08	372	124	124	248
Biodiversity Platform	07/06-06/08	123	-	55	55
	07/07-05/10	740	-	82	82
		1,235	124	261	385
<i>The David and Lucile Packard Foundation</i>					
Assess the State of Play on Climate Change and Forests	01/07-12/07	100	-	100	100
		100	-	100	100
<i>The Overbrook Foundation</i>					
Biodiversity Conservation for Local Livelihoods in the Brazilian Amazon- Phase 4	01/05-open	140	129	1	130
		140	129	1	130
<i>Carried forward</i>		44,476	17,307	8,546	25,853

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 2/9

SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant Pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>Brought forward</i>		44,476	17,307	8,546	25,853
<i>The Tinker Foundation Incorporated</i>					
Valuable and Vulnerable: Promoting Local Innovations and Sustainable Trade of Forest Goods in the Brazilian Amazon	06/06-06/08	127	24	33	57
		127	24	33	57
<i>Tropenbos International</i>					
Supporting Partnership for the Promotion of Sustainable Forest Management in Asia	01/06-08/07	2	-	2	2
		2	-	2	2
<i>Tropical Forest Foundation (TFF)</i>					
Sustainable Forest Management/Reduced Impact Harvesting Practices	01/00-12/08	747	677	70	747
		747	677	70	747
<i>United Kingdom (DFID)</i>					
Forest Law Enforcement and Rural Livelihoods	01/03-12/07	88	66	22	88
		88	66	22	88
<i>United Nations Educational, Scientific and Cultural Organization (UNESCO)</i>					
The Forest Wildlife of Malinau, East Kalimantan	09/05-open	3	2	1	3
		3	2	1	3
<i>United Nations Environment Programme (UNEP)</i>					
Improved Certification Schemes for Sustainable Tropical Forest Management	05/05-06/08	962	405	167	572
		962	405	167	572
<i>United Nations Forum on Forests (UNFF)</i>					
Sustainable Forest Management for Peace Building	08/06-02/07	61	12	28	40
		61	12	28	40
<i>United Nations Institute for Training and Research (UNITAR)</i>					
The Advancing Capacity to Support Climate Change Adaptation (ACCCA) Inception Workshop	01/07-12/07	104	-	104	104
		104	-	104	104
<i>Carried forward</i>		46,570	18,493	8,973	27,466

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 2/10

SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant Pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>Brought forward</i>		46,570	18,493	8,973	27,466
<i>U.S.A.</i>					
Impact of Economic Reforms in West Africa	01/04-12/07	100	95	4	99
Decentralization, Reforms and Property Rights	01/06-12/07	77	22	49	71
Landscape Management for Improved Livelihoods in Guinea - Phase 2	11/07-12/07	421	-	257	257
		598	117	310	427
<i>United States Forest Service (USFS)</i>					
Asia Forest Partnership (AFP)	08/06-12/07	5	3	2	5
		5	3	2	5
<i>Virginia Polytechnic Institute</i>					
Global Assessment for Ecosystem Services	12/06-09/07	13	-	13	13
		13	-	13	13
<i>Wageningen International</i>					
International Course on "Governance for Forest, Nature and People"	10/07-12/07	27	-	27	27
		27	-	27	27
<i>Wildlife Conservation Society (WCS)</i>					
Socio-economic Survey around the Bukit Barisan National Park	03/07-10/07	10	-	10	10
		10	-	10	10
<i>Carried forward</i>		47,223	18,613	9,335	27,948

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 2/11

SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>Brought forward</i>		47,223	18,613	9,335	27,948
<i>World Bank</i>					
Rehabilitation of CGIAR Global Public Goods (GPG)	03/03-12/07	482	443	39	482
Forest Resource Access and Local Livelihoods Outcomes	04/06-03/07	100	19	5	24
Indonesian Forestry Issues and Policy Options Paper (IFIPOP)	06/04-open	52	40	12	52
Improving the Management of Miombo Woodlands	11/05-12/07	190	37	97	134
Forest Resource Access and Local Livelihoods Outcomes	04/06-03/07	100	19	43	62
Informal Institutions and Forests Governance	10/06-12/07	137	12	75	87
CSO Forum CGIAR AGM 2006	11/06-02/07	24	-	3	3
Forests and Post-Conflict Recovery in the Democratic Republic Congo Phase I	08/06-12/07	27	-	27	27
Forest and Post-Conflict Recovery in the Democratic Republic Congo Phase II	11/06-12/07	44	-	15	15
Development of Forestry Forum Inputs	04/07-06/07	4	-	4	4
GEF Country Portfolio Evaluation:					
Cameroon	09/07-03/08	11	-	5	5
REDD Study 5 on Peatlands	11/07-06/08	150	-	60	60
Governance, Corruption and Forestry in East Asia and the Pacific Region	11/07-06/08	70	-	25	25
		1,391	570	410	980
<i>World Conservation Union (IUCN)</i>					
Supporting Local Initiative in Malinau	02/05-01/06	22	23	(1)	22
Supporting Partnership for the Promotion of Sustainable Forest Management in Asia	08/06-08/07	7	-	6	6
Participatory Launch of the Rights and Resources Initiative	07/06-06/07	36	-	30	30
Testing ITTO Biodiversity Guidelines in Guyana	06/07-07/07	5	-	5	5
		70	23	40	63
<i>World Fish Center</i>					
Study and Improve the Traditional Fishing Systems of the Kribi-Campo-Akom II Region	01/07-12/07	5	-	5	5
		5	-	5	5
<i>Carried forward</i>		48,689	19,206	9,790	28,996

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 2/12

SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS

YEAR ENDED 31 DECEMBER 2007

(In thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cummulative expenditures
<i>Brought forward</i>		48,689	19,206	9,790	28,996
<i>World Resources Institute</i>					
Indigenous Communities and Local Representation in Forestry Decentralizations	05/04-12/07	42	37	5	42
Study the Distribution of Forests (Cameroon)	01/06-12/07	41	30	11	41
Environmental Decentralization in Cameroon	10/05-12/07	83	77	6	83
Indonesian Study on Distribution A Comparative Study on Differential Management of Forest in West Africa in West Africa and an Assessment of the NWP Framework and Successful Interventions of NRM in Burkina Faso	05/06-01/07	20	21	(1)	20
	06/06-05/07	31	21	10	31
		217	186	31	217
<i>World Wide Fund for Nature</i>					
Consultancy Agreement for the Management of Park Villages: Korup National Park; an Evaluation of All Options	04/03-open	26	12	5	17
Supporting Partnership for the Promotion of Sustainable Forest Management in Asia	01/06-03/08	20	3	5	8
Support to Implementation of the Action Plan for the Progress Toward Credible Certification in Central Africa	06/07-09/07	30	-	23	23
		76	15	33	48
Total		48,982	19,407	9,854	29,261

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Schedule 3

SUPPLEMENTARY COMPUTATION OF INDIRECT EXPENSE RATIOS
YEARS ENDED 31 DECEMBER 2007 AND 2006
(In thousands of US Dollar)

	<u>2007</u>	<u>2006</u>
Direct operating expenses		
Research	13,386	12,422
Research support	1,250	1,422
Operations	310	344
Sub-total	<u>14,946</u>	<u>14,188</u>
Less: Overhead recovery	<u>(890)</u>	<u>(527)</u>
Total	<u>14,056</u>	<u>13,661</u>
Indirect operating expenses		
Management	2,421	2,297
Common sustenance services	<u>401</u>	<u>565</u>
Total	<u>2,822</u>	<u>2,862</u>
Total operating expenses	<u>16,878</u>	<u>16,523</u>
Cost ratio		
Direct expenses/Total expenses	83%	83%
Indirect expenses/Total expenses	17%	17%
Indirect expenses/Direct expenses	20%	21%

The computation of indirect expense ratios is based on the CGIAR guidelines issued in August 2001.

Expenses that are readily identifiable as and specific to research activities are grouped as direct expenses.

Common expenses that are incurred in support of the entity's activities, including research, are allocated among research and related support activities (direct expenses) and non-research activities (indirect expenses).

The Center for International Forestry Research (CIFOR)

CIFOR is a leading international forestry research organization established in 1993 in response to global concerns about the social, environmental, and economic consequences of forest loss and degradation. CIFOR advances human well-being, environmental conservation, and equity by conducting research to inform policies and practices that affect forests in developing countries. CIFOR is one of 15 centres within the Consultative Group on International Agricultural Research (CGIAR). CIFOR's headquarters are in Bogor, Indonesia. It also has offices in Brazil, Bolivia, Burkina Faso, Cameroon, Ethiopia, Vietnam, Zambia and Zimbabwe, and works in over 30 other countries around the world.

Office address:

Jalan CIFOR, Situ Gede
Bogor Barat 16115
Indonesia

Mailing address:

CIFOR (Center for International Forestry Research)
P.O. Box 0113 BOCBD, Bogor 16000
Indonesia

t : +62 251 622622
f : +62 251 622100
@ : cifor@cgiar.org
w : www.cifor.cgiar.org