



Center for International Forestry Research

Financial statements

Years ended 31 December 2010 and 2009

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

FINANCIAL STATEMENTS

31 DECEMBER 2010 AND 2009

Statement of the Board Chair 2010

Financial Position

CIFOR has continued to grow in 2010 as in the past few years and has recorded total revenues of US\$ 27.15 million and total expenditures of US\$ 24.93 million resulting in an operating surplus of US\$ 2.22 million.

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. The Center projects continuing growth in 2011 and intends to maintain the financial indicators 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 Management and Board 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.

CIFOR Board and Management continue to monitor the developments of the change process within the CGIAR and review and monitor the risks specific to CIFOR taking on the role as Lead Center for the CGIAR Research Program on Forests, Agroforestry and Trees (CRP6).

Research:

We dedicated considerable energy this year to complete the submission of the CRP6 proposal that was finally unconditionally accepted during the April 2011 Fund Council meeting.

We have continued developing our global comparative research agendas for each of our six research domains. Some of the research (like the PEN project) will see an end in 2011, some are ongoing (like the large Global Comparative Study on REDD) or

have started (like the domestic timber project PRO-FORMAL) while others are still in proposal phase with good chances of funding.

Despite the competing demands on staff time by external requests like CRP6 and by fundraising needs, CIFOR scientists have maintained their scientific productivity, and continue to publish articles in top journals (83 ISI indexed papers in 2010). We also produced several special issues and edited volumes. CIFOR produced more than 340 publications in 2010. We organized, co-organized, and attended more than 30 important international events culminating in Forest Day 4 in Cancun. We managed to maintain a balance between the classical research journal papers that maintain our credibility and specific publications targeted to a wider practitioner audience. For example, our book "Realising REDD+: National strategy and policy options" launched in December 2009, has been downloaded about 15,000 times in 2010.

We continue being the "go to place" about forests and climate change. Forest Day 4, held in Cancun alongside the UN Climate Change Conference in cooperation with the Government of Mexico and members of the Collaborative Partnership on Forests, was attended by more than 1500 stakeholders, including 250 UNFCCC negotiators. We are becoming the "go to place" in terms of informal domestic timber sector and its importance for sustainability and policy processes like Voluntary Partnership Agreement, thanks to the pioneering work in the Congo Basin now extended to the other tropical regions in the PRO-FORMAL project.

Our research translated into significant outcomes in 2010. Our work on domestic timber in Cameroon has helped inform that country's Voluntary Partnership Agreement negotiations with the EC, and design a reformed national forest framework which acknowledges the importance of the informal timber sector. CIFOR's leadership in capacity strengthening has resulted in a ten-fold increase in the Democratic Republic of Congo's forest research capacity. The development of new forest certification tools by CIFOR led to the formal approval by the Forest Stewardship Council of new national standards for forest management in Cameroon, Brazil and Mexico. CIFOR's research informed and influenced one of the first projects approved globally by the United Nation's Framework Convention on Climate Change's Adaptation Fund Board.

Board of Trustees

The full Board of Trustees and its committees met twice in 2010 – in April and November 2010.

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



Hosny El-Lakany
Chair, Board of Trustees

14 April 2011

**MANAGEMENT STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2010 AND 2009
AND FOR THE YEARS THEN ENDED**

The accompanying financial statements of the Center for International Forestry Research (CIFOR) are the responsibility of management and have been prepared in accordance with the Consultative Group on International Agricultural Research (CGIAR) Financial Guidelines Series No.2 - CGIAR Accounting Policies and Reporting Practices Manual. CIFOR management is responsible for the substance and objectivity of the information contained therein.

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 authorisation.

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 special purpose 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 and Administration

BOGOR
10 May 2011

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

**FINANCIAL STATEMENTS
31 DECEMBER 2010 AND 2009**

CONTENTS

	Page
INDEPENDENTS AUDITORS' REPORT	
STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2010 AND 2009	1
STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009	2
STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009	3
STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009	4
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009	5 - 12
SUPPLEMENTARY SCHEDULE OF GRANTS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009	13 - 15
SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS FOR THE YEAR ENDED 31 DECEMBER 2010	16 - 23
SUPPLEMENTARY SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009	24
SUPPLEMENTARY COMPUTATION OF INDIRECT EXPENSE RATIO FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009	25



**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF TRUSTEES OF**

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

Report on the Financial Statements

We have audited the accompanying financial statements of the Center for International Forestry Research (CIFOR) as at 31 December 2010 and 2009, which comprise statements of financial position as at 31 December 2010 and 2009 and the related statements of activities, changes in net assets and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared in accordance with the Consultative Group on International Agricultural Research (CGIAR) Financial Guidelines Series No.2 - CGIAR Accounting Policies and Reporting Practices Manual as set out in Note 2 to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these financial statements in accordance with the Consultative Group on International Agricultural Research (CGIAR) Financial Guidelines Series No.2 - CGIAR Accounting Policies and Reporting Practices Manual as described in Note 2 to the financial statements. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements of CIFOR present fairly, in all material respects, the statements of financial position as at 31 December 2010 and 2009, and the related statements of activities and cash flows for the years then ended in accordance with the Consultative Group on International Agricultural Research (CGIAR) Financial Guidelines Series No.2 - CGIAR Accounting Policies and Reporting Practices Manual as set out in Note 2 to the financial statements.

Kantor Akuntan Publik Tanudiredja, Wibisana & Rekan

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Restriction of use

The accompanying financial statements are prepared in accordance with the Consultative Group on International Agricultural Research (CGIAR) Financial Guidelines Series No.2 - CGIAR Accounting Policies and Reporting Practices Manual as set out in Note 2 to the financial statements and this report is intended solely for use by the Board of Trustees and Management of CIFOR and Consultative Group on International Agricultural Research (CGIAR) Centers and should not be used for any other purpose.

JAKARTA
10 May 2011

A handwritten signature in blue ink, appearing to read 'Drs. Muhammad Jusuf Wibisana', written in a cursive style.

Drs. Muhammad Jusuf Wibisana, M.Ec., CPA
License of Public Accountant No. 98.1.0189

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010 AND 2009

(Expressed in thousands of US Dollar)

	Notes	2010	2009
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	17,033	17,474
Short-term time deposits	4	4,354	7,525
Account receivables:			
- Donors	5	6,398	3,700
- Employees		346	469
- Others	6	976	1,287
Prepaid expenses		443	427
Total current assets		<u>29,550</u>	<u>30,882</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,082	1,945
Other assets	8	1,688	1,387
Total non-current assets		<u>3,770</u>	<u>3,332</u>
TOTAL ASSETS		<u><u>33,320</u></u>	<u><u>34,214</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Account payables:			
- Donors	5	11,785	15,404
- Employees		202	164
- Others		261	126
Accrued expenses	10	1,546	2,150
Total current liabilities		<u>13,794</u>	<u>17,844</u>
NON-CURRENT LIABILITIES			
Employee benefits obligations	9	4,414	3,515
Accrued expenses - non-current portion	10	350	319
Total non-current liabilities		<u>4,764</u>	<u>3,834</u>
NET ASSETS			
Unrestricted:			
- Undesignated	13	11,159	9,533
- Designated	13	3,603	3,003
Total net assets		<u>14,762</u>	<u>12,536</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>33,320</u></u>	<u><u>34,214</u></u>

The financial statements have been approved by the Board of Trustees and were signed on its behalf by:



Frances Seymour
Director General



Kumar Tumuluru
Director Finance and Administration

The accompanying notes form an integral part of these financial statements.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009**

(Expressed in thousands of US Dollar)

	Notes	2010			2009
		Unrestricted	Restricted	Total	Total
REVENUES					
- Grant revenues	5	11,511	15,475	26,986	23,591
- Other revenues	11	165	-	165	261
Total revenues		<u>11,676</u>	<u>15,475</u>	<u>27,151</u>	<u>23,852</u>
EXPENSES					
- Program related expenses	12	5,446	15,475	20,921	19,037
- Management and general expenses		5,496	-	5,496	5,093
		10,942	15,475	26,417	24,130
Indirect expense recovery		(1,492)	-	(1,492)	(1,485)
Total expenses		<u>9,450</u>	<u>15,475</u>	<u>24,925</u>	<u>22,645</u>
CHANGES IN NET ASSETS		<u>2,226</u>	<u>-</u>	<u>2,226</u>	<u>1,207</u>
SUPPLEMENTARY SCHEDULE OF EXPENSES - CLASSIFIED BY NATURE OF EXPENSES					
Personnel costs		5,748	4,662	10,410	9,429
Supplies and services		3,441	4,807	8,248	6,971
Partnership activities		534	4,830	5,364	5,446
Operational travel		772	1,083	1,855	1,698
Depreciation of property, plant and equipment		447	93	540	586
Indirect expense recovery		(1,492)	-	(1,492)	(1,485)
Total expenses		<u>9,450</u>	<u>15,475</u>	<u>24,925</u>	<u>22,645</u>

The accompanying notes form an integral part of these financial statements.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

**STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009**

(Expressed in thousands of US Dollar)

		Undesignated	Invested in property, plant and equipment	Designated Reserve for replacement of property, plant and equipment	Total designated	Total
	Notes	Undesignated	Invested in property, plant and equipment	Designated Reserve for replacement of property, plant and equipment	Total designated	Total
Balance as at 31 December 2008		8,326	1,897	1,106	3,003	11,329
Depreciation for the year ended 31 December 2009	7	-	(586)	586	-	-
Additions of property, plant and equipment during the year ended 31 December 2009	7	-	709	(709)	-	-
Net book value of disposals of property plant and equipment during the year ended 31 December 2009	7	-	(75)	75	-	-
Changes in net assets for the year ended 31 December 2009		<u>1,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,207</u>
Balance as at 31 December 2009		9,533	1,945	1,058	3,003	12,536
Appropriation from Undesignated to designated	13	(600)	-	600	600	-
Depreciation for the year ended 31 December 2010	7	-	(540)	540	-	-
Additions of property, plant and equipment during the year ended 31 December 2010	7	-	696	(696)	-	-
Net book value of disposals of property plant and equipment during the year ended 31 December 2010	7	-	(19)	19	-	-
Changes in net assets for the year ended 31 December 2010		<u>2,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,226</u>
Balance as at 31 December 2010		<u>11,159</u>	<u>2,082</u>	<u>1,521</u>	<u>3,603</u>	<u>14,762</u>

The accompanying notes form an integral part of these financial statements.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009**

(Expressed in thousands of US Dollar)

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
Cash flows from operating activities			
Changes in net assets		2,226	1,207
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
- Depreciation	7	540	586
- Gain/(loss) on the disposal of property, plant and equipment		(64)	1
- Allowance for doubtful accounts		<u>64</u>	<u>(67)</u>
Operating cash flows before changes in assets and liabilities		2,766	1,727
Changes in assets and liabilities:			
- Account receivables			
- Donors		(2,762)	(1,121)
- Employees		123	(80)
- Others		311	(371)
- Prepaid expenses		(16)	95
- Other assets		(301)	(352)
- Account payables			
- Donors		(3,619)	9,319
- Employees		38	49
- Others		135	14
- Accrued expenses		(573)	892
- Employee benefits obligations		899	508
Withdrawal/(placement) of short-term time deposits		<u>3,171</u>	<u>725</u>
Net cash provided by operating activities		<u>172</u>	<u>11,405</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	7	(696)	(709)
Proceeds from the disposal of property, plant and equipment		<u>83</u>	<u>74</u>
Net cash used in investing activities		<u>(613)</u>	<u>(635)</u>
Net (decrease)/increase in cash and cash equivalents		(441)	10,770
Cash and cash equivalents, beginning of the year		<u>17,474</u>	<u>6,704</u>
Cash and cash equivalents, end of the year		<u><u>17,033</u></u>	<u><u>17,474</u></u>

The accompanying notes form an integral part of these financial statements.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009 (Expressed in thousands of US Dollar)

1. GENERAL

The Center for International Forestry Research (“CIFOR”) was established on 5 March 1993 in Canberra, Australia. CIFOR is operating as 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 advance human wellbeing, environmental conservation and equity by conducting research to inform policies and practices that affect forests in developing countries.

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.

As at 31 December 2010 and 2009, the members of the Board of Trustees were as follows:

	<u>2010</u>	<u>2009</u>
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. Benchaphun Ekasingh
Members	: Dr. Jurgen Blaser Dr. Ir. Tachrir Fathoni Ms. Frances Seymour Prof. em. Eric Tollens Ms. Claudia Martinez Prof. Hosny El-Lakany Ms. Nancy Andrews Dr. Idah Pswarayi-Riddihough Prof. Linxiu Zhang	Dr. Jurgen Blaser Dr. Ir. Tachrir Fathoni Ms. Frances Seymour Dr. Lynn Haight Ms. Claudia Martinez Prof. Hosny El-Lakany Ms. Nancy Andrews Dr. Idah Pswarayi Riddihough

As at 31 December 2010, CIFOR had 183 employees (2009: 171 employees).

The financial statements were authorized for issuance by the Board of Trustees on 10 May 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies adopted by CIFOR are in accordance with the Consultative Group on International Agricultural Research (CGIAR) Financial Guidelines Series No.2 - CGIAR Accounting Policies and Reporting Practices Manual, which are generally in substance similar to the accounting principles generally accepted in Indonesia and the financial statements are presented in conformity with the Statements of Financial Accounting Standards No. 45 “Financial Reporting of Non - Profit Organizations”.

The significant accounting policies, consistently applied in the preparation of the financial statements for the years ended 31 December 2010 and 2009, were as follows:

a. Basis of 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.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009 (Expressed in thousands of US Dollar)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Basis of preparation of the financial statements (continued)

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 grant:

Unrestricted grant revenues are grants received that are not restricted by donors (unconditional) and may be used for the purposes specified in CIFOR's articles of association. Unrestricted grants are recognised 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 grant:

Restricted grant revenues 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.

c. Account receivables from donor

Unrestricted grant:

Receivables from unrestricted grants will be recognised in the period in which the grants have been committed by the donor and the collection is probable.

Restricted grant:

Receivables from restricted grants will be recognised as the collection is probable and in accordance with the terms of the underlying contract.

d. Account payables to donor

These include grants received from donors for which conditions are not yet met and amounts payable to donors in respect of any unexpended funds received in advance for restricted grants.

e. Expenses

Expenses are recognized in the statement of activities as incurred. The expenses are classified by the function and the nature of expenses.

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 FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

(Expressed in thousands of US Dollar)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. 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:

	<u>Years</u>
Infrastructure and leasehold improvements	25
Furnishing and equipment:	
- Heavy equipment	7
- Office furniture and equipment	5
- Computers	3
- Vehicles	4 - 5

Property, plant and equipment acquired through the use of grants restricted for certain projects are recorded as assets. Such assets are to be credited to the appropriate restricted projects in the year of assets acquisition.

g. Net assets

Net assets are the residual interest in CIFOR's assets remaining after liabilities are deducted. These are classified as either undesignated or designated.

- Undesignated - that part of net assets that is not designated by CIFOR's management for specific purpose.
- Designated - that part of net assets that have been appropriated by the Board of Trustees for specific purposes such as capital build-up reserve for replacement of property, plant and equipment. Designated net assets are identified on an annual basis by the Board of Trustees.

h. Foreign currency transactions

Transactions denominated in currencies other than USD are converted in to 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 2010 and 2009, the rates used for the translation are as follows:

	<u>2010</u>	<u>2009</u>
Indonesian Rupiah 1,000	0.1112	0.1064
British Pound sterling 1	1.5430	1.6079
European Euro 1	1.3298	1.4372

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.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009**
(Expressed in thousands of US Dollar)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Use 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.

3. CASH AND CASH EQUIVALENTS

	<u>2010</u>	<u>2009</u>
Cash on hand	38	15
Cash in banks	10,118	11,091
Cash equivalents (time deposits with original maturities of three months or less)	<u>6,877</u>	<u>6,368</u>
	<u>17,033</u>	<u>17,474</u>

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 2010 ranged from 0.26% to 0.46% (2009: 0.12% to 1.20%).

5. GRANTS

	<u>2010</u>						<u>2009</u>
	<u>Beginning balance</u>		<u>Revenue from</u>	<u>Fund</u>	<u>Ending balance</u>		<u>Revenue from</u>
	<u>A/R</u>	<u>A/P</u>	<u>Grants</u>	<u>received</u>	<u>A/R</u>	<u>A/P</u>	<u>Grants</u>
Unrestricted	1,970	1,244	11,511	6,883	5,354	-	9,709
Restricted	<u>1,730</u>	<u>14,160</u>	<u>15,475</u>	<u>13,722</u>	<u>1,108</u>	<u>11,785</u>	<u>13,882</u>
	3,700	15,404	26,986	20,605	6,462	11,785	23,591
Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>64</u>	<u>(64)</u>	<u>-</u>	<u>-</u>
	<u>3,700</u>	<u>15,404</u>	<u>26,986</u>	<u>20,669</u>	<u>6,398</u>	<u>11,785</u>	<u>23,591</u>

For the detail of grants, please refer to the Supplementary Schedule of Grants (Exhibit 1) and Supplementary Schedule of Restricted Projects (Exhibit 2).

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
(Expressed in thousands of US Dollar)

6. ACCOUNTS RECEIVABLE OTHERS

	<u>2010</u>	<u>2009</u>
Advances to suppliers and consultants	572	574
Advances to partners	382	698
Interest receivables	<u>22</u>	<u>15</u>
	<u>976</u>	<u>1,287</u>

7. PROPERTY, PLANT AND EQUIPMENT

	<u>2010</u>				
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>	
Acquisition cost:					
Infrastructure and leasehold improvements	1,516	129	-	1,645	
Furnishing and equipment:					
- Heavy equipment	546	69	-	615	
- Office furniture and equipment	968	274	(10)	1,232	
- Computers	1,688	214	(122)	1,780	
- Vehicles	<u>1,219</u>	<u>10</u>	<u>(154)</u>	<u>1,075</u>	
	<u>5,937</u>	<u>696</u>	<u>(286)</u>	<u>6,347</u>	
Accumulated depreciation:					
Infrastructure and leasehold improvements	(663)	(58)	-	(721)	
Furnishing and equipment:					
- Heavy equipment	(203)	(63)	-	(266)	
- Office furniture and equipment	(864)	(97)	10	(951)	
- Computers	(1,416)	(181)	115	(1,482)	
- Vehicles	<u>(846)</u>	<u>(141)</u>	<u>142</u>	<u>(845)</u>	
	<u>(3,992)</u>	<u>(540)</u>	<u>267</u>	<u>(4,265)</u>	
Net book value	<u>1,945</u>	<u>156</u>	<u>(19)</u>	<u>2,082</u>	
	<u>2009</u>				
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Reclassification</u>	<u>Ending balance</u>
Acquisition cost:					
Infrastructure and leasehold improvements	1,755	54	(12)	(281)	1,516
Furnishing and equipment:					
- Heavy equipment	-	230	-	316	546
- Office furniture and equipment	913	58	(3)	-	968
- Computers	1,428	278	(18)	-	1,688
- Vehicles	<u>1,420</u>	<u>54</u>	<u>(255)</u>	<u>-</u>	<u>1,219</u>
	<u>5,516</u>	<u>674</u>	<u>(288)</u>	<u>35</u>	<u>5,937</u>
Property, plant and equipment under commissioning	<u>-</u>	<u>35</u>	<u>-</u>	<u>(35)</u>	<u>-</u>
	<u>5,516</u>	<u>709</u>	<u>(288)</u>	<u>-</u>	<u>5,937</u>

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009**
(Expressed in thousands of US Dollar)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

	2009				Ending balance
	Beginning balance	Additions	Disposals	Reclassification	
Accumulated depreciation:					
Infrastructure and leasehold improvements	(681)	(70)	1	87	(663)
Furnishing and equipment:					
- Heavy equipment	-	(116)	-	(87)	(203)
- Office furniture and equipment	(808)	(58)	2	-	(864)
- Computers	(1,241)	(191)	16	-	(1,416)
- Vehicles	(889)	(151)	194	-	(846)
	<u>(3,619)</u>	<u>(586)</u>	<u>213</u>	<u>-</u>	<u>(3,992)</u>
Net book value	<u>1,897</u>	<u>123</u>	<u>(75)</u>	<u>-</u>	<u>1,945</u>

In 2009, management reassessed the classification of assets and reclassified several types of assets with cost amounting to USD 281 that previously classified as infrastructure and leasehold improvements into heavy equipment. Because of this change of classification, the estimated useful lives of those assets also adjusted in order to reflect a more appropriate economical life. This change resulted in an increase of USD 94 in the 2009 depreciation expense, which is considered immaterial. The effect of this adjustment has been recognised in the statements of activities for the year ended 31 December 2009.

During 2010, the assets acquired through the use of restricted grants amounted to USD 93 (2009: USD 96), and have been charged to the related restricted projects. As of 31 December 2010, the total existing assets acquired through the use of restricted grants amounted to USD 596 (2009: USD 503).

8. OTHER ASSETS

	2010	2009
Funds separately invested for the provision of the Nationally Recruited Staff (NRS) provident fund	1,554	1,261
Others	134	126
	<u>1,688</u>	<u>1,387</u>

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 members as of 31 December 2010 was 112 (2009: 105 members). The costs of this program were USD 200 in 2010 (2009: USD 156).

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009**
(Expressed in thousands of US Dollar)

9. EMPLOYEE BENEFITS OBLIGATIONS

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

	<u>2010</u>	<u>2009</u>
Internationally recruited staff	1,616	1,172
Nationally recruited staff	<u>2,798</u>	<u>2,343</u>
	<u>4,414</u>	<u>3,515</u>

10. ACCRUED EXPENSES

	<u>2010</u>	<u>2009</u>
Supplies and services	1,335	1,642
Partnership activities	400	638
Personnel costs	<u>161</u>	<u>189</u>
	1,896	2,469
Non-current portion: Supplies and services	<u>(350)</u>	<u>(319)</u>
	<u>1,546</u>	<u>2,150</u>

11. OTHER REVENUES

	<u>2010</u>	<u>2009</u>
Interest income	52	158
Others	<u>113</u>	<u>103</u>
	<u>165</u>	<u>261</u>

12. EXPENSES

	<u>2010</u>		<u>2009</u>	
	<u>Program related expenses</u>	<u>Management and general expenses</u>	<u>Total</u>	<u>Total</u>
Unrestricted				
Personnel costs	2,871	2,877	5,748	4,809
Supplies and services	1,204	2,237	3,441	3,378
Partnership activities	475	59	534	707
Operational travel	509	263	772	864
Depreciation of property, plant and equipment	<u>387</u>	<u>60</u>	<u>447</u>	<u>490</u>
	5,446	5,496	10,942	10,248
Indirect expense recovery	<u>-</u>	<u>(1,492)</u>	<u>(1,492)</u>	<u>(1,485)</u>
	<u>5,446</u>	<u>4,004</u>	<u>9,450</u>	<u>8,763</u>
Restricted				
Personnel costs	4,662	-	4,662	4,620
Supplies and services	4,807	-	4,807	3,593
Partnership activities	4,830	-	4,830	4,739
Operational travel	1,083	-	1,083	834
Depreciation of property, plant and equipment	<u>93</u>	<u>-</u>	<u>93</u>	<u>96</u>
	<u>15,475</u>	<u>-</u>	<u>15,475</u>	<u>13,882</u>
	<u>20,921</u>	<u>4,004</u>	<u>24,925</u>	<u>22,645</u>

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009 (Expressed in thousands of US Dollar)

13. NET ASSETS

The account represented unrestricted net assets as follows:

	<u>2010</u>	<u>2009</u>
Undesignated-operating funds	11,159	9,533
Designated-invested in property, plant and equipment	2,082	1,945
Designated-reserve for replacement of property, plant and equipment	1,521	1,058
	<u>3,603</u>	<u>3,003</u>
	<u>14,762</u>	<u>12,536</u>

On 22 April 2010, the Board of Trustees approved the appropriation of USD 600 from the Operating Fund to the Capital Fund.

14. RECLASSIFICATION OF ACCOUNTS

Certain accounts in 2009 financial statements have been reclassified to conform with the presentation of accounts in the 2010 financial statements as follows:

	<u>Before reclassification</u>	<u>Reclassification</u>	<u>After reclassification</u>
Statements of financial position			
Account receivables			
- Employees	305	164	469
- Others	1,184	103	1,287
Total current assets	30,615	267	30,882
Account payables			
- Employees	-	(164)	(164)
- Others	(23)	(103)	(126)
Total current liabilities	(17,577)	(267)	(17,844)
Statements of cash flows			
Changes in assets and liabilities			
Accounts receivables			
- Employees	(31)	(49)	(80)
- Others	(303)	(68)	(371)
Account payables			
- Employees	-	49	49
- Others	(54)	68	14

The reclassification did not affect the total net assets as at 31 December 2009 and changes in net assets for the year ended 31 December 2009 as previously reported.

15. CONTINGENT LIABILITIES

CIFOR had no significant contingent liabilities as at 31 December 2010 and 2009.

**SUPPLEMENTARY SCHEDULE OF GRANTS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009**

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
Unrestricted					
Australia	418	-	-	418	242
Canada	-	489	-	489	466
China	-	10	-	10	10
Fidelity Charitable Gift Fund	5	-	-	5	5
Finland	-	984	-	984	1,078
France	119	-	-	119	132
Germany	276	-	-	276	385
Indonesia	-	-	-	-	100
Iran	9	-	-	9	10
Japan	-	-	-	-	17
Netherlands	2,151	55	-	2,206	1,351
Norway	-	1,387	-	1,387	1,178
Sweden	-	429	-	429	400
Switzerland	507	-	-	507	477
USA	-	2,000	-	2,000	1,000
United Kingdom	1,312	-	-	1,312	1,078
World Bank	1,360	-	-	1,360	1,780
Sub-total	6,157	5,354	-	11,511	9,709
Restricted					
African Development Bank (ADB)	-	82	-	82	-
Australian Agency for International Development (AusAID)	1,227	-	316	911	479
Australian Centre for International Agricultural Research (ACIAR)	524	-	185	339	248
Australian National University	22	15	-	37	49
Austrian Development Agency	575	-	283	292	23
Brazilian Agricultural Research Corporation (EMBRAPA)	41	-	40	1	-
Canada	82	-	22	60	67
French Agricultural Research Centre for International Development (CIRAD)	291	42	117	216	93
Centro Internacional de Agricultura Tropical	7	-	-	7	17
CGIAR Secretariat	229	-	37	192	76
Charles Stewart Mott Foundation	-	-	-	-	25
Chatham House	19	-	-	19	17
China	27	-	27	-	3
Christensen Family Foundation	9	-	-	9	24
ClimateWorks Foundation	495	-	495	-	-
Catholic Organisation for Relief and Development Aid (CORDAID)	86	53	-	139	180
Conservation International Foundation	16	-	1	15	-
Danish International Development Agency (DANIDA)	23	28	-	51	64
European Commission	9,256	216	5,837	3,635	3,357
Federal Office for the Environment (Switzerland - FOEN)	190	-	79	111	17
Finland	376	-	197	179	131
Food and Agriculture Organization of the United Nations (FAO)	(132)	192	3	57	894
	13,363	628	7,639	6,352	5,764

**SUPPLEMENTARY SCHEDULE OF GRANTS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009**

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
Ford Foundation	380	-	68	312	418
Forests Monitor	-	-	-	-	20
French Global Environment Facility (FFEM)	361	-	303	58	43
German Agency for International Cooperation and German Federal Ministry for Economic Cooperation and Development (GIZ/BMZ)	673	37	127	583	676
Indonesia	2	-	-	2	-
INIA (Spain)	1,027	14	564	477	307
International Network for Bamboo and Rattan	8	-	-	8	4
International Centre for Research in Agroforestry (ICRAF)	105	128	63	170	196
International Development Research Centre (IDRC)	732	-	235	497	616
International Food Policy Research Institute (IFPRI)	90	33	-	123	-
IFAR	1	-	-	1	10
International Tropical Timber Organization (ITTO)	-	-	-	-	6
Irish Aid	42	-	8	34	-
Japan	725	-	460	265	478
Korea	207	-	100	107	135
The John D. and Catherine T. MacArthur Foundation	2	-	-	2	180
The Nature Conservancy (TNC)	10	-	1	9	-
The United Nations Office on Drugs and Crime (UNODC)	70	-	25	45	-
National Forestry Development Agency (ANAFOR)	1	-	-	1	2
Netherlands	894	-	315	579	660
Norway	5,475	26	1,682	3,819	1,405
Others	299	-	46	253	106
Overseas Development Institute (ODI)	20	-	-	20	20
Regional Community Forestry Training Center for Asia and the Pacific	-	-	-	-	8
Rights and Resources Initiative	47	5	-	52	152
Remote Sensing Solutions GmbH	-	-	-	-	13
Sweden	9	-	-	9	403
Swedish International Biodiversity Programme (SwedBio)	-	-	-	-	39
Swedish University of Agricultural Sciences	3	-	-	3	53
Swiss Agency for Environment, Forests and Landscape (SAEFL)	-	-	-	-	5
Switzerland	535	69	6	598	346
The David and Lucile Packard Foundation	159	-	-	159	698
The Samdhana Institute	5	-	-	5	12
The U.S. Fish and Wildlife Service	50	20	34	36	18
United Kingdom - Department for International Development (DFID)	441	21	-	462	517
United Nations Environment Programme (UNEP)	30	-	-	30	222
United Nations Institute for Training and Research (UNITAR)	2	-	-	2	31
	<u>25,768</u>	<u>981</u>	<u>11,676</u>	<u>15,073</u>	<u>13,563</u>

**SUPPLEMENTARY SCHEDULE OF GRANTS
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009**

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
USA	230	6	64	172	124
United States Forest Service (USFS)	25	-	-	25	50
University of Freiburg	-	-	-	-	14
University of Gottingen	8	-	8	-	-
University of Wisconsin	13	-	23	(10)	18
Wageningen International	39	27	14	52	30
World Bank	56	94	-	150	7
International Union for Conservation of Nature (IUCN)	(3)	-	-	(3)	76
World Wide Fund for Nature (WWF)	16	-	-	16	-
Sub-total	26,152	1,108	11,785	15,475	13,882
Total	32,309	6,462	11,785	26,986	23,591

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

<u>Donors and projects</u>	<u>Grant period MM/YY</u>	<u>Grant pledged</u>	<u>Cumulative expenditures through prior year</u>	<u>Expenditures in current year</u>	<u>Total cumulative expenditures</u>
<i>African Development Bank (ADB)</i>					
Climate Change and Forests in the Congo Basin: Synergies between Adaptation and Mitigation (COBAM)	05/10-05/15	5,000	-	82	82
		5,000	-	82	82
<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	02/08-12/09	108	99	9	108
- REDD: Research to Support Design and Implementation	07/08-06/12	2,254	565	902	1,467
		2,362	664	911	1,575
<i>Australian Centre for International Agricultural Research (ACIAR)</i>					
- Improving Economics Outcomes for Smallholders Growing Teak in Agroforestry Systems in Indonesia	01/07-05/11	632	336	147	483
- Mahogany and Teak Furniture: Action Research to Improve Value Chain Efficiency and Enhance Livelihoods	06/08-05/13	687	183	192	375
		1,319	519	339	858
<i>Australian National University</i>					
- Improving Governance, Policy and Institutional Arrangements to Reduce Emissions from Deforestation and Degradation (REDD)	04/08-03/12	144	81	37	118
		144	81	37	118
<i>Austrian Development Agency</i>					
- Supporting Community Forestry to Improve Livelihoods and to Facilitate Sustainable Management of Dry Forests in Ethiopia	05/09-04/12	697	23	170	193
- Gender, Tenure and Community Forests in Uganda and Nicaragua	01/10-12/12	655	-	122	122
		1,352	23	292	315
<i>Brazilian Agricultural Research Corporation (EMBRAPA)</i>					
- Research Activities in Brazil	01/06-12/11	60	19	1	20
		60	19	1	20
<i>Canada</i>					
- Developing More Effective Methods for Assessing Conservation and Livelihoods Outcomes	04/08-03/11	279	128	60	188
		279	128	60	188
<i>French Agricultural Research Centre for International Development (CIRAD)</i>					
- FORAF in Central Africa	04/07-open	132	110	13	123
- Sustainable Management of Fuel Wood in DRC	02/09-01/13	262	61	130	191
- The Collaborative Land Use Planning and Sustainable Institutional Arrangements for Strengthening Land Tenure, Forest and Community Rights in Indonesia	03/10-02/14	839	-	73	73
		1,233	171	216	387

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

<u>Donors and projects</u>	<u>Grant period MM/YY</u>	<u>Grant pledged</u>	<u>Cumulative expenditures through prior year</u>	<u>Expenditures in current year</u>	<u>Total cumulative expenditures</u>
<i>Centro Internacional de Agricultura Tropical</i>					
- Amazon Initiative Ecoregional Program (AI-EP)	01/09-12/10	23	17	7	24
		23	17	7	24
<i>CGIAR Secretariat</i>					
- Shared Learning - Research Priority	01/07-01/10	30	29	1	30
- Scaling up Payments for Watershed Services (PWS)	11/08-06/10	63	52	11	63
- Mega Program Planning - MP 6 Development	08/10-open	218	-	180	180
		311	81	192	273
<i>Chatham House</i>					
- Measuring the Response to Illegal Logging	03/09-11/10	36	17	19	36
		36	17	19	36
<i>China</i>					
- Scientific visits to CIFOR for Chinese Scientists	03/09-open	40	3	-	3
		40	3	-	3
<i>Christensen Family Foundation</i>					
- Biofuel Plantation Boom in Papua	10/08-09/10	59	50	9	59
		59	50	9	59
<i>ClimateWorks Foundation</i>					
- Increasing REDD+ Literacy in Indonesia through Outreach and Capacity Building	11/10-10/11	415	-	-	-
- Two Forest Day Learning Events Alongside COP16 in Cancun, Mexico	11/10-10/11	80	-	-	-
		495	-	-	-
<i>Catholic Organisation for Relief and Development Aid (CORDAID)</i>					
- Biofuel Plantation Boom in Papua	01/08-05/11	529	275	139	414
		529	275	139	414
<i>Conservation International Foundation (CI)</i>					
- A Collaborative Land Use Planning in a Context of Climate Change in Indonesia	04/10-12/11	75	-	15	15
		75	-	15	15
<i>Danish International Development Agency (DANIDA)</i>					
- Tropical Forests Poverty Alleviation	08/07-06/11	237	206	51	257
		237	206	51	257
<i>European Commission</i>					
- EFORWOOD - Tools for Sustainability Impact Assessment of the Forestry - Wood Chain	11/05-10/10	20	39	(19)	20
- Establishment of a Forestry Research Network for Africa, Caribbean Pacific Countries	09/07-12/12	7,498	1,422	1,072	2,494
- Bio-energy, sustainability and trade offs: Can we avoid deforestation while promoting Bio-energy?	09/08-09/11	2,878	650	701	1,351
- REDD ALERT Reducing Emissions from Deforestation and Degradation through Alternative Landuses in Rainforests of the Tropics	05/09-04/12	139	-	92	92

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

<u>Donors and projects</u>	<u>Grant period MM/YY</u>	<u>Grant pledged</u>	<u>Cumulative expenditures through prior year</u>	<u>Expenditures in current year</u>	<u>Total cumulative expenditures</u>
- REFORCO (Appui a la Politique Nationale de Conservation et Gestion des Forets et de La Biodiversite en Republique Democratique du Congo)	10/09-09/13	6,295	-	562	562
- Forest Finance and Trade, Law Enforcement and Corporate Accountability – 2010	01/10-12/10	1,012	-	1,012	1,012
- New Ways to Value and Market Forest Externalities	01/10-12/13	388	-	45	45
- PRO-FORMAL: Policy and Regulatory Options to Recognise and Better Integrate the Domestic Timber Sector in Tropical Countries	07/10-07/13	3,600	-	170	170
		21,830	2,111	3,635	5,746
<i>Federal Office for the Environment (Switzerland - FOEN)</i>					
- Forest Governance in Africa	01/07-open	110	84	25	109
- Asia Forest Partnership REDD Bali 2009	05/09-open	30	15	15	30
- Forest Governance & REED Workshop in Mexico	10/09-open	140	-	71	71
- Switzerland's Financial Support to the Secretariat of the Asian Forest Partnership	11/10-open	10	-	-	-
		290	99	111	210
<i>Finland</i>					
- The Role of Forests in Adaption to and Mitigation of Climate Change	09/08-08/12	405	135	110	245
- Finnish JPO	06/10-05/12	210	-	69	69
		615	135	179	314
<i>Food and Agriculture Organization of the United Nations (FAO)</i>					
- Rehabilitation of Agricultural and Forestry Research in the Democratic Republic of Congo	03/07-11/10	1,444	1,465	(21)	1,444
- Mobilization and Strengthening of Capacities of Small and Medium Size Enterprise Involved in Works on NTFP in Central Africa	11/08-12/10	70	57	13	70
- Mobilization and Strengthening of Capacities of Small and Medium Size Enterprise Involved in Works on NTFP in Central Africa	07/09-12/10	75	6	50	56
- Mobilization and Strengthening of Capacities of Small and Medium Size Enterprise Involved in Works on NTFP in Central Africa	10/09-12/10	28	1	5	6
- Assessment of Multiple-Use Forest Management System-Congo Basin	10/09-04/10	15	2	10	12
		1,632	1,531	57	1,588
<i>Ford Foundation</i>					
- Research, Training and Information Exchange to Improve Formulation and Implementation of Natural Resources Policies in East Kalimantan and West Java	05/09-04/10	500	220	280	500
- Regional Workshop-Climate Change Policies & Rights in Latin America	04/10-03/11	100	-	32	32
		600	220	312	532
<i>French Global Environment Facility (FFEM)</i>					
- Support to the Sustainable Management of Forest in the Congo and Brazilian Amazon Basin	06/09-12/12	1,560	43	58	101
		1,560	43	58	101

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

<u>Donors and projects</u>	<u>Grant period MM/YY</u>	<u>Grant pledged</u>	<u>Cumulative expenditures through prior year</u>	<u>Expenditures in current year</u>	<u>Total cumulative expenditures</u>
<i>German Agency for International Cooperation and German Federal Ministry for Economic Cooperation and Development (GIZ/BMZ)</i>					
- Strengthening Rural Institutions to Support Livelihood Security for Smallholders Involved in Industrial Tree-Planting Programs in Vietnam and Indonesia	01/08-05/11	1,450	976	276	1,252
- Chinese Trade and Investment in Africa: Assessing and Governing Trade-Offs to National Economies, Local Livelihoods and Forest Ecosystems	03/10-08/11	792	-	307	307
		<u>2,242</u>	<u>976</u>	<u>583</u>	<u>1,559</u>
<i>Indonesia</i>					
- Development of Network - AFP	07/04-open	8	6	-	6
- Development of Network - AFP	01/08-open	8	-	2	2
		<u>16</u>	<u>6</u>	<u>2</u>	<u>8</u>
<i>INIA (Spain)</i>					
- Amazon Initiatives	03/05-12/10	192	137	55	192
- Institutional Strengthening for Sustainable Resources	02/07-11/11	1,512	549	422	971
		<u>1,704</u>	<u>686</u>	<u>477</u>	<u>1,163</u>
<i>International Network for Bamboo and Rattan</i>					
- Production to Consumption System (PCS) of Bamboo in Cameroon	10/09-02/10	12	4	8	12
		<u>12</u>	<u>4</u>	<u>8</u>	<u>12</u>
<i>International Centre for Research in Agroforestry (ICRAF)</i>					
- LAMIL (Guinea/Sierra Leone Transboundary Biodiversity and Conservation Programme	04/08-09/09	382	208	70	278
- Africa Bio-Carbon Initiative	07/09-03/10	203	100	78	178
- Carbon Benefits Project: Modeling, Measuring and Monitoring	08/09-03/12	196	34	22	56
		<u>781</u>	<u>342</u>	<u>170</u>	<u>512</u>
<i>International Development Research Centre (IDRC)</i>					
- Global Forest Rights Action Research	01/06-01/10	1,514	1,512	2	1,514
- Climate Change-Sub Sahara Africa	07/08-06/11	1,639	443	453	896
- Promoting Participatory Action Research through Structured Learning on Climate Change Adaptation in Africa	04/08-07/10	101	52	42	94
		<u>3,254</u>	<u>2,007</u>	<u>497</u>	<u>2,504</u>
<i>International Food Policy Research Institute (IFPRI)</i>					
- Project Biofuels Development, Local Resource Rights and Governance in Africa and Asia	08/09-09/11	150	-	123	123
		<u>150</u>	<u>-</u>	<u>123</u>	<u>123</u>
<i>IFAR</i>					
- A Real Agroforestry symbiosis from Shifting Cultivation and its Evolution Towards Stable Continuous Agroforestry in the Upland of Eastern Bangladesh	06/09-01/10	11	10	1	11
		<u>11</u>	<u>10</u>	<u>1</u>	<u>11</u>
<i>Irish Aid</i>					
- Smallholder Woodlots and Community Forestry for Livelihoods and Environmental Resilience in Ethiopia	11/09-11/10	37	-	34	34
		<u>37</u>	<u>-</u>	<u>34</u>	<u>34</u>

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

<u>Donors and projects</u>	<u>Grant period MM/YY</u>	<u>Grant pledged</u>	<u>Cumulative expenditures through prior year</u>	<u>Expenditures in current year</u>	<u>Total cumulative expenditures</u>
<i>Japan</i>					
- Asia Forest Partnership (AFP) - Phase 2	01/05-open	80	72	1	73
- Sustainable Utilization of Diverse Forest Environmental Benefits	01/06-06/11	1,336	875	239	1,114
- Meeting of Asia Forest Partnership (AFP9)	01/10-open	40	-	25	25
- Evaluating Ecosystem Services for Sustainable Forest Management and Conservation of Biodiversity in and around Protected Area.	01/10-03/13	645	-	-	-
		2,101	947	265	1,212
<i>Korea</i>					
- A study in the Policy Analysis of Forest Carbon	06/07-09/10	383	393	(10)	383
- Korea Attribution	01/10-12/12	467	-	117	117
		850	393	107	500
<i>The John D. and Catherine T. MacArthur Foundation</i>					
- Gathering, Analyzing, Exchanging and Disseminating Information Relating to Promoting and Enhancing Sustained Biodiversity Conservation and Other Environment Services in Ecuador and Colombia	01/07-01/10	250	249	2	251
		250	249	2	251
<i>The Nature Conservancy (TNC)</i>					
- The 9th Meeting of AFP	07/10-open	25	-	9	9
		25	-	9	9
<i>The United Nations Office on Drugs and Crime (UNODC)</i>					
- Policies and Measures Relating to REDD+ Objectives, Including Enforcement Measures, to Reduce Illegal Logging and Corruption and Fraud	05/10-03/11	150	-	45	45
		150	-	45	45
<i>National Forestry Development Agency (ANAFOR)</i>					
- Review of Legal/Regulations Framework of the Implementation of CITES Provisions Related to the Management of Pericopsis elata (Assamela) in Cameroon	02/09-06/09	3	2	1	3
		3	2	1	3
<i>Netherlands</i>					
- Dutch Associate Expert Programme	07/02-12/12	5,357	3,305	449	3,754
- FLEG and Illegal Logging in Cameroon and Gabon	01/08-04/10	420	291	130	421
		5,777	3,596	579	4,175
<i>Norway</i>					
- International Cooperation for Helping Countries Facing an Illegal Logging Crisis	01/07-12/10	610	430	112	542
- The FLEG Study in Guyana	05/09-08/09	25	19	3	22
- Learning from REED: A Global Comparative Analysis	06/09-08/10	3,348	1,132	2,216	3,348
- Y2-Y4 Learning from REDD: A Global Comparative Analysis	06/10-05/13	10,194	-	1,488	1,488
		14,177	1,581	3,819	5,400
<i>Others</i>					
- Forest Day Event - COP 15	11/09-12/09	108	108	5	113
- Forest Day Event - COP 16	09/10-open	247	-	248	248
		355	108	253	361

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

<u>Donors and projects</u>	<u>Grant period MM/YY</u>	<u>Grant pledged</u>	<u>Cumulative expenditures through prior year</u>	<u>Expenditures in current year</u>	<u>Total cumulative expenditures</u>
<i>Overseas Development Institute (ODI)</i>					
- The VERIFOR Project: Institutional Options for Verifying Legality in the Forest Sector	02/05-10/10	329	191	20	211
		329	191	20	211
<i>Rights and Resources Initiative</i>					
- Alternative Tenure and Enterprise Models in Bolivia	11/08-01/10	133	137	(1)	136
- Political and Legal Analysis Meeting of Local Communities Right Delivered from Cameroon Laws	08/09-01/10	27	15	5	20
- Analysis on Obstacles of User Rights & Community Forest Exploitation	03/10-05/10	25	-	17	17
- Coordinating Services for RRI-Cameroon Coalition	04/10-09/10	21	-	15	15
- Influence of Gender and Tenure Regimes on the Management and Livelihood Value of Non-Timber Forest Products in Burkina Faso	03/10-11/10	17	-	16	16
		223	152	52	204
<i>Sweden</i>					
- Achieving the Millennium Development Goals in Africa Dry Forests: From Local Action to National Policy Reform	07/06-01/10	1,466	1,457	9	1,466
		1,466	1,457	9	1,466
<i>Swedish University of Agriculture Sciences</i>					
- Beyond the Tress - Seeing the Variation in South East Asia's Rainforests	11/08-01/10	50	42	3	45
		50	42	3	45
<i>Switzerland</i>					
- UNFF Intercessional Country Lead Initiative on "Decentralization, Federal Systems in Forestry and National Forestry Programs"	01/04-open	197	178	14	192
- Biodiversity Platform	07/07-12/10	740	359	384	743
- AFP Information	11/07-open	10	6	9	15
- CIFOR Study for Sustainable Forest Management Site	10/08-12/10	406	215	191	406
		1,353	758	598	1,356
<i>The David and Lucile Packard Foundation</i>					
- REDD Implementation in Indonesia	12/08-09/10	238	179	59	238
- REDD in Developing Countries (GLOBAL)	12/08-02/10	498	398	100	498
		736	577	159	736
<i>The Samdhana Institute</i>					
- Multidisciplinary Landscape Assessment (MLA) Training to the Philippines Partners	05/10-07/10	6	-	5	5
		6	-	5	5
<i>The U.S. Fish and Wildlife Service</i>					
- Saving the Remaining Orangutan Population and their Habitat within and Surrounding Danau Sentarum National Park	05/09-05/11	59	18	18	36
- Assessing the Population Status and Conservation Threats to the Chimpanzee (Pan Troglodytes Verus) Population in Three Pilot Transboundary Forest Sites in the Republic of Guinea	04/09-03/11	50	-	18	18
- Saving the Remaining Orangutan Population and Their Habitat within and Surrounding the Danau Sentarum National Park, Indonesia	09/10-10/12	57	-	-	-
		166	18	36	54

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

<u>Donors and projects</u>	<u>Grant period MM/YY</u>	<u>Grant pledged</u>	<u>Cumulative expenditures through prior year</u>	<u>Expenditures in current year</u>	<u>Total cumulative expenditures</u>
<i>United Kingdom - Department for International Development (DFID)</i>					
- Tropical Forest in Poverty Alleviation: From Household Data to Global Comparative Analysis	01/08-06/11	819	439	263	702
- DFID Support for a Senior Scientist to Focus on Climate Change and Forest at CIFOR	01/08-03/13	1,134	372	199	571
		1,953	811	462	1,273
<i>United Nations Environment Programme (UNEP)</i>					
- Improved Certification Schemes for Sustainable Tropical Forests Management	05/05-06/10	962	920	30	950
		962	920	30	950
<i>United Nations Institute for Training and Research (UNITAR)</i>					
- Capacity Development for Adaptation to Climate Change and GHG Mitigation (C3D+)	05/09-04/10	33	31	2	33
		33	31	2	33
<i>USA</i>					
- Landscape Management for Improved Livelihoods	01/10-12/10	15	-	15	15
- Adjusting Forestry Programs to Emerging Climate Change	10/07-09/11	424	208	151	359
- Amazon Forests	10/10-09/11	500	-	6	6
- Wetlands Global Carbon Survey	10/10-09/11	750	-	-	-
		1,689	208	172	380
<i>United States Forest Service (USFS)</i>					
- Climate Change and Forests Initiatives	08/08-09/10	75	50	25	75
		75	50	25	75
<i>University of Gottingen</i>					
- Managing Forest Wildlife for Human Livelihoods in the Korup-Oban Hills region, West Central Africa. A multi-agent system Model to assess socio-economic and Ecological sustainability	03/09-07/11	8	-	-	-
		8	-	-	-
<i>University of Wisconsin</i>					
- Assets and Market Access Collaborative Research Support (Tropical Forest Poverty Alleviation)	01/07-09/11	99	29	(10)	19
		99	29	(10)	19
<i>Wageningen International</i>					
- International Course on Governance for Forest Nature and People	11/08-01/10	29	29	-	29
- The International Course on "Governance for Forest Nature and People"	10/10-01/11	52	-	52	52
		81	29	52	81

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

<u>Donors and projects</u>	<u>Grant period MM/YY</u>	<u>Grant pledged</u>	<u>Cumulative expenditures through prior year</u>	<u>Expenditures in current year</u>	<u>Total cumulative expenditures</u>
<i>World Bank</i>					
- Forests and Post Conflict Recovery in The Democratic Republic Congo Phase II	11/06-open	10	10	-	10
- World Bank Study on Decentralized Forest Fiscality	02/08-open	115	46	7	53
- Design Principles to Maximize Learning from REDD Demonstration Activities	09/09-12/10	150	7	143	150
		<u>275</u>	<u>63</u>	<u>150</u>	<u>213</u>
<i>International Union for Conservation of Nature (IUCN)</i>					
- Livelihoods and Landscapes Strategy Simulation Modeling of LLS Landscape	04/08-01/10	152	156	(4)	152
- Implementation of LLS Project in the Sangha Tri-National Park (TNS)	01/08-12/09	33	32	1	33
		<u>185</u>	<u>188</u>	<u>(3)</u>	<u>185</u>
<i>World Wide Fund for Nature (WWF)</i>					
- Supporting Partnership for the Promotion of Sustainable Forest Management in Asia	01/06-Open	23	7	16	23
		<u>23</u>	<u>7</u>	<u>16</u>	<u>23</u>
Total Restricted Grants		<u>81,688</u>	<u>22,831</u>	<u>15,475</u>	<u>38,306</u>

**SUPPLEMENTARY SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009**

(Expressed in Thousands of US Dollar)

	<u>Infrastructure and leasehold improvements</u>	<u>Furnishing and equipment</u>	<u>Total 2010</u>	<u>Total 2009</u>
COST:				
Balance 1 January	1,516	4,421	5,937	5,516
Current Period:				
- Additions	129	567	696	709
- Disposals	-	(286)	(286)	(288)
Balance 31 December	<u>1,645</u>	<u>4,702</u>	<u>6,347</u>	<u>5,937</u>
ACCUMULATED DEPRECIATION:				
Balance 1 January	(663)	(3,329)	(3,992)	(3,619)
Current Period:				
- Additions	(58)	(482)	(540)	(586)
- Disposals	-	267	267	213
Balance 31 December	<u>(721)</u>	<u>(3,544)</u>	<u>(4,265)</u>	<u>(3,992)</u>
Net book value	<u>924</u>	<u>1,158</u>	<u>2,082</u>	<u>1,945</u>

**SUPPLEMENTARY COMPUTATION OF INDIRECT EXPENSE RATIO
FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009**

(Expressed in Thousands of US Dollar)

	<u>2010</u>	<u>2009</u>
Research Expenses (including services)	19,429	17,552
Institutional Costs	<u>5,496</u>	<u>5,093</u>
Total Costs	<u>24,925</u>	<u>22,645</u>
Percentage Indirect/Direct	28%	29%

* The computation of indirect expense ratio is based on the CGIAR Financial Guidelines Series No.5 revised in December 2008.

