

CENTER FOR INTERNATIONAL FORESTRY RESEARCH



# FINANCIAL STATEMENTS

YEARS ENDED 31 DECEMBER 2008 AND 2007



## Statement of the Board Chair 2008

### Financial Position

CIFOR recorded total revenues of US\$ 21.2million and total expenditures of US\$ 19.9million resulting in an operating surplus of US\$ 1.3million. The operating surplus was higher than the initial forecast mainly due to the increase in level of funding from some donors, and new restricted activities contracted during the year.

I am pleased to report that the Centre 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.

### 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 during every meeting 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 updates 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 manage these risks.

### Research:

Further to aligning its research to the new strategy, CIFOR continued to maintain its high level research output. CIFOR's expertise has continued to be in demand in international fora related to climate change and from various forest law enforcement, governance, and trade (FLEGT) initiatives.


CIFOR released major publications on forests and health, decentralization in Indonesia, global REDD architecture, and several publications in the Adaptive Collaborative Management (ACM) Series. In addition, CIFOR released an impact assessment of its prior work on financing pulp mills in Indonesia.

At the UNFCCC Conference of the Parties (COP) in Poznan, Poland in December 2008, CIFOR organised Forest Day 2 in partnership with the Government of Poland and the Collaborative Partnership of Forests. This event brought together over 900 participants and the closing statement was accepted by the UNFCCC Executive Secretary as useful to the climate change negotiations.

#### Board of Trustees

The full BoT and its committees met only once in May 2008, with the second meeting of the full BoT at the year-end, being postponed to January 2009.

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 2009

## 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 2009

# CENTER FOR INTERNATIONAL FORESTRY RESEARCH

FINANCIAL STATEMENTS  
YEARS ENDED 31 DECEMBER 2008 AND 2007

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**Siddharta Siddharta & Widjaja**  
**Registered Public Accountants**

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**Independent Auditor's Report**

No.: L.08 - 3733 - 09/V.07.002

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 2008 and 2007, 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 2008 and 2007, 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, CPA  
Public Accountant License No. 98.1.0151

Jakarta, 7 May 2009

*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

## CENTER FOR INTERNATIONAL FORESTRY RESEARCH

### STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2008 AND 2007

(In thousands of US Dollar)

ASSETS	Notes	2008	2007
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2a,3	6,704	10,353
Short-term time deposits	4	8,250	3,704
Accounts receivable			
Donors, net	5	2,512	3,116
Employees		274	170
Others	6	881	910
Prepaid expenses		522	253
<b>TOTAL CURRENT ASSETS</b>		<u>19,143</u>	<u>18,506</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment, net	2d,7	1,897	1,798
Other assets	8	1,035	1,030
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,932</u>	<u>2,828</u>
<b>TOTAL ASSETS</b>		<u><b>22,075</b></u>	<u><b>21,334</b></u>
 <b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable			
Donors	2b,5	6,085	7,160
Others		77	34
Accrued expenses	10	1,577	1,359
<b>TOTAL CURRENT LIABILITIES</b>		<u>7,739</u>	<u>8,553</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits obligation	9	3,007	2,714
<b>NET ASSETS</b>			
Unrestricted			
Undesignated	2e,13	8,326	7,064
Designated	2e,13	3,003	3,003
<b>TOTAL NET ASSETS</b>		<u>11,329</u>	<u>10,067</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u><b>22,075</b></u>	<u><b>21,334</b></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 2008 AND 2007  
(In thousands of US Dollar)

	Notes	2008			2007
		Unrestricted	Restricted	Total	Total
<b>REVENUES</b>					
Grant revenues	2b,5	9,317	11,255	20,572	18,178
Other revenues	11	596	-	596	606
Total revenues		<u>9,913</u>	<u>11,255</u>	<u>21,168</u>	<u>18,784</u>
<b>EXPENSES</b>					
Program related expenses	2c,12	6,325	11,255	17,580	14,893
Management and general expenses		3,382	-	3,382	2,875
		<u>9,707</u>	<u>11,255</u>	<u>20,962</u>	<u>17,768</u>
Indirect expense recovery		(1,056)	-	(1,056)	(890)
Total expenses		<u>8,651</u>	<u>11,255</u>	<u>19,906</u>	<u>16,878</u>
<b>CHANGES IN NET ASSETS</b>		<u><b>1,262</b></u>	<u><b>-</b></u>	<u><b>1,262</b></u>	<u><b>1,906</b></u>
<b>SUPPLEMENTARY SCHEDULE OF EXPENSES - CLASSIFIED BY NATURE OF EXPENSES</b>					
Personnel costs		4,830	3,475	8,305	8,132
Supplies and services		2,920	2,079	4,999	3,486
Partnership activities		846	4,911	5,757	4,816
Operational travel		768	790	1,558	1,020
Depreciation of property, plant and equipment		343	-	343	314
Indirect expense recovery		(1,056)	-	(1,056)	(890)
Total expenses		<u><b>8,651</b></u>	<u><b>11,255</b></u>	<u><b>19,906</b></u>	<u><b>16,878</b></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 2008 AND 2007  
(In thousands of US Dollar)

	Undesignated	Designated		Total
		Invested in property, plant and equipment	Reserve for replacement of property, plant and equipment	
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	7,064	1,798	1,205	10,067
Depreciation for the year ended 31 December 2008	-	(343)	343	-
Additions of property, plant and equipment during the year ended 31 December 2008	-	444	(444)	-
Net book value of disposals of property plant and equipment during the year ended 31 December 2008		(2)	2	-
Changes in net assets for the year ended 31 December 2008	<u>1,262</u>	<u>-</u>	<u>-</u>	<u>1,262</u>
Balance as at 31 December 2008	<u><b>8,326</b></u>	<u><b>1,897</b></u>	<u><b>1,106</b></u>	<u><b>11,329</b></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 2008 AND 2007  
(In thousands of US Dollar)

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	1,262	1,906
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	343	314
Gain on the disposal of property, plant and equipment	(56)	(111)
Allowance for doubtful accounts	67	11
Changes in:		
Accounts receivable		
Donors	537	(445)
Employees	(104)	10
Others	29	(62)
Prepaid expenses	(269)	92
Other assets	(5)	13
Accounts payable		
Donors	(1,075)	3,423
Others	43	(18)
Accrued expenses	218	462
Employee benefits obligation	293	(264)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,283</u>	<u>5,331</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(444)	(581)
Proceeds from the disposal of property, plant and equipment	58	136
Placement of short-term time deposits	(4,546)	(579)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(4,932)</u>	<u>(1,024)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(3,649)	4,307
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR</b>	<u>10,353</u>	<u>6,046</u>
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<u><u>6,704</u></u>	<u><u>10,353</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 2008 AND 2007

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## 1. GENERAL

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- 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 2008 and 2007, the members of the Board of Trustees were as follows:

	2008	2007
Chair of the Board of Trustees	: Dr. Andrew Bennett, CMG	Dr. Andrew Bennett, CMG
Vice Chair of the Board of Trustees	: Dr. Benchaphun Ekasingh	Dr. Christine Padoch
Members	: Dr. Jurgen Blaser Dr. Cristian Samper Mr. Wahjudi Wardojo MSc. Ms. Frances Seymour Dr. Lynn Haight Ms. Claudia Martinez Prof. Hosny El-Lakany Ms. Nancy Andrews	Dr. Jurgen Blaser Dr. Cristian Samper Mr. Wahjudi Wardojo MSc. Ms. Frances Seymour Dr. Lynn Haight Ms. Claudia Martinez Prof. Hosny El-Lakany Dr. Benchaphun Ekasingh Dr. Walter P. Falcon Ms. Yumiko Tanaka Dr. Jacques Valeix

- c. As of 31 December 2008 and 2007, CIFOR had 181 and 169 employees, respectively.
- d. The financial statements were authorized for issuance by the Board of Trustees on 7 May 2009.

## CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
YEARS ENDED 31 DECEMBER 2008 AND 2007

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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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 2008 and 2007, 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 2008 AND 2007

### 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 unrestricted grants are classified as unrestricted 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 into USD at the standard bookkeeping rates which approximate the exchange rates prevailing at the dates of the transactions. 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 2008 and 2007, the rates used for the translation are as follows:

	2008	2007
	USD	USD
Indonesian Rupiah 1,000	0.0913	0.1067
British Pound sterling 1	1.4431	1.9826
European Euro 1	1.4093	1.4619

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 2008 AND 2007

### 3. CASH AND CASH EQUIVALENTS

	2008 USD 000	2007 USD 000
Cash on hand	15	13
Cash in banks	3,933	7,217
Cash equivalents (time deposits with original maturities of three months or less)	2,756	3,123
	6,704	10,353

### 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 2008 ranged from 1.75% to 5.16% (2007: 4.58% - 5.52%).

### 5. GRANTS

Donors	2008						2007
	Beginning balance		Revenue		Ending balance		Revenue
	A/R USD 000	A/P USD 000	from grants USD 000	Fund received USD 000	A/R USD 000	A/P USD 000	from grants USD 000
Unrestricted	1,708	1,058	9,317	9,529	680	242	8,324
Restricted	1,419	6,102	11,255	10,516	1,899	5,843	9,854
	3,127	7,160	20,572	20,045	2,579	6,085	18,178
Allowance for doubtful accounts	(11)	-	-	56	(67)	-	-
Total	3,116	7,160	20,572	20,101	2,512	6,085	18,178

## CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
YEARS ENDED 31 DECEMBER 2008 AND 2007

### 6. ACCOUNTS RECEIVABLE OTHERS

	2008 USD 000	2007 USD 000
Advances to suppliers and consultants	504	517
Advances to partners	322	345
Interest receivables	55	48
	881	910

### 7. PROPERTY, PLANT AND EQUIPMENT

	2008				
	Beginning balance	Additions	Disposals	Reclassification	Ending balance
	USD 000	USD 000	USD 000	USD 000	USD 000
Acquisition cost:					
Infrastructure and leasehold improvements	1,606	36		113	1,755
Office furniture and equipment	840	57	-	16	913
Computers	1,421	96	(121)	32	1,428
Vehicles	1,287	108	(72)	97	1,420
	5,154	297	(193)	258	5,516
Property, plant and equipment under commissioning	111	147	-	(258)	-
	5,265	444	(193)	-	5,516
Accumulated depreciation:					
Infrastructure and leasehold improvements	(610)	(71)	-	-	(681)
Office furniture and equipment	(779)	(29)	-	-	(808)
Computers	(1,265)	(96)	120	-	(1,241)
Vehicles	(813)	(147)	71	-	(889)
	(3,467)	(343)	191	-	(3,619)
Net book value	1,798	101	(2)	-	1,897



## CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
YEARS ENDED 31 DECEMBER 2008 AND 2007

### 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

	2007			
	Beginning balance	Additions	Disposals	Ending 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
Property, plant and equipment under commissioning	-	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	267	(25)	1,798

During the years ended 31 December 2008 and 2007, the assets acquired through the use of restricted grants amounted to USD 61,379 and USD 35,016, respectively, and have been charged to the related restricted projects. As of 31 December 2008 and 2007, the total existing assets acquired through the use of restricted grants amounted to USD 408,208 and USD 401,065, respectively.

### 8. OTHER ASSETS

	2008	2007
	USD 000	USD 000
Funds separately invested for the provision of the Nationally Recruited Staff (NRS) provident fund	958	994
Others	77	36
	1,035	1,030

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 2008 and 2007 was 105 and 110, respectively. The costs of this program were USD 144,000 in 2008 and USD 137,000 in 2007.

## CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
YEARS ENDED 31 DECEMBER 2008 AND 2007

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### 9. EMPLOYEE BENEFITS OBLIGATION

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

	2008	2007
	USD 000	USD 000
Internationally recruited staff	1,294	989
Nationally recruited staff	1,713	1,725
	<u>3,007</u>	<u>2,714</u>

### 10. ACCRUED EXPENSES

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	2008	2007
	USD 000	USD 000
Supplies and services	948	722
Partnership activities	488	470
Personnel costs	141	167
	<u>1,577</u>	<u>1,359</u>

### 11. OTHER REVENUES

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	2008	2007
	USD 000	USD 000
Interest income	415	415
Other revenues	181	191
	<u>596</u>	<u>606</u>

## CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
YEARS ENDED 31 DECEMBER 2008 AND 2007

### 12. EXPENSES

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

	2008		2007	
	Program related expenses USD 000	Management and general expenses USD 000	Total USD 000	Total USD 000
<b>Unrestricted</b>				
Personnel costs	2,872	1,958	4,830	4,159
Supplies and services	1,755	1,165	2,920	2,161
Partnership activities	846	-	846	802
Operational travel	579	189	768	478
Depreciation of property, plant and equipment	273	70	343	314
	6,325	3,382	9,707	7,914
Indirect expense recovery	-	(1,056)	(1,056)	(890)
	6,325	2,326	8,651	7,024
<b>Restricted</b>				
Personnel costs	3,475	-	3,475	3,973
Supplies and services	2,079	-	2,079	1,325
Partnership activities	4,911	-	4,911	4,014
Operational travel	790	-	790	542
	11,255	-	11,255	9,854
	17,580	2,326	19,906	16,878

### 13. NET ASSETS

	2008	2007
	USD 000	USD 000
The account represented unrestricted net assets as follows:		
Undesignated-operating funds	8,326	7,064
Designated-invested in property, plant and equipment	1,987	1,798
Designated-reserve for replacement of property, plant and equipment	1,016	1,205
	3,003	3,003
	11,329	10,067

## CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
YEARS ENDED 31 DECEMBER 2008 AND 2007

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### 14. RECLASSIFICATION OF 2007 ACCOUNTS

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Certain accounts in the 2007 financial statements have been reclassified to conform with the presentation of accounts in the 2008 financial statements as follows:

	Before reclassification USD 000	Reclassification USD 000	After reclassification USD 000
Other assets	36	994	1,030
Total assets	20,340	994	21,334
Employee benefits obligation	(1,720)	(994)	(2,714)
Total liabilities	(10,273)	(994)	(11,267)
Cash flows from operating activities:			
Changes in:			
Other assets	28	(15)	13
Employee benefits obligation	(279)	15	(264)

The reclassification did not affect the total net assets as of 31 December 2007 and changes in net assets, net cash provided by operating activities and net cash used in investing activities for the year ended 31 December 2007 as previously reported.

### 15. CONTINGENT LIABILITIES

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CIFOR had no significant contingent liabilities as at 31 December 2008 and 2007.

**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

Schedule 1/1

**SUPPLEMENTARY SCHEDULE OF GRANTS  
YEAR ENDED 31 DECEMBER 2008  
(In thousands of US Dollar)**

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
<u>Unrestricted</u>					
Australia	463	-	242	221	189
Binnacle Family Foundation	-	-	-	-	25
Canada	124	401	-	525	405
China	-	10	-	10	10
Finland	820	-	-	820	512
France	103	-	-	103	110
Germany	360	-	-	360	247
Indonesia	-	-	-	-	54
Israel	-	-	-	-	50
Japan	-	18	-	18	18
Netherlands	1,508	-	-	1,508	1,234
Norway	1,527	-	-	1,527	1,143
Philippines	(1)	1	-	-	9
Sweden	399	-	-	399	436
Switzerland	489	-	-	489	443
USA	750	250	-	1,000	1,000
United Kingdom	1,057	-	-	1,057	1,289
World Bank	1,280	-	-	1,280	1,150
Sub-total	<u>8,879</u>	<u>680</u>	<u>242</u>	<u>9,317</u>	<u>8,324</u>
<u>Restricted</u>					
African Forest Research Network (AFORNET)	-	-	-	-	13
African Wildlife Foundation (AWF)	(3)	-	-	(3)	-
Aristotle University of Thessaloniki	10	8	-	18	20
Association Intercooperation Madagascar (AIM)	(1)	-	-	(1)	3
Australian Agency for International Development (AusAID)	1,046	-	861	185	62
Australian Centre for International Agricultural Research (ACIAR)	296	-	127	169	244
Australian National University	-	36	-	36	-
Brazilian Agricultural Research Corporation (EMBRAPA)	53	-	41	12	7
Canada	116	-	12	104	(1)
Central African Regional Program for the Environment (CARPE)	(3)	-	-	(3)	-
French Agricultural Research Centre for International Development (CIRAD)	136	41	-	177	297
CGIAR Secretariat	98	-	67	31	24
Charles Stewart Mott Foundation	86	-	25	61	15
Chatham House	19	-	-	19	-
China	10	-	10	-	-
Christensen Family Foundation	59	-	33	26	-
Conservation International Foundation	-	-	-	-	18
Catholic Organisation for Relief and Development Aid (CORDAID)	189	-	94	95	93
Danish International Development Agency (DANIDA)	121	8	-	129	13
Carried forward	<u>2,232</u>	<u>93</u>	<u>1,270</u>	<u>1,055</u>	<u>808</u>

**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

Schedule 1/2

**SUPPLEMENTARY SCHEDULE OF GRANTS**
**YEAR ENDED 31 DECEMBER 2008**

(In thousands of US Dollar)

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
<i>Brought forward</i>	2,232	93	1,270	1,055	808
European Commission	2,234	1,090	449	2,875	2,688
Federal Office for the Environment (Switzerland - FOEN)	94	-	27	67	15
Finland	493	-	406	87	147
Food and Agriculture Organization of the United Nations (FAO)	507	157	-	664	152
Ford Foundation	384	85	40	429	395
France	-	-	-	-	343
German Agency for Technical Cooperation and German Federal Ministry for Economic Cooperation and Development (GTZ/BMZ)	631	-	122	509	288
Global Forest Watch (GFW)	(4)	-	-	(4)	-
Indonesia	6	-	2	4	-
INIA (Spain)	858	-	557	301	309
Innovative Resource Management (IRM)	14	-	-	14	10
National Institute of Natural Resources (Peru - INRENA)	-	-	-	-	(25)
International Centre for Research in Agroforestry (ICRAF)	5	-	-	5	14
International Development Research Centre (IDRC)	1,111	-	513	598	737
International Food Policy Research Institute (IFPRI)	5	-	-	5	35
International Fund for Agricultural Development (IFAD)	73	-	-	73	323
International Institute for Environment and Development (IIED)	23	13	-	36	48
International Institute of Tropical Agriculture (IITA)	3	-	-	3	6
International Tropical Timber Organization (ITTO)	12	-	1	11	5
Italy	18	-	3	15	44
Japan	594	-	370	224	270
Japan International Research Center for Agricultural Sciences (JIRCAS)	-	-	-	-	3
Korea	194	-	42	152	106
The John D. and Catherine T. MacArthur Foundation	284	-	132	152	95
National Central University	13	3	-	16	-
Netherlands	1,266	-	658	608	651
Netherlands Development Organization (SNV)	1	-	-	1	-
Norway	487	-	191	296	115
Organisation Africaine du Bois (OAB)	3	-	-	3	-
Others	46	33	-	79	81
Overseas Development Institute (ODI)	18	36	-	54	40
Peruvian Secretariat for International Co- operation	-	-	-	-	28
PI Environmental Consulting	-	-	-	-	3
Rights and Resources Group (RRG)	12	-	1	11	-
Rights and Resources Institute	15	-	15	-	-
Sweden	849	-	268	581	346
Sweden International Biodiversity Programme (SwedBio)	114	-	7	107	80
<i>Carried forward</i>	12,595	1,510	5,074	9,031	8,160

**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

Schedule 1/3

**SUPPLEMENTARY SCHEDULE OF GRANTS  
YEAR ENDED 31 DECEMBER 2008  
(In thousands of US Dollar)**

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
<i>Brought forward</i>	12,595	1,510	5,074	9,031	8,160
Swedish University of Agricultural Sciences	-	-	-	-	19
Swiss Agency for Environment, Forests and Landscape (SAEFL)	10	-	5	5	5
Switzerland	225	53	45	233	261
The David and Lucile Packard Foundation	738	-	351	387	100
The Overbrook Foundation	-	-	-	-	1
The Tinker Foundation Incorporated	70	-	-	70	33
Tropenbos International (TBI)	-	-	-	-	2
Tropical Forest Foundation (TFF)	85	16	-	101	70
United Kingdom - Department for International Development (DFID)	398	31	90	339	22
United Nations Educational, Scientific and Cultural Organization (UNESCO)	-	-	-	-	1
United Nations Environment Programme (UNEP)	225	-	43	182	167
United Nations Forum on Forests (UNFF)	-	-	-	-	28
United Nations Institute for Training and Research (UNITAR)	7	-	-	7	104
USA	488	82	210	360	310
United States Forest Service (USFS)	-	-	-	-	2
University of Freiburg	13	-	5	8	-
University of Wisconsin	12	-	1	11	-
Virginia Polytechnic Institute	-	-	-	-	13
Wageningen International	20	2	-	22	27
Wijma Douala S.A.R.L.	-	2	-	2	-
Wildlife Conservation Society (WCS)	-	-	-	-	10
Women Organizing for Change in Agriculture and NRM (WOCAN)	25	-	1	24	-
World Bank	207	145	2	350	410
International Union for Conservation of Nature (IUCN)	60	58	-	118	40
WorldFish Center	-	-	-	-	5
World Resources Institute (WRI)	-	-	-	-	31
World Wide Fund for Nature (WWF)	21	-	16	5	33
Sub-total	<u>15,199</u>	<u>1,899</u>	<u>5,843</u>	<u>11,255</u>	<u>9,854</u>
	24,078	2,579	6,085	20,572	18,178
Allowance for doubtful accounts	<u>67</u>	<u>(67)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>24,145</u></u>	<u><u>2,512</u></u>	<u><u>6,085</u></u>	<u><u>20,572</u></u>	<u><u>18,178</u></u>

**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

Schedule 2/1

**SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS**

**YEAR ENDED 31 DECEMBER 2008**

(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 Wildlife Foundation (AWF)</i>					
Policy Analysis of the Legal and Technical Means for Incentive-based Conservation Agreements in the Democratic Republic of Congo	10/04-open	11	11	(3)	8
		11	11	(3)	8
<i>Aristotle University of Thessaloniki</i>					
Governance and Ecosystems Management for the Conservation of Biodiversity	11/06-04/08	38	20	18	38
		38	20	18	38
<i>Association Intercooperation Madagascar (AIM)</i>					
Multifunctional Forest Management - Manompama	03/07-02/11	32	3	(1)	2
		32	3	(1)	2
<i>Australian Agency for International Development (AusAID)</i>					
Study on Combating Illegal Timber Trade and Associated Crimes in Indonesia through Financial Intelligence – The Potential role of Commercial Banks	02/08-06/09	112	-	78	78
REDD: Research to Support Design and Implementation	06/08-06/12	2,254	-	107	107
		2,366	-	185	185
<i>Australian Centre for International Agricultural Research (ACIAR)</i>					
Avoiding Elite Capture of Forestry Decision-making and Benefits	07/05-08/08	162	134	28	162
Improving Economic Outcomes for Smallholders Growing Teak in Agroforestry Systems in Indonesia	01/07-07/10	632	130	89	219
Mahogany and Teak Furniture: Action Research to Improve Value Chain Efficiency and Enhance Livelihoods	06/08-05/13	687	-	52	52
		1,481	264	169	433
<i>Carried forward</i>		3,928	298	368	666



**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

Schedule 2/2

**SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS  
YEAR ENDED 31 DECEMBER 2008  
(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>		3,928	298	368	666
<i>Australian National University</i>					
Improving Governance, Policy and Institutional Arrangements to Reduce Emissions from Deforestation and Degradation (REDD)	04/08-03/12	110	-	35	35
Preparation of a Paper on Livelihood Impacts of Incentive Payments for REDD	06/08-12/08	2	-	1	1
		112	-	36	36
<i>Brazilian Agricultural Research Corporation (EMBRAPA)</i>					
Research Activities in Brazil	01/06-12/09	40	7	12	19
		40	7	12	19
<i>Canada</i>					
University of Alberta CGIAR-Canada Linkage Fund	01/05-03/08	124	93	43	136
Developing More Effective Methods for Assessing Conservation and Livelihoods Outcomes	04/08-03/11	279	-	61	61
		403	93	104	197
<i>Central African Regional Program for the Environment (CARPE)</i>					
Support for the Work of Local NGOs Working in ACM's Campo-Ma'an Site	01/03-open	3	3	(3)	-
		3	3	(3)	-
<i>French Agricultural Research Centre for International Development (CIRAD)</i>					
Leveling the Playing Field : Fair Partnership for Local Development to Improve the Forest Sustainability in Southeast Asia	08/03-03/08	1,100	959	141	1,100
FORAF in Central Africa	04/07-04/10	132	42	36	78
		1,232	1,001	177	1,178
<i>CGIAR Secretariat</i>					
Shared Learning - Research Priority	01/07-open	20	1	19	20
Getting the Most Out CIFOR Strategy	08/07-07/08	20	8	12	20
		40	9	31	40
<i>Charles Stewart Mott Foundation</i>					
Assess the State of Play on Climate Change and Forest	06/07-01/09	100	15	61	76
		100	15	61	76
<i>Carried forward</i>		5,858	1,426	786	2,212

**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

Schedule 2/3

**SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS  
YEAR ENDED 31 DECEMBER 2008  
(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>		5,858	1,426	786	2,212
<i>Chatham House</i>					
Consultancy Agreement for Alternative Models and Finance Mechanisms for Sustainable Forest Use in the Democratic Republic of Congo	11/07-09/08	19	-	19	19
		19	-	19	19
<i>Christensen Family Foundation</i>					
Biofuel plantation boom in Papua	10/08-09/09	59	-	26	26
		59	-	26	26
<i>Catholic Organisation for Relief and Development Aid (CORDAID)</i>					
Biofuel Plantation Boom in Papua	01/08-12/10	485	-	95	95
		485	-	95	95
<i>Danish International Development Agency (DANIDA)</i>					
Tropical Forests Poverty Alleviation	08/07-12/10	237	13	129	142
		237	13	129	142
<i>European Commission</i>					
Rehabilitation and Re-dynamization of the Research Station of I'IRET with Makokou/Ipasa	01/02-12/08	921	918	3	921
Feeding China's Expanding Demand for Wood Pulp: A Diagnostic Assessment of Plantation Development, Fiber Supply, and Impacts	05/03-open	544	476	(48)	428
Tropical Forests and Climate Change Adaptation	03/05-08/09	3,973	2,059	1,188	3,247
Forest Management by Small Farmers in the Amazon	02/05-01/09	106	56	50	106
EFORWOOD - Tools for Sustainability Impact Assessment of the Forestry - Wood Chain	11/05-10/09	25	6	19	25
Establishment of A Forestry Research Network for Africa, Caribbean Pacific Countries	09/07-12/10	7,498	128	945	1,073
Forest Finance and Trade, Law Enforcement and Corporate Accountability – Asia	01/08-12/08	473	-	473	473
Forest Finance and Trade, Law Enforcement and Corporate Accountability - L.A.C.	01/08-12/08	66	-	66	66
Forest Finance and Trade, Law Enforcement and Corporate Accountability - A.C.P	01/08-12/08	179	-	179	179
		13,785	3,643	2,875	6,518
<i>Carried forward</i>		20,443	5,082	3,930	9,012

**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

Schedule 2/4

**SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS  
YEAR ENDED 31 DECEMBER 2008  
(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>		20,443	5,082	3,930	9,012
<i>Federal Office for the Environment (Switzerland - FOEN)</i>					
Forest Governance in Africa	01/07-open	110	15	67	82
		110	15	67	82
<i>Finland</i>					
Finnish Associate Expert Programme	09/04-02/08	232	223	9	232
Finnish Associate Expert Programme	11/06-12/08	195	115	74	189
The Role of Forests in Adaptation to and Mitigation of Climate Change	09/08-08/10	405	-	4	4
		832	338	87	425
<i>Food and Agriculture Organization of the United Nations (FAO)</i>					
The Realization of a Study Relating to the Socio-economic Context of the Use of the PFNL in Central Africa	02/06-open	6	5	1	6
Rehabilitation of Agricultural and Forestry Research in the Democratic Republic of Congo	03/07-03/10	1,357	87	534	621
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	38	86
Mobilization and Strengthening of Capacities of Small and Medium Size Enterprise Involved in Works on NTFP in Central Africa	12/07-03/09	135	-	62	62
Mobilization and Strengthening of Capacities of Small and Medium Size Enterprise Involved in Works on NTFP in Central Africa	11/08-03/09	70	-	29	29
		1,654	140	664	804
<i>Carried forward</i>		23,039	5,575	4,748	10,323

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Schedule 2/5

**SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS  
YEAR ENDED 31 DECEMBER 2008  
(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>		23,039	5,575	4,748	10,323
<i>Ford Foundation</i>					
Support to Young Professional Development and Leadership for Forestry Reform in Indonesia	04/02-07/09	415	365	17	382
Support to Strengthen the Operations of Grassroots Organizations in Latin America Focused on Natural Resources Management	09/02-07/09	430	400	24	424
Responsive Policy Research and Development for Sustainable Global Forest Rights Action Research	01/06-12/08	500	308	192	500
Learning to be Responsible: Addressing Social, Economic and Environmental Issues for Social Responsibility of Forest-based Businesses	06/06-07/09	500	165	170	335
Support to disseminate research and promote policy dialogue and learning exchange about community forestry in Guatemala and Nicaragua	07/08-06/09	30	-	26	26
		1,875	1,238	429	1,667
<i>German Agency for Technical Cooperation and German Federal Ministry for Economic Cooperation and Development (GTZ/BMZ)</i>					
Understanding and Reducing Barriers to Adaptation of Sustainable Forest Management Practices	07/03-12/08	282	278	4	282
Tropical Forest Climate Change and Vulnerability	11/06-10/09	284	93	91	184
Forest Governance Workshop Africa – Durban	01/07-01/08	44	34	10	44
Strengthening Rural Institutions to Support Livelihood Security for Smallholders Involved in Industrial Tree-planting Programs in Vietnam and Indonesia	01/08-12/10	1,000	-	404	404
		1,610	405	509	914
<i>Global Forest Watch (GFW)</i>					
The Interactive Forestry Atlas for Cameroon	05/06-open	5	5	(2)	3
The Interactive Forestry Atlas for Cameroon	11/06-open	7	4	(2)	2
		12	9	(4)	5
<i>Carried forward</i>		26,536	7,227	5,682	12,909

**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

Schedule 2/6

**SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS**

**YEAR ENDED 31 DECEMBER 2008**

(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>		26,536	7,227	5,682	12,909
<i>Indonesia</i>					
Development of Network - AFP	07/04-12/09	8	2	4	6
		8	2	4	6
<i>INIA (Spain)</i>					
Amazon Initiatives	03/05-12/09	180	77	27	104
Institutional Strengthening for Sustainable Resources	02/07-02/10	1,512	-	274	274
		1,692	77	301	378
<i>Innovative Resource Management (IRM)</i>					
Field Test COAIT - the Community					
Option Investment – Phase 1	04/03-open	12	8	4	12
Field Test COAIT - the Community					
Option Investment – Phase 2	08/03-open	17	6	11	17
Field Test COAIT - the Community					
Option Investment – Phase 3	10/03-open	10	11	(1)	10
		39	25	14	39
<i>International Centre for Research in Agroforestry (ICRAF)</i>					
Case Study on Reducing Emission from Deforestation (RED)-COP13	02/07-02/08	10	5	5	10
		10	5	5	10
<i>International Development Research Centre (IDRC)</i>					
Global Forest Rights Action Research	01/06-07/09	1,362	794	371	1,165
Consulting Contract Support Broadening					
IMFNS Diversity	12/06-12/08	9	8	1	9
Climate Change-Sub Sahara Africa	08/07-08/10	1,639	-	196	196
Promoting Participatory Action Research through Structured Learning on Climate Change Adaptation in Africa	04/08-04/11	101	-	30	30
		3,111	802	598	1,400
<i>International Food Policy Research Institute (IFPRI)</i>					
Renegotiating Livelihoods and Sustainability after Uganda's Forest Sector Governance Reform	08/06-08/08	35	30	5	35
		35	30	5	35
<i>International Fund for Agricultural Development (IFAD)</i>					
Forests that Benefit the Poor	04/04-06/08	900	827	73	900
		900	827	73	900
<i>Carried forward</i>		32,331	8,995	6,682	15,677

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Schedule 2/7

**SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS**

**YEAR ENDED 31 DECEMBER 2008**

(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>		32,331	8,995	6,682	15,677
<i>International Institute for Environment and Development (IIED)</i>					
Forest Governance Learning Group	06/06-12/08	56	51	5	56
Compensation and Incentives for the Maintenance of Ecosystem Services: A Review of Current Knowledge and the Implications for the Norwegian Climate Forestry Initiative	01/08-12/09	36	-	31	31
		92	51	36	87
<i>International Institute of Tropical Agriculture (IITA)</i>					
ACM Activities in Cameroon	2003-open	25	20	(5)	15
NTFP Income Generation Poverty Reduction	04/07-05/08	14	6	8	14
		39	26	3	29
<i>International Tropical Timber Organization (ITTO)</i>					
The Bulungan Model Forest - Phase 2	01/03-open	809	795	11	806
		809	795	11	806
<i>Italy</i>					
Italian JPO	10/03-02/08	277	262	15	277
		277	262	15	277
<i>Japan</i>					
Rehabilitation of Degraded Tropical Forest Ecosystem	04/95-03/08	3,904	3,897	7	3,904
Asia Forest Partnership (AFP) - Phase 2	01/05-open	80	58	8	66
Sustainable Utilization of Diverse Forest Environmental Benefits	01/06-06/09	500	235	208	443
Supporting Partnership for the Promotion of Sustainable Forest Supporting Partnership for the Promotion of Sustainable Forest Management in Asia	01/06-open	71	68	1	69
		4,555	4,258	224	4,482
<i>Korea</i>					
A study on the Policy Analysis of Forest Carbon	01/07-05/09	300	106	152	258
		300	106	152	258
<i>Carried forward</i>		38,403	14,493	7,123	21,616

**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

Schedule 2/8

**SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS  
YEAR ENDED 31 DECEMBER 2008  
(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>		38,403	14,493	7,123	21,616
<i>The John D. and Catherine T. MacArthur Foundation</i>					
Capacity Building to Improved Biodiversity Conservation and Human Well-being in East Asia	06/06-open	200	47	58	105
Gathering, Analyzing, Exchanging and Disseminating Information Relating to Promoting and Enhancing Sustained Biodiversity Conservation and Other Environment Services in Ecuador and Colombia	01/07-12/09	250	69	94	163
		450	116	152	268
<i>National Central University</i>					
Hydrological Processes in Response to the Human-Induced Climate and Hydrological Processes in Response to the Human-Induced Climate and	05/07-06/08	16	-	16	16
		16	-	16	16
<i>Netherlands</i>					
Dutch Associate Expert Programme	07/02-10/10	3,312	2,326	449	2,775
Forest Partnership	08/04-08/10	479	258	(2)	256
FLEGT and Illegal Logging in Cameroon and Gabon	01/08-12/09	472	-	161	161
		4,263	2,584	608	3,192
<i>Netherlands Development Organization (SNV)</i>					
The Congo Basin Forest and Water Management Program	04/05-open	9	7	1	8
		9	7	1	8
<i>Norway</i>					
International Cooperation for Helping Countries Facing an illegal Logging Crisis	01/07-12/09	562	115	164	279
REDD Publication for COP 14 in Poznan	10/08-03/09	221	0	132	132
		783	115	296	411
<i>Organisation Africaine du Bois (OAB)</i>					
Criteria and Indicators	04/04-open	9	6	3	9
		9	6	3	9
<i>Others</i>					
Forest Day Event – COP 13	01/07-open	59	81	(22)	59
Forest Day Event – COP 14	01/08-open	101	-	101	101
		160	81	79	160
<i>Carried forward</i>		44,093	17,402	8,278	25,680

**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

Schedule 2/9

**SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS  
YEAR ENDED 31 DECEMBER 2008  
(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>		44,093	17,402	8,278	25,680
<i>Overseas Development Institute (ODI)</i>					
The VERIFOR Project: Institutional Options for Verifying Legality in the Forest sector	02/05-01/09	329	117	54	171
		329	117	54	171
<i>Rights and Resources Group (RRG)</i>					
Funds for Security of Forest Access and Equity in Community Forestry and RRI Strategy Meeting for Burkina Faso	07/08-open	14	-	11	11
		14	-	11	11
<i>Sweden</i>					
Achieving The Millennium Development Goals in Africa Dry Forests: From Local Action to National Policy Reform	07/06-12/09	1,327	473	581	1,054
		1,327	473	581	1,054
<i>Sweden International Biodiversity Programme (SwedBio)</i>					
Changing the health worker's paradigm- riches from the forests	01/07-06/09	219	80	107	187
		219	80	107	187
<i>Swiss Agency for Environment, Forests and Landscape (SAEFL)</i>					
Workshop on Forest Governance and Decentralization in Asia	07/05-open	130	121	5	126
		130	121	5	126
<i>Switzerland</i>					
UNFF Intersessional Country Lead Initiative on "Decentralization, Federal Systems in Forestry and National Forestry Programs" Stakeholders and Biodiversity at the Local Level (Phase 3)	12/03-open	197	159	7	166
Biodiversity Platform	07/06-06/08	117	55	62	117
CIFOR Study for Sustainable Forest Management	07/07-05/10	740	82	160	242
	10/08-05/10	366	-	4	4
		1,420	296	233	529
<i>The David and Lucile Packard Foundation</i>					
Analyses of Alternative Policy Proposals for Inclusion of Reducing Emissions from Deforestation and Forest Degradation in the Post-2012 Global Climate Change Agreement	04/08-07/09	500	-	387	387
		500	-	387	387
<i>Carried forward</i>		48,032	18,489	9,656	28,145



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Schedule 2/10

**SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS  
YEAR ENDED 31 DECEMBER 2008  
(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>		48,032	18,489	9,656	28,145
<i>The Tinker Foundation Incorporated</i>					
Valuable and Vulnerable: Promoting Local Innovations and Sustainable Trade of Forest Goods in the Brazilian Amazon	06/06-12/08	127	57	70	127
		127	57	70	127
<i>Tropical Forest Foundation (TFF)</i>					
Sustainable Forest Management/Reduced Impact Harvesting Practices	01/00-12/08	848	747	101	848
		848	747	101	848
<i>United Kingdom – Department for International Development (DFID)</i>					
Developing Participatory Monitoring and Evaluation Framework for FESP (Forest and Environment Sectorial Program) in Cameroon	10/02-open	38	28	(2)	26
Tropical Forests in Poverty Alleviation: From Household Data to Global Comparative Analysis	01/08-12/10	819	-	218	218
To Support the Asia Forest Partnership Secretariat Jan-Mar 2008 and Contribution for Preparations for the AFP Event at the APFC Forestry Week	01/08-03/08	47	-	47	47
DFID Support for A Senior Scientist to Focus on Climate Change and Forests at CIFOR	01/08-03/11	1,134	-	76	76
		2,038	28	339	367
<i>United Nations Environment Programme (UNEP)</i>					
Improved Certification Schemes for Sustainable Tropical Forest Management	05/05-12/09	962	572	182	754
		962	572	182	754
<i>United Nations Institute for Training and Research (UNITAR)</i>					
Consultation and Review the 3-year Programme/Budget Proposed by CIFOR on the Occasion of the UNFCCC SB Meeting in Bonn	06/08	7	-	7	7
		7	-	7	7
<i>Carried forward</i>		52,014	19,893	10,355	30,248

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Schedule 2/11

**SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS  
YEAR ENDED 31 DECEMBER 2008  
(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>		52,014	19,893	10,355	30,248
<i>USA</i>					
Decentralization, Reforms and Property Rights	01/06-09/09	120	71	20	91
Landscape Management for Improved Livelihoods in Guinea - Phase 2	11/07-09/09	421	257	88	345
Adjusting Forestry Programs to Emerging Climate Change	10/07-09/09	484	-	106	106
LAMIL (Guinea/Sierra Leone Transboundary Biodiversity and Conservation Programme)	01/08-09/09	382	-	146	146
		1,407	328	360	688
<i>University of Freiburg</i>					
Forest Fire Management in India: Integrating Ecological and Cultural Contexts and Consequences	02/08-07/09	22	-	8	8
		22	-	8	8
<i>University of Wisconsin</i>					
Assets and Market Access Collaborative Research Support (Tropical Forests Poverty Alleviation)	01/07-09/08	99	-	11	11
		99	-	11	11
<i>Wageningen International</i>					
International Course on "Governance for Forest, Nature and People"	10/07-01/08	28	27	1	28
Governance for Forests, Nature and People	11/08-12/08	21	-	21	21
		49	27	22	49
<i>Wijma Douala S.A.R.L.</i>					
CSPA (Comites de Suivi du Plan d'Amenagement)	10/08-open	7	0	2	2
		7	0	2	2
<i>Women Organizing for Change in Agriculture and NRM (WOCAN)</i>					
WOCAN Coordinator for West and Central Africa Office	01/08-12/08	25	-	24	24
		25	-	24	24
<i>Carried forward</i>		53,623	20,248	10,782	31,030

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Schedule 2/12

**SUPPLEMENTARY SCHEDULE OF RESTRICTED GRANTS**

**YEAR ENDED 31 DECEMBER 2008**

(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>		53,623	20,248	10,782	31,030
<i>World Bank</i>					
Rehabilitation of CGIAR Global Public Goods (GPG)	03/03-12/08	480	482	(2)	480
Improving the Management of Miombo Woodlands	11/05-12/08	191	134	57	191
Forest Resource Access and Local Livelihoods Outcomes	04/06-03/08	118	62	56	118
Informal Institutions and Forests Governance	10/06-08/08	130	87	43	130
Forests and Post-Conflict Recovery in the Democratic Republic Congo Phase I	08/06-12/08	32	27	5	32
Forest and Post-Conflict Recovery in the Democratic Republic Congo Phase II	11/06-open	12	15	(5)	10
GEF Country Portfolio Evaluation:					
Cameroon	09/07-03/08	13	5	8	13
REDD Study 5 on Peatlands	11/07-06/08	150	60	90	150
Governance, Corruption and Forestry in East Asia and the Pacific Region	11/07-open	70	25	38	63
World Bank Study on Decentralized Forest Fiscality	02/08-open	115	-	46	46
Strengthening Amazon Initiative Consortium to Address the Need for Sustainable Resource Use Systems in the Amazon	02/08-04/08	14	-	14	14
		1,325	897	350	1,247
<i>International Union for Conservation of Nature (IUCN)</i>					
Listening, Learning and Sharing (LA) Livelihoods and Landscapes Strategy:					
Simulation Modelling of LLS Landscape	04/08-12/10	99	-	85	85
Implementation of LLS project in the Sangha Tri-National Park (TNS)	01/08-12/09	32	-	27	27
		167	30	118	148
<i>World Wide Fund for Nature (WWF)</i>					
Supporting Partnership for the Promotion of Sustainable Forest Management in Asia	01/06-12/09	20	8	(1)	7
Support to Implementation of the Action Plan for the Progress Toward Credible Certification in Central Africa	06/07-12/08	30	23	6	29
		50	31	5	36
<b>Total</b>		55,165	21,206	11,255	32,461

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Schedule 3

**SUPPLEMENTARY COMPUTATION OF INDIRECT EXPENSE RATIOS  
YEARS ENDED 31 DECEMBER 2008 AND 2007  
(In thousands of US Dollar)**

	<u>2008</u>	<u>2007</u>
<b>Direct operating expenses</b>		
Research	15,922	13,386
Research support	1,369	1,250
Operations	348	310
Sub-total	<u>17,639</u>	<u>14,946</u>
Less: Overhead recovery	<u>(1,056)</u>	<u>(890)</u>
Total	<u>16,583</u>	<u>14,056</u>
<b>Indirect operating expenses</b>		
Management	2,813	2,421
Common sustenance services	<u>510</u>	<u>401</u>
Total	<u>3,323</u>	<u>2,822</u>
<b>Total operating expenses</b>	<u>19,906</u>	<u>16,878</u>
<b>Cost ratio</b>		
Direct expenses/Total expenses	83%	83%
Indirect expenses/Total expenses	17%	17%
Indirect expenses/Direct expenses	20%	20%

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).



