



Center for International Forestry Research

Financial statements

Years ended 31 December 2011 and 2010

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

FINANCIAL STATEMENTS

31 DECEMBER 2011 AND 2010

Statement of the Board Chair
2011

Financial Position

The UN-designated International Year of the Forest – 2011, was a significant year for CIFOR. During this year, the CGIAR Research Program on Forests, Trees and Agroforestry (CRP6) was approved with CIFOR as the Lead Center selected by the CGIAR Consortium. CIFOR operated the first half of the year with a combination of CGIAR Stability Funds and direct contributions from the Donors. CRP6 effectively commenced from 1 July, 2011, and CIFOR signed the Program Implementation Agreement with the Consortium Office on 4 October, 2011. During this period, CIFOR also signed the Program Participant Agreements with two participating Centers: Bioversity International and the World Agroforestry Center.

CIFOR has continued to grow in 2011, as in the past few years. Specific to Center operations (i.e., exclusive of CRP6 funding passed through to other participating Centers), CIFOR grew by 12% over 2010. CIFOR recorded total revenues of US\$ 29.97 million and total expenditures of US\$ 28.01 million resulting in an operating surplus of US\$ 1.96 million. Much of the growth has come from bilaterally-funded projects undertaken by the Center.

As Lead Center for CRP6, CIFOR recorded revenues of US\$ 36.49 million and expenses of US\$ 34.53 million. Of this, US\$ 11.10 million was received on account of CRP6 and US\$ 6.53 million transferred to participating Centers for CRP6 work.

The Center is in sound financial health with liquidity and reserve levels continuing to remain above benchmarks. The Center projects continuing growth in 2012 and intends to maintain the financial indicators above the recommended benchmarks to ensure 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 an approach to risk assessment which uses a framework that allows the Board and Management, with assistance from the CGIAR Internal Audit Unit, to:

- identify, evaluate, and prioritize risks and opportunities across the organization;
- develop risk mitigation strategies which balance benefits with costs; and
- 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 practice, the Board receives regular quarterly updates on the Center's financial status.

CIFOR Management and Board will and continues to monitor the risks associated with CIFOR operations. Of special mention is the risk associated with the change in a large portion of CGIAR funding from "Unrestricted" funding directed to Centers to "Window" funding directed to CRPs. Under the new system, it is no longer possible for Centers to generate reserves from such funds (to maintain the various financial indicators above the benchmark, as the Center continues to grow) and the fact that it is no longer possible to fully fund capital expenditures, especially for maintenance of the campus. Also, as was noted in the review of the risks, Full

Cost Recovery continues to be a challenge with many donors continuing to provide less than full overheads and also questioning the 2% Cost Sharing Percent (CSP) now required by the CGIAR on all sources of Center funding.

While much of the change process has been undertaken, CIFOR Board and Management continue to monitor the further developments of the change process within the CGIAR and review and monitor the risks specific to CIFOR associated with taking on the role as Lead Center for CRP6.

Research:

CIFOR continued its Board-approved research strategy focussed on six research domains, supported through its programs focussing on Livelihoods, Governance and Environment through 2011.

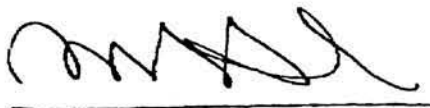
With the approval of CRP6, CIFOR spent the year overseeing the operationalization of the program with the key partners Bioversity, World Agroforestry Center and CIAT.

CIFOR convened amongst others, two major events: the Forests Indonesia Conference in September 2011 in Jakarta, and the Forest Day 5 held on the sidelines of the United Nations climate change talks in Durban in December 2011. Both events were extremely successful in drawing various forestry-related stakeholders together and highlighted the urgency of the survival of the world's forests, biodiversity and the millions of people whose livelihoods depend on them.

Board of Trustees

The full Board of Trustees and its committees met twice in 2011 – in April and December 2011, in Bogor and Yaoundé, respectively.

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

25 April 2012



Center for International Forestry Research

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MANAGEMENT STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS AS AT 31 DECEMBER 2011 AND 2010 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
15 May 2012



CENTER FOR INTERNATIONAL FORESTRY RESEARCH

**FINANCIAL STATEMENTS
31 DECEMBER 2011 AND 2010**

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**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 2011 and 2010, which comprise statements of financial position as at 31 December 2011 and 2010 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.

Kantor Akuntan Publik Tanudiredja, Wibisana & Rekan

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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 2011 and 2010, 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.

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
15 May 2012

A handwritten signature in black ink, appearing to read 'M. Jusuf Wibisana', written in a cursive style.

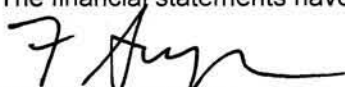
Drs. M. Jusuf Wibisana, M.Ec., CPA
License of Public Accountant No. AP.0222


CENTER FOR INTERNATIONAL FORESTRY RESEARCH

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011 AND 2010**
(Expressed in thousands of US Dollar)

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	21,128	17,033
Short-term time deposits	4	600	4,354
Account receivables:			
- Donors	5	2,803	6,398
- Employees		470	346
- Other CGIAR Centers		94	58
- Others	6	941	918
Prepaid expenses		<u>420</u>	<u>443</u>
Total current assets		<u>26,456</u>	<u>29,550</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,483	2,082
Other assets	8	<u>1,797</u>	<u>1,688</u>
Total non-current assets		<u>4,280</u>	<u>3,770</u>
TOTAL ASSETS		<u>30,736</u>	<u>33,320</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Account payables:			
- Donors	5	5,402	11,785
- Employees		381	202
- Other CGIAR Centers		708	-
- Others		134	261
Accrued expenses	10	<u>2,252</u>	<u>1,546</u>
Total current liabilities		<u>8,877</u>	<u>13,794</u>
NON-CURRENT LIABILITIES			
Employee benefits obligations	9	4,783	4,414
Accrued expenses - non-current portion	10	<u>350</u>	<u>350</u>
Total non-current liabilities		<u>5,133</u>	<u>4,764</u>
NET ASSETS			
Unrestricted:			
- Undesignated	13	13,123	11,159
- Designated	13	<u>3,603</u>	<u>3,603</u>
Total net assets		<u>16,726</u>	<u>14,762</u>
TOTAL LIABILITIES AND NET ASSETS		<u>30,736</u>	<u>33,320</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

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Expressed in thousands of US Dollar)

	Notes	2011			2010	
		Unrestricted	Restricted Window 1/ Window 2	Restricted (Bilateral)	Total	Total
REVENUES						
- Grant revenues	5	6,418	11,220	18,756	36,394	26,986
- Other revenues	11	103	-	-	103	165
Total revenues		6,521	11,220	18,756	36,497	27,151
EXPENSES						
- Program related expenses	12	3,517	9,321	18,756	31,594	20,921
- Management and general expenses		1,776	2,793	-	4,569	5,496
		5,293	12,114	18,756	36,163	26,417
Indirect expense recovery		(736)	(894)	-	(1,630)	(1,492)
Total expenses		4,557	11,220	18,756	34,533	24,925
NET SURPLUS		1,964	-	-	1,964	2,226

**SUPPLEMENTARY SCHEDULE
OF EXPENSES - CLASSIFIED
BY NATURE OF EXPENSES**

Personnel costs	3,500	2,768	5,864	12,132	10,410
CRP Collaborator/ Partnership costs – CGIAR Centers	-	6,525	-	6,525	-
Collaborator/Partnership costs – Others	187	187	5,436	5,810	5,364
Supplies and services	919	1,799	6,192	8,910	8,248
Operational travel	446	525	1,091	2,062	1,855
Depreciation	241	310	173	724	540
Indirect expense recovery	(736)	(894)	-	(1,630)	(1,492)
Total expenses	4,557	11,220	18,756	34,533	24,925

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 2011 AND 2010**

(Expressed in thousands of US Dollar)

	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 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 surplus for the year ended 31 December 2010		2,226	-	-	-	2,226
Balance as at 31 December 2010		11,159	2,082	1,521	3,603	14,762
Depreciation for the year ended 31 December 2011	7	-	(724)	724	-	-
Additions of property, plant and equipment during the year ended 31 December 2011	7	-	1,127	(1,127)	-	-
Net book value of disposals of property plant and equipment during the year ended 31 December 2011	7	-	(2)	2	-	-
Changes in net surplus for the year ended 31 December 2011		1,964	-	-	-	1,964
Balance as at 31 December 2011		13,123	2,483	1,120	3,603	16,726

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 2011 AND 2010**

(Expressed in thousands of US Dollar)

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
Cash flows from operating activities			
Changes in net surplus		1,964	2,226
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
- Depreciation	7	724	540
- Gain/(loss) on the disposal of property, plant and equipment		(18)	(64)
- Allowance for doubtful accounts		-	64
Operating cash flows before changes in assets and liabilities		2,670	2,766
Changes in assets and liabilities:			
- Account receivables			
- Donors		3,595	(2,762)
- Employees		(124)	123
- CGIAR Centers		(89)	27
- Others		30	284
- Prepaid expenses		23	(16)
- Other assets		(109)	(301)
- Account payables			
- Donors		(6,383)	(3,619)
- Employees		179	38
- CGIAR Centers		703	-
- Others		(122)	135
- Accrued expenses		706	(573)
- Employee benefits obligations		369	899
Withdrawal/(placement) of short-term time deposits		3,754	3,171
Net cash provided by operating activities		<u>5,202</u>	<u>172</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	7	(1,127)	(696)
Proceeds from the disposal of property, plant and equipment		20	83
Net cash used in investing activities		<u>(1,107)</u>	<u>(613)</u>
Net increase/(decrease) in cash and cash equivalents		4,095	(441)
Cash and cash equivalents, beginning of the year		<u>17,033</u>	<u>17,474</u>
Cash and cash equivalents, end of the year		<u>21,128</u>	<u>17,033</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 2011 AND 2010 (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 2011 and 2010, the members of the Board of Trustees were as follows:

	<u>2011</u>	<u>2010</u>
Chair of the Board of Trustees	: Prof Hosny El-Lakany	Dr. Andrew Bennett, CMG
Vice Chair of the Board of Trustees	: Dr. Benchaphun Ekasingh	Dr. Benchaphun Ekasingh
Members	: Dr. Ir. Tachrir Fathoni Ms. Frances Seymour Prof. em. Eric Tollens Ms. Claudia Martinez Ms. Nancy Andrews Dr. Idah Pswarayi-Riddihough Prof. Linxiu Zhang John Hudson	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

As at 31 December 2011, CIFOR had 197 employees (2010: 183 employees).

The financial statements were authorized for issuance by the Board of Trustees on 15 May 2012.

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.

The significant accounting policies, consistently applied in the preparation of the financial statements for the years ended 31 December 2011 and 2010, 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 2011 AND 2010 (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.

Restricted-Window 1/Window 2 (CRP6/CRP7):

In 2011, the CGIAR introduced a new programmatic based approach to doing business. The Donors to the CGIAR, represented by the Fund Council, approved the creation of fifteen CGIAR Research Programs (CRPs), each to be led by a designated Center which would be responsible, through a Program Implementation Agreement (PIA) for overseeing the implementation of the CRP by program participants and for all payments to and reporting from program participants. Program participants include other Centers who are subcontracted by the Lead Center via a Program Participant Agreement (PPA) or other suitable contracting arrangement.

In July 2011, CRP6 – Forests, Trees and Agroforestry, was approved for implementation. CIFOR was designated as the Lead Center. The other 3 participating Centers to CRP6 are the World Agroforestry Centre, Bioversity International, and Centro Internacional de Agricultura Tropical.

CIFOR is also participating in CRP7 – Climate Change, Agriculture & Food Security. This program is led by Centro Internacional de Agricultura Tropical.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**

(Expressed in thousands of US Dollar)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 – Bilateral and Window 1/Window 2:

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.

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 depreciated at a rate of 100% in the year of acquisition. The depreciation expense is charged directly to the appropriate restricted project.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**

(Expressed in thousands of US Dollar)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2011 and 2010, the rates used for the translation are as follows:

	<u>2011</u>	<u>2010</u>
Indonesian Rupiah 1,000	0.1103	0.1112
British Pound sterling 1	1.5405	1.5430
European Euro 1	1.2945	1.3298

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.

i. 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
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**
(Expressed in thousands of US Dollar)

3. CASH AND CASH EQUIVALENTS

	<u>2011</u>	<u>2010</u>
Cash on hand	26	38
Cash in banks	15,864	10,118
Cash equivalents (time deposits with original maturities of three months or less)	<u>5,238</u>	<u>6,877</u>
	<u>21,128</u>	<u>17,033</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 2011 ranged from 0.039% to 0.65% (2010: 0.26% to 0.46%).

5. GRANTS

	<u>2011</u>						<u>2010</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	5,354	-	6,418	10,978	794	-	11,511
Restricted							
- CRP 6 – Window 1/ Window 2	-	-	11,080	11,100	-	20	-
- CRP 7 – Window 1/ Window 2	-	-	140	125	15	-	-
- Bilateral	<u>1,108</u>	<u>11,785</u>	<u>18,756</u>	<u>11,467</u>	<u>1,994</u>	<u>5,382</u>	<u>15,475</u>
	6,462	11,785	36,394	33,670	2,803	5,402	26,986
Allowance for doubtful accounts	<u>(64)</u>	<u>-</u>	<u>-</u>	<u>(64)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,398</u>	<u>11,785</u>	<u>36,394</u>	<u>33,606</u>	<u>2,803</u>	<u>5,402</u>	<u>26,986</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

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6. ACCOUNTS RECEIVABLE OTHERS

	<u>2011</u>	<u>2010</u>
Advances to suppliers and consultants	448	514
Advances to partners	486	382
Interest receivables	<u>7</u>	<u>22</u>
	<u>941</u>	<u>918</u>

7. PROPERTY, PLANT AND EQUIPMENT

	<u>2011</u>			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
Acquisition cost:				
Infrastructure and leasehold improvements	1,645	83	-	1,728
Furnishing and equipment:				
- Heavy equipment	615	230	-	845
- Office furniture and equipment	1,232	222	(10)	1,444
- Computers	1,780	459	(116)	2,123
- Vehicles	<u>1,075</u>	<u>133</u>	<u>(107)</u>	<u>1,101</u>
	<u>6,347</u>	<u>1,127</u>	<u>(233)</u>	<u>7,241</u>
Accumulated depreciation:				
Infrastructure and leasehold improvements	(721)	(103)	-	(824)
Furnishing and equipment:				
- Heavy equipment	(266)	(73)	-	(339)
- Office furniture and equipment	(951)	(120)	9	(1,062)
- Computers	(1,482)	(260)	111	(1,631)
- Vehicles	<u>(845)</u>	<u>(168)</u>	<u>111</u>	<u>(902)</u>
	<u>(4,265)</u>	<u>(724)</u>	<u>231</u>	<u>(4,758)</u>
Net book value	<u>2,082</u>	<u>403</u>	<u>(2)</u>	<u>2,483</u>

	<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>

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

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7. PROPERTY, PLANT AND EQUIPMENT (continued)

	2010			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</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	(846)	(141)	142	(845)
	<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>

During 2011, the assets acquired through the use of restricted grants amounted to USD 173 (2010: USD 93), and have been charged to the related restricted projects. As of 31 December 2011, the total existing assets acquired through the use of restricted grants amounted to USD 769 (2010: USD 596).

8. OTHER ASSETS

	<u>2011</u>	<u>2010</u>
Funds separately invested for the provision of the Nationally Recruited Staff (NRS) provident fund	1,710	1,554
Others	<u>87</u>	<u>134</u>
	<u>1,797</u>	<u>1,688</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 2011 was 108 members (2010: 112 members). The costs of this program were USD 233 in 2011 (2010: USD 200).

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9. EMPLOYEE BENEFITS OBLIGATIONS

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

	<u>2011</u>	<u>2010</u>
Internationally recruited staff	1,712	1,616
Nationally recruited staff	<u>3,071</u>	<u>2,798</u>
	<u>4,783</u>	<u>4,414</u>

10. ACCRUED EXPENSES

	<u>2011</u>	<u>2010</u>
Supplies and services	1,573	1,335
Collaborator costs - Others	640	400
Personnel costs	<u>389</u>	<u>161</u>
	2,602	1,896
Non-current portion: Supplies and services	<u>(350)</u>	<u>(350)</u>
	<u>2,252</u>	<u>1,546</u>

11. OTHER REVENUES

	<u>2011</u>	<u>2010</u>
Interest income	39	52
Others	<u>64</u>	<u>113</u>
	<u>103</u>	<u>165</u>

12. EXPENSES

	<u>2011</u>		<u>2010</u>	
	<u>Program related expenses</u>	<u>Management and general expenses</u>	<u>Total</u>	<u>Total</u>
Unrestricted				
Personnel costs	2,229	1,271	3,500	5,748
Collaborator costs – Others	180	7	187	534
Supplies and services	585	334	919	3,441
Operational travel	329	117	446	772
Depreciation	<u>194</u>	<u>47</u>	<u>241</u>	<u>447</u>
	3,517	1,776	5,293	10,942
Indirect expense recovery	<u>-</u>	<u>(736)</u>	<u>(736)</u>	<u>(1,492)</u>
	<u>3,517</u>	<u>1,040</u>	<u>4,557</u>	<u>9,450</u>

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	2011		2010	
	Program related expenses	Management and general expenses	Total	Total
Restricted-Window 1/Window 2				
Personnel costs	1,313	1,455	2,768	-
Collaborator costs – CGIAR Centers	6,525	-	6,525	-
Collaborator costs – Others	148	39	187	-
Supplies and services	721	1,078	1,799	-
Operational travel	333	192	525	-
Depreciation	281	29	310	-
	<u>9,321</u>	<u>2,793</u>	<u>12,114</u>	<u>-</u>
Indirect expense recovery	-	(894)	(894)	-
	<u>9,321</u>	<u>1,899</u>	<u>11,220</u>	<u>-</u>
Restricted (Bilateral)				
Personnel costs	5,864	-	5,864	4,662
Collaborator costs – CGIAR Centers	-	-	-	-
Collaborator costs – Others	5,436	-	5,436	4,830
Supplies and services	6,192	-	6,192	4,807
Operational travel	1,091	-	1,091	1,083
Depreciation	173	-	173	93
	<u>18,756</u>	<u>-</u>	<u>18,756</u>	<u>15,475</u>
	<u>31,594</u>	<u>2,939</u>	<u>34,533</u>	<u>24,925</u>

13. NET ASSETS

The account represented unrestricted net assets as follows:

	2011	2010
Undesignated-operating funds	<u>13,123</u>	<u>11,159</u>
Designated-invested in property, plant and equipment	2,483	2,082
Designated-reserve for replacement of property, plant and equipment	<u>1,120</u>	<u>1,521</u>
	<u>3,603</u>	<u>3,603</u>
	<u>16,726</u>	<u>14,762</u>

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

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010 (Expressed in thousands of US Dollar)

14. RECLASSIFICATION OF ACCOUNTS

Certain accounts in 2010 financial statements have been reclassified to conform with the presentation of accounts in the 2011 financial statements as follows:

	<u>Before reclassification</u>	<u>Reclassification</u>	<u>After reclassification</u>
Statements of financial position			
Account receivables			
- Other CGIAR Centers	-	58	58
- Others	976	(58)	918
Total current assets	29,550	-	29,550
 Statements of cash flows			
Changes in assets and liabilities			
Accounts receivables			
- Other CGIAR Centers	-	27	27
- Others	311	(27)	284

The reclassification did not affect the total net assets as at 31 December 2010 and changes in net assets for the year ended 31 December 2010 as previously reported.

15. CONTINGENT LIABILITIES

CIFOR had no significant contingent liabilities as at 31 December 2011 and 2010.

**SUPPLEMENTARY SCHEDULE OF GRANTS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
Unrestricted					
Australia	519	-	-	519	418
Canada	-	-	-	-	489
China	-	10	-	10	10
The Consortium of International Agricultural Research Centers ¹	4,830	471	-	5,301	-
Fidelity Charitable Gift Fund	5	-	-	5	5
Finland	-	313	-	313	984
France	-	-	-	-	119
Germany	260	-	-	260	276
Iran	10	-	-	10	9
Netherlands	-	-	-	-	2,206
Norway	-	-	-	-	1,387
Sweden	-	-	-	-	429
Switzerland	-	-	-	-	507
USA	-	-	-	-	2,000
United Kingdom	-	-	-	-	1,312
World Bank	-	-	-	-	1,360
Sub-total	5,624	794	-	6,418	11,511
Restricted-Window 1/Window 2					
Centro Internacional de Agricultura Tropical (CIAT)	125	15	-	140	-
The Consortium of International Agricultural Research Centers	11,100	-	20	11,080	-
Sub-total	11,225	15	20	11,220	-
Restricted- Bilateral					
African Development Bank (ADB)	155	241	-	396	82
Australian Agency for International Development (AusAID)	1,313	-	186	1,127	911
Australian Centre for International Agricultural Research (ACIAR)	494	-	42	452	339
Australian National University	(16)	36	-	20	37
Austrian Development Agency	758	-	319	439	292
Brazilian Agricultural Research Corporation (EMBRAPA)	40	-	-	40	1
Canada	23	-	-	23	60
French Agricultural Research Centre for International Development (CIRAD)	359	28	101	286	216
Centro Internacional de Agricultura Tropical (CIAT)	-	-	-	-	7
CGIAR Secretariat	38	-	-	38	192
Chatham House	-	-	-	-	19
China	37	-	37	-	-
Christensen Family Foundation	-	-	-	-	9
	3,201	305	685	2,821	2,165

¹ The Consortium of International Agricultural Research Centers provided the funds for the general purpose of CIFOR. The funds, referred to as "Stability Funds", are a special financial support in the form of unrestricted funding to ensure continued program operations during the transition period to implementing the CRPs.

**SUPPLEMENTARY SCHEDULE OF GRANTS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
ClimateWorks Foundation	495	-	-	495	-
Catholic Organisation for Relief and Development Aid (CORDAID)	87	17	-	104	139
Conservation International Foundation	8	27	-	35	15
Danish International Development Agency (DANIDA)	(28)	85	-	57	51
Department for Environment Food and Rural Affairs (DEFRA)	-	25	-	25	-
European Commission	5,973	96	1,226	4,843	3,635
Ecofys – Netherlands	31	11	-	42	-
Federal Office for the Environment (Switzerland - FOEN)	79	-	46	33	111
Finland	214	79	71	222	179
Food and Agriculture Organization of the United Nations (FAO)	(41)	68	5	22	57
Ford Foundation	68	-	-	68	312
France (French Embassy in Cameroon)	17	-	14	3	-
French Global Environment Facility (FFEM)	873	322	420	775	58
German Agency for International Cooperation and German Federal Ministry for Economic Cooperation and Development (GIZ/BMZ)	957	-	452	505	583
Indonesia	-	-	-	-	2
INIA (Spain)	507	-	-	507	477
International Network for Bamboo and Rattan	-	-	-	-	8
International Centre for Research in Agroforestry (ICRAF)	(64)	139	-	75	170
International Development Research Centre (IDRC)	574	170	-	744	497
International Food Policy Research Institute (IFPRI)	(3)	30	-	27	123
International Union for Conservation of Nature (IUCN)	50	-	34	16	(3)
IFAR	-	-	-	-	1
Irish Aid	8	-	8	-	34
Instituto de Pesquisa Ambiental da Amazonia (IPAM)	-	1	-	1	-
Japan	564	-	218	346	265
Korea	350	-	150	200	107
Met Office Hadley Centre – Government Of the United Kingdom	8	1	-	9	-
The John D. and Catherine T. MacArthur Foundation	-	-	-	-	2
Gordon and Betty Moore Foundation	25	-	-	25	-
National Forestry Development Agency (ANAFOR)	-	-	-	-	1
The Nature Conservancy (TNC)	26	25	-	51	9
Netherlands	554	-	135	419	579
Norway	5,434	-	1,443	3,991	3,819
Others	377	90	-	467	253
	<u>20,344</u>	<u>1,491</u>	<u>4,907</u>	<u>16,928</u>	<u>13,649</u>

**SUPPLEMENTARY SCHEDULE OF GRANTS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
Overseas Development Institute (ODI)	-	-	-	-	20
The David and Lucile Packard Foundation	-	-	-	-	159
Rights and Resources Initiative	2	-	2	-	52
Rockefeller Foundation	400	-	400	-	-
The Samdhana Institute	-	-	-	-	5
Sweden	-	-	-	-	9
Swedish University of Agricultural Sciences	-	-	-	-	3
Switzerland	5	-	-	5	598
United Kingdom – Department for International Development (DFID)	303	203	-	506	462
United Nations Environment Programme (UNEP)	-	-	-	-	30
United Nations Institute for Training and Research (UNITAR)	49	-	40	9	2
United Nations Office on Drugs and Crime (UNODC)	105	-	-	105	45
U.S.A.	736	175	-	911	172
The U.S. Fish and Wildlife Service	89	-	25	64	36
United States Forest Services (USFS)	-	-	-	-	25
University of Gottingen	8	-	8	-	-
University of Wisconsin	50	68	-	118	(10)
Wageningen International	46	11	-	57	52
World Bank	7	46	-	53	150
World Wide Fund for Nature (WWF)	-	-	-	-	16
Sub-total	22,144	1,994	5,382	18,756	15,475
Total	38,993	2,803	5,402	36,394	26,986

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 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	4,000	82	396	478
		4,000	82	396	478
<i>Australian Agency for International Development (AusAID)</i>					
- REDD: Research to Support Design and Implementation	07/08-06/12	2,780	1,467	1,127	2,594
		2,780	1,467	1,127	2,594
<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	696	483	213	696
- Mahogany and Teak Furniture: Action Research to Improve Value Chain Efficiency and Enhance Livelihoods	06/08-05/13	932	375	236	611
- Overcoming Constraints to Community Based Commercial Forestry in Indonesia	04/11-9/15	134	-	3	3
		1,762	858	452	1,310
<i>Australian National University</i>					
- Improving Governance, Policy and Institutional Arrangements to Reduce Emissions from Deforestation and Degradation (REDD)	04/08-03/12	147	118	20	138
		147	118	20	138
<i>Austrian Development Agency</i>					
- Supporting Community Forestry to Improve Livelihoods and to Facilitate Sustainable Management of Dry Forests in Ethiopia	05/09-12/12	670	193	230	423
- Gender, Tenure and Community Forests in Uganda and Nicaragua	01/10-03/13	653	122	209	331
		1,323	315	439	754
<i>Brazilian Agricultural Research Corporation (EMBRAPA)</i>					
- Research Activities in Brazil	01/06-open	60	20	40	60
		60	20	40	60
<i>Canada</i>					
- Developing More Effective Methods for Assessing Conservation and Livelihoods Outcomes	04/08-03/11	211	188	23	211
		211	188	23	211
<i>French Agricultural Research Centre for International Development (CIRAD)</i>					
- FORAF in Central Africa	04/07- open	213	123	46	169
- Sustainable Management of Fuel Wood in DRC	02/09-01/13	255	191	37	228
- The Collaborative Land Use Planning and Institutional Arrangements for Strengthening Land Tenure, Forest and Community Rights In Indonesia	03/10-02/14	865	73	175	248
- FORAF (Phase 2) in Central Africa (CEOAC)	04/11-10/12	66	-	28	28
		1,399	387	286	673

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 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>CGIAR Secretariat</i>					
- Mega Program Planning - MP 6 Development	08/10-open	218	180	38	218
		218	180	38	218
<i>China</i>					
- Scientific visits to CIFOR for Chinese Scientists	03/09-open	50	3	-	3
		50	3	-	3
<i>ClimateWorks Foundation</i>					
- Increasing REDD+ Literacy in Indonesia through Outreach and Capacity Building	11/10-10/11	415	-	415	415
- Two Forest Day Learning Events Alongside COP16 in Cancun, Mexico	11/10-10/11	80	-	80	80
		495	-	495	495
<i>Catholic Organisation for Relief and Development Aid (CORDAID)</i>					
- Biofuel Plantation Boom in Papua	01/08-12/11	518	414	104	518
		518	414	104	518
<i>Conservation International Foundation (CI)</i>					
- A Collaborative Land Use Planning in a Context of Climate Change in Indonesia	04/10-05/12	74	15	35	50
		74	15	35	50
<i>Danish International Development Agency (DANIDA)</i>					
- Tropical Forests Poverty Alleviation	08/07-06/11	351	257	57	314
		351	257	57	314
<i>Department for Environment Food and Rural Affairs (DEFRA)</i>					
- Forest Day 5 – Shaping the Global Agenda for Forests and Climate Change	11/11-03/12	25	-	25	25
		25	-	25	25
<i>European Commission</i>					
- Establishment of a Forestry Research Network for Africa, Caribbean Pacific Countries	09/07-12/12	7,986	2,494	1,640	4,134
- Bio-energy, Sustainability and Trade-offs: Can We Avoid Deforestation While Promoting Bio-energy?	09/08-03/12	2,739	1,351	1,029	2,380
- REDD ALERT Reducing Emissions from Deforestation and Degradation through Alternative Land uses in Rainforests of the Tropics	05/09-04/12	321	92	164	256
- REFORCO – Support to the National Policy on Conservation and Management of Forests and Biodiversity in the Democratic Republic of Congo	10/09-09/13	5,812	562	986	1,548
- New Ways to Value and Market Forest Externalities	01/10-12/13	361	45	26	71
- PRO-FORMAL: Policy and Regulatory Options to Recognise and Better Integrate the Domestic Timber Sector in Tropical Countries	07/10-07/13	3,946	170	898	1,068
- Impacts of Reducing Emissions from Deforestation and Forest Degradation and Enhancing Carbon Stocks	01/11-12/14	324	-	100	100
		21,489	4,714	4,843	9,557

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>Ecofys-Netherlands</i>					
- Testing Methodologies for REDD+, Including Investigating Deforestation Drivers, Costs and setting reference levels	10/11-12/11	42	-	42	42
		42	-	42	42
<i>Federal Office for Environment (Switzerland - FOEN)</i>					
- Forest Governance & REDD Workshop in Mexico	10/09-open	140	71	23	94
- Switzerland's Financial Support to the Secretariat of the Asian Forest Partnership	11/10-open	10	-	10	10
		150	71	33	104
<i>Finland</i>					
- The Role of Forests in Adaptation to and Mitigation of Climate Change	09/08-08/12	405	245	90	335
- Finnish JPO	06/10-05/12	219	69	91	160
- Charcoal Scoping Study	08/11-03/12	41	-	41	41
		665	314	222	536
<i>Food and Agriculture Organization of the United Nations (FAO)</i>					
- Mobilization and Strengthening of Capacities of Small and Medium Size Enterprise Involved in Works on NTFP in Central Africa	07/09-07/11	75	56	13	69
- Mobilization and Strengthening of Capacities of Small and Medium Size Enterprise Involved in Works on NTFP in Central Africa	10/09-07/11	28	6	9	15
		103	62	22	84
<i>Ford Foundation</i>					
- Regional Workshop-Climate Change Policies & Rights in Latin America	04/10-03/11	100	32	68	100
		100	32	68	100
<i>France (French Embassy in Cameroon)</i>					
- Comparative analysis of the Legal and Institutional Arrangement of COMIFAC Members Countries in the Domain of Decentralization of the Sustainable Management of Forests	10/11-open	25	-	3	3
		25	-	3	3
<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	1,589	101	625	726
- Supporting the Development of Policies and Adaptation at Different Scales in West Africa Savannahs	06/11-6/15	2,202	-	150	150
		3,791	101	775	876
<i>German Agency for Technical Cooperation and German Federal Ministry for Economic Cooperation and Development (GTZ/BMZ)</i>					
- Strengthening Rural Institutions to Support Livelihood Security for Smallholders Involved in Industrial Tree-Planting Programs in Vietnam and Indonesia	01/08-08/11	1,402	1,252	150	1,402

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 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>
- Chinese Trade and Investment in Africa: Assessing and Governing Trade-Offs to National Economies, Local Livelihoods and Forest Ecosystems	03/10-08/13	1,607	307	355	662
- Integrating Adaptation in REDD+ projects: Potential Impacts and Social Return on Investment (SROI)	01/11-12/12	67	-	-	-
		3,076	1,559	505	2,064
<i>INIA (Spain)</i>					
- Amazon Initiatives	03/05-12/11	178	192	(14)	178
- Institutional Strengthening for Sustainable Resources	11/07-12/11	1,492	971	521	1,492
		1,670	1,163	507	1,670
<i>International Centre for Research in Agroforestry (ICRAF)</i>					
- Carbon Benefits Project: Modeling, Measuring and Monitoring	08/09-03/12	196	56	75	131
		196	56	75	131
<i>International Development Research Centre (IDRC)</i>					
- Climate Change-Sub Sahara Africa	07/08-07/11	1,640	896	744	1,640
		1,640	896	744	1,640
<i>International Food Policy Research Institute (IFPRI)</i>					
- Project Biofuels Development, Local Resource Rights and Governance in Africa and Asia	08/09-03/12	150	123	27	150
		150	123	27	150
<i>International Union for Conservation of Nature (IUCN)</i>					
- State of Forest Publication	06/11-open	50	-	16	16
		50	-	16	16
<i>Instituto de Pesquisa Ambiental da Amazonia (IPAM)</i>					
- Community forestry project in settlement Communities of Moju I and II in the States of Para, Brazil	05/11-04/13	34	-	1	1
		34	-	1	1
<i>Japan</i>					
- Asia Forest Partnership (AFP) - Phase 2	01/05-open	82	73	9	82
- Sustainable Utilization of Diverse Forest Environmental Benefits	01/06-open	1,336	1,114	129	1,243
- Meeting of Asia Forest Partnership (AFP9)	01/10-open	80	25	20	45
- Evaluating Ecosystem Services for Sustainable Forest Management and Conservation of Biodiversity in and around Protected Areas	04/10-03/13	645	-	188	188
		2,143	1,212	346	1,558
<i>Korea</i>					
- Korea Attribution	01/10-01/12	467	117	200	317
		467	117	200	317
<i>Met Office Hadley Centre-Government of the United Kingdom</i>					
- Investigation of Processes Driving Low Level Westerlies in South Africa	08/11-07/12	14	-	9	9
		14	-	9	9
<i>Gordon and Betty Moore Foundation</i>					
- Support to Forest Day 4	11/10-open	25	-	25	25
		25	-	25	25

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>The Nature Conservancy (TNC)</i>					
- The 9 th Meeting of AFP	07/10-open	25	9	1	10
- AFP Meeting-Beijing	10/11-12/11	50	-	50	50
		75	9	51	60
<i>Netherlands</i>					
- Dutch Associate Expert Programme	07/02-12/12	5,357	3,754	419	4,173
		5,357	3,754	419	4,173
<i>Norway</i>					
- Project International Cooperation for Helping Countries Facing an Illegal Logging Crisis	01/07-03/11	614	542	20	562
- Y2-Y4 Learning from REDD: A Global Comparative Analysis	06/10-05/13	10,193	1,488	3,863	5,351
- Support to the Conference: Forests Indonesia Alternative Futures to Meet Demands for Food, Fibre, Fuel and REDD +	06/11—10/11	108	-	108	108
		10,915	2,030	3,991	6,021
<i>Others</i>					
- Contributions for Forest Day COP16	09/10-open	715	248	467	715
		715	248	467	715
<i>Rockefeller Foundation</i>					
- Adaptation of People to Climate Change In East Africa	12/11-06/15	600	-	-	-
		600	-	-	-
<i>Switzerland</i>					
- AFP Information	11/07-12/11	20	15	5	20
		20	15	5	20
<i>United Kingdom – Department for International Development (DFID)</i>					
- Tropical Forests in Poverty Alleviation: From Household Data to Global Comparative Analysis	01/08-06/11	819	702	108	810
- DFID Support for a Senior Scientist to Focus on Climate Change and Forests at CIFOR	01/08-03/13	1,182	571	239	810
- Support to the Conference: Forests Indonesia Alternative Futures to Meet Demands for Food, Fibre, Fuel and REDD +	07/11-11/11	50	-	50	50
- Forest Day 5 - Shaping the Global Agenda for Forests and Climate Change	11/11-03/12	109	-	109	109
		2,160	1,273	506	1,779
<i>United Nations Institute for Training and Research (UNITAR)</i>					
- Development of CRiSTAL Forest	10/11-12/12	102	-	9	9
		102	-	9	9
<i>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	05/10-02/12	150	45	105	150
		150	45	105	150

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 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>USA</i>					
- Adjusting Forestry Programs to Emerging Climate Change	10/07-09/11	423	359	64	423
- Amazon Forests (LAC)	10/10-04/13	500	6	164	170
- Wetlands Global Carbon Survey (EGAT/GCC)	10/10-09/12	1,500	-	636	636
- Conservation and Sustainable Use of Tropical Forest Biodiversity (EGAT/NRM)	10/11-09/12	1,500	-	22	22
- Forest Day 5 – Shaping the Global Agenda for Forests and Climate Change	10/11-02/12	25	-	25	25
		3,948	365	911	1,276
<i>The U.S. Fish and Wildlife Services</i>					
- Saving the Remaining Orangutan Population and their Habitat within and Surrounding Danau Sentarum National Park	05/09-09/11	59	36	23	59
- 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-open	50	18	19	37
- Saving the Remaining Orangutan Population and Their Habitat within and Surrounding the Danau Sentarum National Park, Indonesia	09/10-08/12	57	-	22	22
		166	54	64	118
<i>University of Wisconsin</i>					
- Assets and Market Access Collaborative Research Support (Tropical Forests Poverty Alleviation)	10/07-open	148	19	118	137
		148	19	118	137
<i>Wageningen International</i>					
- The International Course on "Governance for Forest Nature and People"	10/10-01/11	55	52	3	55
- The International Course on "Governance for Forest Nature and People"	10/11-11/11	54	-	54	54
		109	52	57	109
<i>World Bank</i>					
- World Bank Study on Decentralized Forest Fiscality	02/08-open	115	53	-	53
- Cameroon Consultancy Experience with Revenue Sharing in Forestry	02/11-02/11	7	-	7	7
- Using Forests to Enhance Resilience to Climate Change Project	05/11-03/13	550	-	46	46
		672	53	53	106
Total Restricted Grants		74,380	22,641	18,756	41,397

**SUPPLEMENTARY SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010**

(Expressed in Thousands of US Dollar)

	Infrastructure and leasehold improvements	Furnishing and equipment	Total 2011	Total 2010
COST:				
Balance 1 January	1,645	4,702	6,347	5,937
Current Period:				
- Additions	83	1,044	1,127	696
- Disposals	-	(233)	(233)	(286)
Balance 31 December	<u>1,728</u>	<u>5,513</u>	<u>7,241</u>	<u>6,347</u>
ACCUMULATED DEPRECIATION:				
Balance 1 January	(721)	(3,544)	(4,265)	(3,992)
Current Period:				
- Additions	(103)	(621)	(724)	(540)
- Disposals	-	231	231	267
Balance 31 December	<u>(824)</u>	<u>(3,934)</u>	<u>(4,758)</u>	<u>(4,265)</u>
Net book value	<u>904</u>	<u>1,579</u>	<u>2,483</u>	<u>2,082</u>

**SUPPLEMENTARY COMPUTATION OF INDIRECT EXPENSE RATIO
FOR THE YEAR ENDED 31 DECEMBER 2011**

(Expressed in Thousands of US Dollar)

	<u>2011</u>	<u>2010</u>
Research Expenses (including services)	23,439	19,429
Institutional Costs	<u>4,569</u>	<u>5,496</u>
Total Costs	<u><u>28,008</u></u>	<u><u>24,925</u></u>
Percentage Indirect/Direct	19%	28%
Research Expenses (including services and other CGIAR Centers)	29,964	19,429
Institutional Costs	<u>4,569</u>	<u>5,496</u>
Total Costs	<u><u>34,533</u></u>	<u><u>24,925</u></u>
Percentage Indirect/Direct	15%	28%

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

**CRP EXPENDITURE REPORT - CENTER
FOR THE YEAR ENDED 31 DECEMBER 2011**
(Expressed in Thousands of US Dollar)

CRP 6 – Expenditure Report

Natural Classification	Windows 1 & 2	Window 3 & Bilateral Funding	Total Funding
Personnel	1,265	3,479	4,744
Collaborator Costs - Others	105	536	641
Supplies and Services	667	2,787	3,454
Operational Travel	338	571	909
Depreciation	281	144	425
Sub-total of Direct Costs	2,656	7,517	10,173
Indirect Costs	1,899	864	2,763
Total – all Costs	4,555	8,381	12,936

CRP 7 – Expenditure Report

Natural Classification	Windows 1 & 2	Window 3 & Bilateral Funding	Total Funding
Personnel	48	-	48
Collaborator Costs – CGIAR Centers	42	-	42
Supplies and Services	10	-	10
Operational Travel	9	-	9
Sub-total of Direct Costs	109	-	109
Indirect Costs	31	-	31
Total – all Costs	140	-	140

**CRP WINDOW 1 AND WINDOW 2 FUNDING REPORT - CENTER
FOR THE YEAR ENDED 31 DECEMBER 2011**

(Expressed in Thousands of US Dollar)

CRP 6 – Funding Report

Description	Windows 1 & 2
Opening Balance	-
Cash Receipts from Lead Center	5,254
Disbursements	4,555
Closing Balance	699

CRP 7 – Funding Report

Description	Windows 1 & 2
Opening Balance	-
Cash Receipts from Lead Center	125
Disbursements	140
Closing Balance	(15)

**CRP EXPENDITURE REPORT – LEAD CENTER
FOR THE YEAR ENDED 31 DECEMBER 2011**
(Expressed in Thousands of US Dollar)

CRP 6 – Expenditure Report

Natural Classification	Windows 1 & 2	Window 3 & Bilateral Funding	Other Funds	Total Funding
Personnel	1,265	3,479	-	4,744
Collaborator Costs - CGIAR Centers	6,525	7,753*	779*	15,057
Collaborator Costs - Others	105	536	-	641
Supplies and Services	667	2,787	-	3,454
Operational Travel	338	571	-	909
Depreciation	281	144	-	425
Sub-total of Direct Costs	9,181	15,270	779	25,230
Indirect Costs	1,899	864	-	2,763
Total – all Costs	11,080	16,134	779	27,993

* Unaudited since the fund did not flow through CIFOR.

SUPPLEMENTARY SCHEDULE
CRP WINDOW 1 AND WINDOW 2 FUNDING REPORT – LEAD CENTER
FOR THE YEAR ENDED 31 DECEMBER 2011
 (Expressed in Thousands of US Dollar)

CRP 6 – Funding Report Windows 1 and 2

Description		Total
Opening Balance (all partners)		-
Cash Receipts from Consortium		11,100
Disbursements:		
Bioversity International	1,793	
CIFOR	5,254	
World Agroforestry Centre	4,027	
Total Disbursements		11,074
Closing Balance (all partners)		26

