



# Financial Statements

31 December 2014

Center for International Forestry Research



**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2014**

**Statement of the Board Chair  
As at 31 December 2014  
And For The Year Ended 31 December 2014**

As financial year 2014 comes to a close, it is a pleasure to reflect on another successful year for CIFOR, thanks to the commitment and effort of all of our staff, associates and partners.

2014 illustrated the diversity and depth of CIFOR's work, with our involvement in two CRPs (FTA and CCAFS) through 70 active projects, covering the whole forest and forestry research agenda at local, national, regional and international levels.

Our achievements can be summarized in some remarkable numbers: 450 publications, of which 165 appeared in impact factor journals; thousands of people trained, from short-term courses to PhDs; major events organized (e.g. Forests Asia, Global Landscape Forum) and others in which CIFOR played a major role (e.g. IUFRO World Congress).

Within this wide scope of work we have celebrated national policy changes for the smallholder timber trade in Indonesia and Peru and the consolidation of global bushmeat networks. We have responded to direct requests from climate change negotiators for our work, piloted changes in international data collection methods, and done much more. The first independent contribution analysis of the work of CIFOR and CIRAD in the Congo Basin demonstrated that our research had been a crucial element in the large scale implementation of sustainable forest management that has resulted in 730,000 tonnes of C sequestered annually.

At the same time we continued to focus our efforts on keeping forests high on the world's political agenda. Our overarching evidence-based forestry initiative and the landscapes approach are helping CIFOR to bridge the science-policy interface. This is an important role for CIFOR at a time when the world looks for ways to achieve the Sustainable Development Goals and works toward a universal agreement on climate change in 2015.

This emphasis on generating dialogue and stakeholder connections culminated in the second Global Landscapes Forum, an event that saw 17 organizations working together to forge connections between science, decision-making and action, with more than 2,500 people attending in person and tens of thousands following online. We also joined the dialogue taking place around the UNFCCC, the Green Climate Fund, the Standing Committee on Finance, and more opportunities for our policy and science experts to add their voices in setting the priorities of the international agenda.

We have grown from a USD 25m Center in 2010 into a USD 48m Center in 2014 with a significant increase in the proportion of bilateral funding. Can this rate of growth be sustained? What does this imply for our ways of doing business? How can we build on the CIFOR brand and recognised platforms like GLF to contribute to the post-2015 agenda and the SDGs? These are some of the questions we will address in the process of refreshing CIFOR's strategy in 2015.

With this forward-looking stance, CIFOR is ready to tackle 2015, a year that will help set the future of forests and formalize CIFOR's important role in bringing it about.

**Financial Highlights 2014**

*CIFOR operations*

CIFOR operations grew by about 11% in 2014. Expenditure in 2014 was USD 48.43m compared with USD 43.49m in 2013. This expenditure was supported by revenue of USD 46.21m (USD 44.77m in 2013), resulting in a deficit of USD 2.22m. The deficit is made up of USD 0.26m net foreign exchange loss and USD 1.95m expenditure charge to the donor-designated reserves.

CIFOR is the lead center for CRP6, the Forests, Trees and Agroforestry program of the CGIAR, and has fiduciary responsibility for the program of work and the budget for CIFOR and the other participating centers in the CRP. In 2014 CIFOR expended USD 2.16m more in research expenditures than it collected in revenue due to the very late and unforeseen changes in expected revenue for the year for the program announced by the Consortium in October 2014. CIFOR will carry forward this deficit and continue to pre-finance the work.

While CIFOR continues to be in sound financial health, with liquidity and reserves remaining within CGIAR recommended benchmarks, there remains continued uncertainty around Consortium W1/W2 funding which may result in adjustments to staffing and operations in 2015 to work within the revised budget.

#### *Investments*

The Finance and Audit Committee of the CIFOR Board reviews the Investment policy of the Center annually. The Center maintains a conservative investment policy and all investments have been made in accordance with the Board approved policy.

About 58% of CIFOR's research is supported by non-USD funding. The marked depreciation of the Euro in 2014 has led to the Center reporting a foreign exchange loss. Center management continues to monitor the impact of foreign exchange on the program.

#### *CRP6: Forests, Trees and Agroforestry (FTA)*

FTA received a 6-month extension to the end of 2014 and the program reports expenditures of USD 82.15m in 2014 compared to USD 79.60m in 2013. FTA was strengthened in 2014 when CIRAD and CATIE joined as non-CGIAR partners. Both are receiving funding from the program.

The CGIAR change process was intended to offer increased, stable multi-year funding and reduced administration. However, funding from W1/2 continues to remain short term and changes to funding notified late in the year make planning for research difficult. It has also resulted in increased program administration costs. CIFOR's Board of Trustees and its Finance and Audit Committee have been very engaged with the Center in managing through the budget and funding changes.

Despite funding uncertainty at the Consortium level we are pleased with the continued interest in the research outcomes of CRP6. Much of the growth in research has been funded from W3/Bilateral sources. The Board is grateful to the funders for their continued and growing support.

#### **Board of Trustees**

The full Board of Trustees and its committees met in April and October 2014. Hosny El-Lakany retired as CIFOR's Board chairperson in December 2014. The Board acknowledges and thanks Hosny for his leadership over many years.

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



**John Hudson**  
Chair, Board of Trustees

BOGOR  
6 May 2015



**Board Statement on Risk Management  
As at 31 December 2014  
And For The Year Ended 31 December 2014**

CIFOR's Board of Trustees has responsibility for overseeing the effectiveness of the risk management system that management has put in place to identify, manage and monitor significant risks to the achievement of CIFOR's business objectives, and to ensure alignment with CGIAR principles and guidelines as adopted by the CGIAR Centers.

These risks include operational, financial and reputational risks that are inherent in the nature, modus operandi and location of CIFOR's activities including its duties and responsibilities as Lead Center for the CGIAR Research Program on Forests, Trees and Agroforestry (CRP6) and are as dynamic as the environment in which CIFOR operates. Together they represent the potential for loss resulting from external events, human factors or inadequate or failed internal policies, processes or systems.

The Board has adopted a risk management policy which has been communicated to all staff, that includes a framework by which CIFOR management identifies, evaluates and prioritizes risks and opportunities across the organization, develops risk mitigation strategies which balance benefits with costs, monitors the implementation of these strategies and periodically reports to the Board on results.

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's risk register was updated in September 2014 following an analysis of risks their potential impact on the Center and the likelihood of occurrence before and after considering preventive controls currently in place. The 2014 risk register has 28 risk items (27 items in 2013). Of these, 6 items were identified in the high-risk category and 7 items in the medium-risk category. 2 risk items were trending downward and 2 items were trending upward compared to the prior year.

Risks to Center and CRP operations due to the CGIAR change process continue to feature high on the risk register. The promise of simplified processes and long term funding has not materialized while the process requires constant management and Board attention. Other areas of risk identified include risks due to strained cash flow and reserves, staff safety and security, inability to perform research in conflict locations, institutional growth, partner effectiveness and the funding pipeline.

The Board notes that the effectiveness of risk management depends not only on identification of risks but the implementation of effective mitigation plans. The Board is satisfied with the attention paid by management to risk management and is periodically monitoring the status of actions particularly relating to the high priority risks.

A handwritten signature in blue ink that reads "John Hudson".

**John Hudson**  
Chair, Board of Trustees

BOGOR  
6 May 2015

**MANAGEMENT STATEMENT OF RESPONSIBILITY FOR  
FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2014  
AND FOR THE YEAR ENDED 31 DECEMBER 2014**

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.

The financial statements of CIFOR are drawn up so as to present fairly the financial positions of CIFOR as at 31 December 2014, and the results of its activities and cash flows for the years then ended.

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 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.

A handwritten signature in blue ink, appearing to read "Peter Holmgren".

**Peter Holmgren**  
Director General

A handwritten signature in blue ink, appearing to read "Kumar Tumuluru".

**Kumar Tumuluru**  
Director Finance and Administration

BOGOR  
6 May 2015

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

FINANCIAL STATEMENTS  
31 DECEMBER 2014

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**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD OF TRUSTEES OF**

**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

We have audited the accompanying financial statements of the Center for International Forestry Research (CIFOR), which comprise the statement of financial position as at 31 December 2014, and the statement of activities, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of CIFOR based on 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.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and presentation of these financial statements in accordance with the CGIAR Financial Guidelines Series No. 2 - CGIAR Accounting Policies and Reporting Practices Manual as described in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards 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 fair 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, 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 present fairly, in all material respects, the financial position of CIFOR as at 31 December 2014, and its activities and its cash flows for the year then ended, in accordance with the 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, Rintis & Rekan*  
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### **Basis of Accounting and Restriction on Distribution and Use**

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist CIFOR to comply with the financial reporting provisions in the establishment agreement of CIFOR. As a result, the financial statements may not be suitable for other purpose. Our report is intended solely for the Board of Trustees and Management of CIFOR and CGIAR Centers and should not be distributed to or used by parties other than CIFOR and CGIAR Centers.

JAKARTA  
6 May 2015

A handwritten signature in blue ink, appearing to read 'M Jusuf Wibisona', is written over a faint, illegible stamp.

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

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

(Expressed in thousands of US Dollar)

	Notes	2014	2013
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	19,701	22,634
Short-term time deposits		-	1,000
Account receivables:			
- Donors	4	8,330	7,443
- Employees		1,064	1,032
- Other CGIAR centers		254	231
- Others	5	1,703	6,214
Other current assets		<u>1,603</u>	<u>997</u>
Total current assets		<u>32,655</u>	<u>39,551</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	3,870	3,059
Other non-current assets	7	<u>6,683</u>	<u>7,404</u>
Total non-current assets		<u>10,553</u>	<u>10,463</u>
<b>TOTAL ASSETS</b>		<u><u>43,208</u></u>	<u><u>50,014</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Account payables:			
- Donors	4	5,968	10,075
- Employees		940	705
- Other CGIAR centers	8	2,535	4,506
- Others		253	452
Accruals	10	<u>3,378</u>	<u>3,632</u>
Total current liabilities		<u>13,074</u>	<u>19,370</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefit obligations	9	<u>7,095</u>	<u>5,383</u>
Total non-current liabilities		<u>7,095</u>	<u>5,383</u>
<b>NET ASSETS</b>			
Unrestricted:			
- Undesignated	13	12,164	12,430
- Designated	13	<u>10,875</u>	<u>12,831</u>
Total net assets		<u>23,039</u>	<u>25,261</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u><u>43,208</u></u>	<u><u>50,014</u></u>

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



**Peter Holmgren**  
Director General



**Kumar Tumuluru**  
Director Finance and Administration

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

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2014  
(Expressed in thousands of US Dollar)

Notes	2014				2013				
	Unrestricted	Restricted CRPs	Restricted Non-CRP	Total	Unrestricted	Restricted CRPs	Restricted Non-CRP	Total	
<b>Revenues and gains</b>									
Grant revenues									
Windows 1 & 2	4	-	30,804	-	30,804	-	27,618	-	27,618
Window 3	4	3,962	8,840	-	12,802	3,843	7,892	-	11,735
Bilateral	4	311	12,588	4,118	17,017	338	14,739	2,942	18,019
Total grant revenues		4,273	52,232	4,118	60,623	4,181	50,249	2,942	57,372
Other revenues and gains	11	387	-	-	387	760	-	-	760
<b>Total revenues and gains</b>		<b>4,660</b>	<b>52,232</b>	<b>4,118</b>	<b>61,010</b>	<b>4,941</b>	<b>50,249</b>	<b>2,942</b>	<b>58,132</b>
<b>Expenses and losses</b>									
Research expenses	12	3,765	29,065	942	33,772	2,051	26,365	604	29,020
CGIAR collaborator expenses		-	13,951	-	13,951	-	13,480	58	13,538
Non CGIAR collaborator expenses		1,551	3,647	2,943	8,141	752	4,191	2,114	7,057
General and administration expenses		914	5,569	233	6,716	489	6,213	166	6,868
Other expenses and losses	11	652	-	-	652	362	-	-	362
<b>Total expenses and losses</b>		<b>6,882</b>	<b>52,232</b>	<b>4,118</b>	<b>63,232</b>	<b>3,654</b>	<b>50,249</b>	<b>2,942</b>	<b>56,845</b>
<b>(Deficit)/surplus</b>		<b>(2,222)</b>	<b>-</b>	<b>-</b>	<b>(2,222)</b>	<b>1,287</b>	<b>-</b>	<b>-</b>	<b>1,287</b>

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

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in thousands of US Dollar)

	Notes	Undesignated	Designated				Total designated	Total
			Donor conditionality	Crisis management	Invested in property, plant and equipment	Reserve for replacement of property, plant and equipment		
<b>Balance as at 1 January 2013</b>		20,371	-	-	2,479	1,124	3,603	23,974
Depreciation for the year ended 31 December 2013	6	-	-	-	(1,294)	1,294	-	-
Appropriations from Undesignated to Designated	13	(9,228)	6,772	1,000	-	1,456	9,228	-
Additions of property, plant and equipment during the year ended 31 December 2013	6	-	-	-	2,108	(2,108)	-	-
Net book value of disposals of property, plant and equipment during the year ended 31 December 2013	6	-	-	-	(234)	234	-	-
Changes in net assets for the year ended 31 December 2013		<u>1,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,287</u>
<b>Balance as at 31 December 2013</b>		12,430	6,772	1,000	3,059	2,000	12,831	25,261
Depreciation for the year ended 31 December 2014	6	-	-	-	(1,046)	1,046	-	-
Appropriations from Undesignated to Designated	13	1,956	(1,956)	-	-	-	(1,956)	-
Additions of property, plant and equipment during the year ended 31 December 2014	6	-	-	-	1,929	(1,929)	-	-
Net book value of disposals of property, plant and equipment during the year ended 31 December 2014	6	-	-	-	(72)	72	-	-
Changes in net assets for the year ended 31 December 2014		<u>(2,222)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,222)</u>
<b>Balance as at 31 December 2014</b>		<u>12,164</u>	<u>4,816</u>	<u>1,000</u>	<u>3,870</u>	<u>1,189</u>	<u>10,875</u>	<u>23,039</u>

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

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in thousands of US Dollar)

	Notes	2014	2013
<b>Cash flows from operating activities</b>			
Changes in net assets		(2,222)	1,287
Adjustments to reconcile changes in net assets to net cash provided by operating activities:			
- Depreciation	6	1,046	1,294
- Loss on the disposal of property, plant and equipment	11	66	180
- (Gain)/loss on valuation of investment	11	(65)	182
- Allowance for doubtful accounts	4	158	-
Operating cash flows before changes in assets and liabilities		(1,017)	2,943
Changes in assets and liabilities:			
- Short term time deposits		1,000	(500)
- Account receivables			
- Donors		(1,045)	(4,101)
- Employees		(32)	(377)
- Other CGIAR centers		(23)	(133)
- Others		4,511	(1,621)
- Other current assets		(606)	(561)
- Other non-current assets		786	(16)
- Account payables			
- Donors		(4,107)	(5,654)
- Employees		235	139
- Other CGIAR centers		(1,971)	1,704
- Others		(199)	(1,199)
- Accruals		(254)	1,271
- Employee benefits obligations		1,712	93
<b>Net cash used from operating activities</b>		<b>(1,010)</b>	<b>(8,012)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	6	(1,929)	(2,108)
Proceeds from the disposal of property, plant and equipment		6	-
Purchase of long-term investment		-	(4,747)
Proceeds from insurance to cover loss of property, plant and equipment		-	54
<b>Net cash used in investing activities</b>		<b>(1,923)</b>	<b>(6,801)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,933)</b>	<b>(14,813)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>22,634</b>	<b>37,447</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>19,701</b>	<b>22,634</b>

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

## CENTER FOR INTERNATIONAL FORESTRY RESEARCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(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 organisation, 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 2014 and 2013, the members of the Board of Trustees were as follows:

	<u>2014</u>	<u>2013</u>
Chair of the Board of Trustees	: Dr. John Hudson	Prof. Hosny El-Lakany
Vice Chairs of the Board of Trustees	: Prof. Linxiu Zhang	Dr. John Hudson Ms. Nancy Andrews
Members	: Prof. San Afri Awang Dr. Peter Holmgren Dr. John K. Lynam Dr. Jose Joaquin Campos Arce Dr. Antonio G.M. La Viña Ms. Phyllis Caldwell Dr. Bisrat Aklilu Ms. Elizabeth Adu Ms. Mary Hobley	I. B. Putera Parthama Dr. Peter Holmgren Dr. John K. Lynam Dr. Jose Joaquin Campos Arce Dr. Antonio G.M. La Viña Ms. Phyllis Caldwell Dr. Bisrat Aklilu Prof. Linxiu Zhang

As at 31 December 2014, CIFOR had 281 employees (2013: 253 employees).

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised for issuance by the Board of Trustees on 6 May 2015.

The accounting and reporting policies adopted by CIFOR are in accordance with the CGIAR Financial Guidelines Series No. 2 - CGIAR Accounting Policies and Reporting Practices Manual.

The significant accounting policies applied in the preparation of the financial statements are set out below.

##### a. Basis of preparation of financial statements

The financial statements are prepared on the historical cost concept and the accrual concept, except for the statements of cash flows.

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.

**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

(Expressed in thousands of US Dollar)

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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's 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 recognised as revenue when the grant conditions have been met.

Restricted - Windows 1 & 2 (CRP on Forests, Trees and Agroforestry and CRP on Climate Change, Agriculture and Food Security):

In 2011, the CGIAR introduced a new programmatic based approach in performing activities. 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.

CIFOR is involved in the following CRPs:

CRP	Date of approval	Start of operation	Role of CIFOR
Forests, Trees and Agroforestry	2011	2011	Lead Center
Climate Change, Agriculture & Food Security	2011	2011	Participating Center

**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.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in thousands of US Dollar)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Expenses

Expenses are outflows or other activities using up assets or incurrence of liabilities (or a combination of both) from delivering goods, rendering services, or carrying out other activities that constitute the organization's on-going major or central activities.

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletion of assets or incurrence of liabilities that result in decreases in net assets.

Expenses are recognised in the statement of activities when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognised in the statement of activities on the basis of a direct association between the costs incurred and the earning of specific items of revenue (matching principle). When economic benefits are expected to arise over several accounting periods and the association with revenue can only be broadly or indirectly determined, expenses are recognised on the basis of systematic and rational allocation procedures.

An expense is recognised immediately when expenditure produces no future benefit or when future economic benefits cease to qualify for recognition as assets in the Statement of Financial Position.

f. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of an item of property and equipment comprises its purchase price and all other incidental costs in bringing the asset to its working condition for its intended use.

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	5 - 25
Furnishing and equipment:	
- Heavy equipment	7
- Office furniture and equipment	5
- Computers	3
- Vehicles	4 - 5

Capital expenditures having a useful life of more than one year and an acquisition cost equal to or over US\$3,000 are capitalised.

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 YEAR ENDED 31 DECEMBER 2014

(Expressed in thousands of US Dollar)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### g. Post-employment benefit

CIFOR provides post-employment benefit to its internationally recruited staff (IRS) and nationally recruited staff (NRS).

CIFOR provides a defined benefit plan for NRS. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statements of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

CIFOR provides separation benefits for IRS. The benefit is accrued to the employees based on an agreed separation scheme which are dependent on a number of factors such as separation years of service and compensation.

Termination benefits should be recognised as a liability and expense when CIFOR is committed to either terminate the employment of an employee before the normal retirement date; or provide termination benefits as a result of an offer to encourage voluntary redundancy.

##### h. Investments

Investments are initially recorded at their acquisition cost (including brokerage and other transaction costs) when they were purchased. Investments in equity securities with readily determinable fair values and all investments in debt securities and mutual funds shall be measured at fair value at reporting date.

Investments acquired with the intention of disposing the same within one year or less from the acquisition date are to be classified as current investments. Furthermore, investments classified as current, as distinguished from cash equivalents, are those that are acquired with original maturities of more than three months but not exceeding one year.

Investments acquired with the intention of keeping the same for more than a year from the acquisition date are classified as long-term investments.

Interest, losses and gains relating to investment should be reported in the statement of activities as expense or revenue.

##### i. 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 are not designated by CIFOR's management for specific purpose.

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NOTES TO THE FINANCIAL STATEMENTS  
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Net assets (continued)

- Designated - that part of net assets that have been appropriated by the Board of Trustees for specific purposes. Designated net assets are identified on an annual basis by the Board of Trustees.

j. Foreign currency translation

Items included in the financial statements are measured using US Dollar (USD). Transactions denominated in currencies other than USD are translated into USD at the standard bookkeeping rates which approximate the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in currencies other than USD are translated into USD at the exchange rates prevailing at that date.

As at 31 December 2014 and 2013, the rates used for the translation are as follows:

	<u>2014</u>	<u>2013</u>
Indonesian Rupiah 1,000	0.0803	0.0820
British Pound sterling 1	1.5571	1.6488
European Euro 1	1.2165	1.3800

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

k. Use of estimates

The preparation of financial statements 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>2014</u>	<u>2013</u>
Cash on hand	58	36
Cash in banks	17,656	18,889
Cash equivalents (time deposits with original maturities of three months or less)	<u>1,987</u>	<u>3,709</u>
	<u>19,701</u>	<u>22,634</u>

**CENTER FOR INTERNATIONAL FORESTRY RESEARCH**

**NOTES TO THE FINANCIAL STATEMENTS  
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**4. GRANTS, DONOR RECEIVABLES, AND DONOR PAYABLES**

	2014						2013
	Beginning balance		Revenues from grants	Fund received	Ending balance		Revenues from Grants
	A/R	A/P			A/R	A/P	
Unrestricted							
- Window 3	1,957	-	3,962	5,471	448	-	3,843
- Bilateral	-	-	311	311	-	-	338
Restricted							
- CRP on Forests, Trees and Agroforestry							
-Windows 1 & 2	1,748	-	30,400	29,984	2,164	-	27,253
-Window 3	-	4,385	8,342	5,832	1,005	2,880	7,447
-Bilateral	3,544	5,690	11,975	9,720	2,486	2,377	14,562
- CRP on Climate Change, Agriculture and Food Security							
-Windows 1 & 2	145	-	404	414	199	64	365
-Window 3	-	-	498	498	-	-	445
-Bilateral	-	-	613	265	348	-	177
- Non-CRP	481	-	4,118	2,976	2,270	647	2,942
	7,875	10,075	60,623	55,471	8,920	5,968	57,372
Allowance for doubtful accounts	(432)				(590)		
	7,443				8,330		

For the detail of grants, please refer to the Supplementary Schedule of Grants (Exhibit 1) and Supplementary Schedule of Restricted Projects Window 3 and Bilateral (Exhibit 2).

**5. ACCOUNT RECEIVABLES OTHERS**

	2014	2013
Advances to partners	1,171	1,181
Advances to suppliers and consultants	524	996
Interest receivables	8	9
Receivable from the CGIAR Fund	-	4,028
	1,703	6,214



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**7. OTHER NON-CURRENT ASSETS (continued)**

Provident fund

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 Deputy Director Finance and the Director of Human Resources. The costs of this program were USD 249 in 2014 (2013: USD 345).

Long term investment

CIFOR has investments of asset management fixed income in HSBC Private Bank (Suisse) amounting to USD 5,074 (2013: USD 4,929). The quality rating of the investment based on S&P and Moody in average is A2.

**8. ACCOUNT PAYABLES OTHER CGIAR CENTERS**

	<u>2014</u>	<u>2013</u>
World Agroforestry Centre (ICRAF)	1,694	3,458
International Center for Tropical Agriculture	251	39
International Potato Center	241	215
Bioversity International	192	531
Others	<u>157</u>	<u>263</u>
	<u>2,535</u>	<u>4,506</u>

**9. EMPLOYEE BENEFIT OBLIGATIONS**

	<u>2014</u>	<u>2013</u>
Internationally recruited staff	4,072	2,668
Nationally recruited staff	<u>3,023</u>	<u>2,715</u>
	<u>7,095</u>	<u>5,383</u>

**10. ACCRUALS**

	<u>2014</u>	<u>2013</u>
Supplies and services	689	815
Other collaboration	2,604	2,260
Personnel costs	<u>85</u>	<u>557</u>
	<u>3,378</u>	<u>3,632</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in thousands of US Dollar)

11. OTHERS

	<u>2014</u>	<u>2013</u>
<b>Other revenue and gains</b>		
Interest income	140	190
Gain on valuation of investment	65	-
Foreign exchange gain, net	-	527
Others, net	<u>182</u>	<u>43</u>
	<u>387</u>	<u>760</u>
<b>Other expenses and losses</b>		
Foreign exchange loss, net	586	-
Loss on disposal of property, plant and equipment	66	180
Loss on valuation of investment	<u>-</u>	<u>182</u>
	<u>652</u>	<u>362</u>

12. EXPENSES

	2014				2013			
	Unrestricted	Restricted CRPs	Restricted Non-CRP	Total	Unrestricted	Restricted CRPs	Restricted Non-CRP	Total
<b>Expenses by natural classification</b>								
Personnel costs	5,384	13,775	575	19,734	4,276	11,596	91	15,963
CGIAR collaboration costs	-	13,951	-	13,951	-	13,480	58	13,538
Non CGIAR collaborator expenses	1,551	3,647	2,943	8,141	752	4,191	2,114	7,057
Supplies and services	4,913	11,676	255	16,844	4,163	10,899	313	15,375
Travel	733	2,630	34	3,397	695	2,803	26	3,524
Depreciation	97	871	78	1,046	140	980	174	1,294
Cost sharing percentage	6	113	-	119	7	87	-	94
Indirect cost recovery	<u>(5,802)</u>	<u>5,569</u>	<u>233</u>	<u>-</u>	<u>(6,379)</u>	<u>6,213</u>	<u>166</u>	<u>-</u>
<b>Total operating expenses</b>	<u>6,882</u>	<u>52,232</u>	<u>4,118</u>	<u>63,232</u>	<u>3,654</u>	<u>50,249</u>	<u>2,942</u>	<u>56,845</u>

13. NET ASSETS

The account represented unrestricted net assets as follows:

	<u>2014</u>	<u>2013</u>
Undesignated - operating funds	<u>12,164</u>	<u>12,430</u>
Designated - invested in property, plant and equipment	3,870	3,059
Designated - reserve for replacement of property, plant and equipment	1,189	2,000
Designated - donor conditionality	4,816	6,772
Designated - crisis management	<u>1,000</u>	<u>1,000</u>
	<u>10,875</u>	<u>12,831</u>
	<u>23,039</u>	<u>25,261</u>

## CENTER FOR INTERNATIONAL FORESTRY RESEARCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in thousands of US Dollar)

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#### 13. NET ASSETS (continued)

##### Undesignated reserves

Undesignated reserves are required to cover working capital needs of the Center and to tide over periods of insufficient operational funding.

CIFOR will hold undesignated reserves at a level equivalent to a minimum of 120 days operational expenditure.

##### Designated reserves

###### Capital reserves

Capital reserves take into account the future capital needs of the Center including replacement of capital intensive assets at prevailing replacement upgrading IT infrastructure, buildings etc.

CIFOR capital reserves will be established at a level of up to USD 2,000.

Capital reserves are replenished through depreciation of fixed assets, replenishment through chargeback of operational expenses to restricted grants where the Center has funded capital items out of the capital fund and infusion of undesignated net assets into the capital reserve to maintain the level up to USD 2,000.

###### Donor conditionality

The Board may designate funds periodically to meet donor conditionality. The level of reserves designated is dependent on the conditionality. The Board may satisfy themselves to this designation prior to setting up the reserve.

It is not necessary to have designated reserves in this category, if there are no donor conditionalities that require to be met.

###### Crisis management

Crisis management reserves are set aside to ensure smooth operations and/or transition in the event of any exigency arising out of local sensitivities (political, geographical etc.) in countries where CIFOR operates. The reserve will be used in conjunction with CIFOR's Evacuation, Safety and Security policies.

An amount of USD 1,000 will be designated towards crisis management.

#### 14. CONTINGENT LIABILITIES

CIFOR had no significant contingent liabilities as at 31 December 2014 and 2013.

CENTER FOR INTERNATIONAL FORESTRY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

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15. RECLASSIFICATION OF ACCOUNTS

Certain accounts in 2013 financial statements have been reclassified to conform with the presentation of accounts in the 2014 financial statements as follows:

	<u>Before reclassification</u>	<u>Reclassification</u>	<u>After reclassification</u>
<b>Statement of activities</b>			
Revenue and gains			
- Other revenue and gains	398	362	760
Expenses and losses			
- Research expenses	52,781	(23,761)	29,020
- CGIAR collaborator expenses	-	13,538	13,538
- Non CGIAR collaborator expenses	-	7,057	7,057
- General and administration expenses	6,868	-	6,868
- Indirect cost recovery	(3,166)	3,166	-
- Other expenses and losses	-	362	362
<b>Statement of cash flows</b>			
Loss on valuation of investment	-	182	182
Other non-current assets	(4,581)	4,565	(16)
Purchase of long-term investment	-	(4,747)	(4,747)
<b>Accruals</b>			
- Supplies and services	1,834	(1,019)	815
- Other collaboration	1,212	1,048	2,260
- Personnel costs	586	(29)	557
<b>Expenses</b>			
Non CGIAR collaborator expenses			
- Unrestricted	856	(104)	752
Supplies and services			
- Unrestricted	4,188	(25)	4,163
- Restricted CRPs	13,502	(2,603)	10,899
- Restricted Non CRP	479	(166)	313
Cost sharing percentage			
- Unrestricted	-	7	7
- Restricted CRPs	-	87	87
Indirect cost recovery			
- Unrestricted	(6,863)	484	(6,379)
- Restricted CRPs	3,697	2,516	6,213
- Restricted Non CRP	-	166	166

The reclassification did not affect the surplus as at 31 December 2013 as previously reported.



**SUPPLEMENTARY SCHEDULE OF GRANTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in thousands of US Dollar)

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
<b>Unrestricted - Window 3</b>					
China	-	20	-	20	20
Finland	310	-	-	310	321
United Kingdom	3,204	428	-	3,632	3,502
<b>Sub-total</b>	<b>3,514</b>	<b>448</b>	<b>-</b>	<b>3,962</b>	<b>3,843</b>
<b>Unrestricted - Bilateral</b>					
Germany	311	-	-	311	338
<b>Sub-total</b>	<b>311</b>	<b>-</b>	<b>-</b>	<b>311</b>	<b>338</b>
<b>Restricted - Windows 1 &amp; 2</b>					
Centro International de Agricultural Tropical (CIAT)	200	199	-	399	365
International Crops Research Institute for Semi-Arid Tropics (ICRISAT)	69	-	64	5	-
CGIAR Fund	28,236	2,164	-	30,400	27,253
<b>Sub-total</b>	<b>28,505</b>	<b>2,363</b>	<b>64</b>	<b>30,804</b>	<b>27,618</b>
<b>Restricted - Window 3</b>					
Australian Agency for International Development (AusAID)	5,575	-	2,202	3,373	2,748
Austrian Development Agency	723	-	338	385	-
International Fund for Agricultural Development	73	750	-	823	-
Japan	261	-	79	182	-
United States Agency for International Development (USAID)	4,083	255	261	4,077	5,144
<b>Sub-total</b>	<b>10,715</b>	<b>1,005</b>	<b>2,880</b>	<b>8,840</b>	<b>7,892</b>
<b>Restricted - Bilateral</b>					
African Development Bank (ADB)	(12)	958	-	946	874
Australian Centre for International Agricultural Research (ACIAR)	22	3	-	25	168
Department of Environment – Australia	215	8	-	223	-
Austrian Development Agency	-	-	-	-	215
Biodiversity International	121	28	20	129	261
Cameroon Ministry of Forestry and Wildlife	-	-	-	-	129
Catholic Organisation for Relief and Development Aid (CORDAID)	84	17	1	100	165
China	-	-	-	-	57
European Commission	3,518	2,917	15	6,420	7,085
Federal Office for the Environment (Switzerland - FOEN)	-	-	-	-	32
Finland	183	73	47	209	163
Food and Agriculture Organization of the United Nations (FAO)	71	134	11	194	-
Forest Stewardship Council (FSC)	9	23	-	32	64
French Agricultural Research Centre for International Development (CIRAD)	6	65	-	71	295
French Global Environment Facility (FFEM)	290	169	-	459	717
German Agency for International Cooperation and German Federal Ministry for Economic Cooperation and Development (GIZ/BMZ)	149	-	-	149	687
German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety	2	45	-	47	-
International Centre for Research in Agroforestry (ICRAF)	913	42	376	579	236
International Union for Conservation of Nature (IUCN)	-	-	-	-	20
Instituto de Pesquisa Ambiental da Amazonia (IPAM)	-	-	-	-	38
Japan	4	-	-	4	44
Japan International Research Center for Agricultural Sciences	-	-	-	-	31
Korea Forest Research Institute	559	-	200	359	208

**SUPPLEMENTARY SCHEDULE OF GRANTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in thousands of US Dollar)

Donors	Total funds available	Accounts receivable	Advance payment	Grant	
				Current year	Prior year
<b>Restricted – Bilateral</b> (continued)					
KPMG East Africa Ltd	650	-	82	568	66
Met Office Hadley Centre - Government of the United Kingdom	-	-	-	-	1
Netherlands	341	-	147	194	185
Norwegian Agency for Development Cooperation (NORAD)	4,597	-	1,024	3,573	3,255
Others	408	120	8	520	396
Rockefeller Foundation	239	-	197	42	84
Swedish International Development Cooperation Agency (SIDA)	647	-	647	-	-
Switzerland	492	-	192	300	672
Technical University of Darmstadt	218	-	25	193	215
U4 Anti-Corruption Resource Centre	-	40	-	40	-
United Nations Environment Programme	110	42	-	152	-
United Kingdom - Department for International Development (DFID)	-	-	-	-	67
United Nations institute for Training and Research (UNITAR)	-	-	-	-	63
United States Agency for International Development (USAID)	512	136	-	648	733
U.S. Fish and Wildlife Service	11	-	11	-	4
U.S. Forest Service	-	199	-	199	64
University of Dar Es Salaam	9	-	9	-	-
University of Gottingen	45	-	8	37	-
University of Wisconsin	(16)	16	-	-	-
Wageningen International	53	-	4	49	72
World Bank	-	-	-	-	157
WorldFish Center	125	69	-	194	26
World Wide Fund for Nature (WWF)	51	-	-	51	132
<b>Sub-total</b>	<b>14,626</b>	<b>5,104</b>	<b>3,024</b>	<b>16,706</b>	<b>17,681</b>
<b>Grand Total</b>	<b>57,671</b>	<b>8,920</b>	<b>5,968</b>	<b>60,623</b>	<b>57,372</b>

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS  
WINDOW 3 AND BILATERAL  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>African Development Bank (ADB)</i>					
- Climate change and forests in the Congo basin: synergies between adaptation and mitigation (COBAM)	05/10-05/15	4,330	2,260	946	3,206
		4,330	2,260	946	3,206
<i>Australian Agency for International Development (AusAID)</i>					
- CIFOR REDD+Research Partnership	07/12-06/15	9,481	3,590	3,373	6,963
		9,481	3,590	3,373	6,963
<i>Australian Centre for International Agricultural Research (ACIAR)</i>					
- Overcoming constraints to community based commercial forestry in Indonesia	04/11-09/15	121	71	25	96
		121	71	25	96
<i>Department of Environment – Australia</i>					
- Measurement, reporting and verification (MRV) support to the government of Indonesia	07/14-06/15	510	-	223	223
		510	-	223	223
<i>Austrian Development Agency</i>					
- Addressing the gender gap in participation and representation in community forestry: consolidation of research and action on gender, tenure and community forestry in Uganda and Nicaragua	09/13-06/16	625	91	201	292
- Nutritional and ecological benefits of forest and tree cover on vegetable collection, production and consumption in semi-arid areas. A comparative study in Ethiopia and Burkina Faso	09/13-12/15	633	52	184	236
		1,258	143	385	528
<i>Bioversity International</i>					
- Beyond timber: reconciling the needs of the logging industry with those of forest-dependent people (CBFF through African Development Bank)	01/12-12/14	406	294	112	406
- Management of gender research fellowships on the integration of Gender Bioversity (CBFF Through African Development Bank)	04/13-04/14	25	12	13	25
- Threats to priority food tree species in Burkina Faso: drivers of resource losses and mitigation measures (Austrian Development Agency)	03/13-12/14	65	39	4	43
		496	345	129	474
<i>Catholic Organisation for Relief and Development Aid (CORDAID)</i>					
- Large scale land acquisition for plantation estates in Indonesia	09/12-10/14	289	185	100	285
		289	185	100	285
<i>China</i>					
- Supporting collaborative projects in China	12/14-12/15	10	-	-	-
		10	-	-	-

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS  
WINDOW 3 AND BILATERAL  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in thousands of US Dollar)

Donors and projects	Grant period MMYY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>European Commission</i>					
- REFORCO – support to the national policy on conservation and management of forests and biodiversity in the Democratic Republic of Congo	10/09-12/15	7,677	4,931	249	5,180
- New ways to value and market forest externalities	01/10-05/14	359	287	72	359
- Impacts of reducing emissions from deforestation and forest degradation and enhancing carbon stocks	01/11-12/14	322	197	125	322
- Opportunities and challenges to developing REDD benefit sharing mechanisms in developing countries	02/12-01/16	6,344	1,889	1,829	3,718
- Operational potential of ecosystem research applications (OPERAs)	12/12-11/17	121	20	27	47
- Forests and climate change in Congo (FCCC)	01/13-12/16	16,065	2,942	4,118	7,060
		30,888	10,266	6,420	16,686
<i>Finland</i>					
- Finnish JPO - ENV Programme	06/10-06/14	328	293	35	328
- Finnish JPO - GOV Programme	07/12-07/15	290	140	101	241
- Finnish JPO - GOV Programme	07/14-06/16	314	-	73	73
		932	433	209	642
<i>Food and Agriculture Organization (FAO) of the United Nations</i>					
- FAO/GEF sustainable management of the wildlife and bushmeat sector in Central Africa project	09/13-01/15	200	-	186	186
- Appui au développement des réflexions sur le marché domestique du bois en Côte d'Ivoire avec un soutien dans l'identification d'options stratégiques et la proposition d'un plan d'action	11/14-08/15	50	-	8	8
- To take stock of community forestry enterprises involved in commercialization of timber in Africa	12/14-03/15	17	-	-	-
		267	-	194	194
<i>Forest Stewardship Council</i>					
- Expanding FSC certification at landscape level through incorporating additional ecosystem services	02/12-03/16	315	195	32	227
		315	195	32	227
<i>French Agricultural Research Centre for International Development (CIRAD)</i>					
- FORAF in Central Africa	04/07-open	188	182	6	188
- FORAF phase 2 in Central Africa (CEOFAC)	04/11-10/14	68	63	5	68
- Sustainable development of palm oil production: designing strategies from improved knowledge on oil palm cropping system	03/12-02/16	107	59	34	93
- Observatoire des Aires Protégées d'Afrique Centrale (OBAPAC)	05/13-06/14	25	-	25	25
- PhD program on the "Dynamics of interactions between ecosystem services and rural social groups in the context of a changing climate in Peruvian landscapes	12/14-11/17	44	-	1	1
		432	304	71	375

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS  
WINDOW 3 AND BILATERAL  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in thousands of US Dollar)

<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>French Global Environment Facility (FFEM)</i>					
- Support to the sustainable management of forest in the Congo and Brazilian Amazon basin	06/09-10/14	1,523	1,412	111	1,523
- Supporting the development of policies and adaptation at different scales in West Africa savannahs	06/11-06/15	2,011	857	348	1,205
		3,534	2,269	459	2,728
<i>German Agency for International Cooperation and German Federal Ministry for Economic Cooperation and Development (GIZ/BMZ)</i>					
- Chinese trade and investment in Africa: accessing and governing trade-offs to national economies, local livelihoods and forest ecosystems	03/10-02/14	1,609	1,448	161	1,609
- Integrating adaption in REDD+ projects: potential impacts and social return on investment (SROI)	01/12-08/13	64	72	(8)	64
- Expert meeting on strengthening finance for sustainable forest management through national forest funds in the Asia-Pacific	08/13-12/13	26	30	(4)	26
		1,699	1,550	149	1,699
<i>German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety</i>					
- From climate research to action under multilevel governance: building knowledge and capacity at landscape scale	07/14-12/17	3,997	-	47	47
		3,997	-	47	47
<i>International Centre for Research in Agroforestry (ICRAF)</i>					
- Agroforestry and forestry in Sulawesi: linking knowledge with action (Department of Foreign Affairs, Trade and Development Canada)	01/12-03/16	956	359	292	651
- Development of timber and non-timber forest products' production and market strategies for improvement of smallholders' livelihoods in Indonesia (ACIAR)	04/13-12/16	373	48	40	88
- Building biocarbon and rural development in West Africa (BIODEV)-(Finland)	01/14-07/16	962	-	217	217
- Green Rubber: alleviating poverty and enhancing environmental integrity through restoring ecosystem services in a tropical plantation crop in the Upper Mekong Region (GIZ)	04/14-12/16	107	-	30	30
		2,398	407	579	986
<i>International Fund for Agricultural Development</i>					
- Securing tenure rights for forest-dependent communities: a global comparative study of design and implementation of tenure reform	01/14-12/16	3,375	-	823	823
		3,375	-	823	823
<i>Japan</i>					
- Evaluating ecosystem services for sustainable forest management and conservation of biodiversity in and around protected areas	05/11-03/14	712	708	4	712
- "Futurability" of tropical forests: value-oriented approach to strengthen international framework	04/14-03/16	347	-	182	182
		1,059	708	186	894

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS  
WINDOW 3 AND BILATERAL  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>Korea Forest Research Institute</i>					
- Balancing sustainable bioenergy provision and forest carbon emissions from the rain forest of Southeast Asia under REDD+Mechanism	01/10-12/14	1,109	550	359	909
		1,109	550	359	909
<i>KPMG East Africa Ltd.</i>					
- Enhancing the role of forestry in Ethiopia's Climate Resilient Green Economy (CRGE): A Knowledge, action research and innovation project (United Kingdom-DFID)	07/13-01/15	1,006	66	568	634
		1,006	66	568	634
<i>Netherlands</i>					
- Dutch APO – Climate change	02/13-01/16	325	100	100	200
- Dutch APO – Food security	02/13-02/16	298	85	94	179
		623	185	194	379
<i>Norwegian Agency for Development Cooperation (NORAD)</i>					
- Learning from REDD+ - An enhanced global comparative analysis	01/13-12/15	8,973	1,680	3,573	5,253
		8,973	1,680	3,573	5,253
<i>Others</i>					
- Sustainable Forest Management CARO	05/13-Open	15	7	-	7
- Global Landscapes Forum (16-17 Nov 2013)	10/13-02/14	380	380	(26)	354
- Forest Asia Summit in Jakarta, May 2014	04/14-12/14	111	-	111	111
- Global Landscape Forum in Lima, December 2014	10/14-Open	435	-	435	435
		941	387	520	907
<i>Rockefeller Foundation</i>					
- Adaptation of people to climate change in East Africa	12/11-12/15	600	311	42	353
		600	311	42	353
<i>Switzerland</i>					
- ASEAN-Swiss Partnership on Social Forestry and Climate Change (ASFCC)	01/12-03/14	915	816	99	915
- ASEAN-Swiss Partnership on Social Forestry and Climate Change (ASFCC) - Phase 2	01/14-12/16	947	-	201	201
		1,862	816	300	1,116
<i>Technical University of Darmstadt</i>					
- Governance for the reduction of indirect land use changes – GoViLa	12/12-05/15	425	215	193	408
		425	215	193	408
<i>U4-Anti Corruption Resource Centre</i>					
- Update of CIFOR WP#80 - preventing the risks of corruption in REDD+	04/14-11/14	40	-	40	40
		40	-	40	40
<i>United Nations Environment Programme</i>					
- Global Landscape Forum in Lima, December 2014	07/14-03/15	170	-	152	152
		170	-	152	152

**SUPPLEMENTARY SCHEDULE OF RESTRICTED PROJECTS  
WINDOW 3 AND BILATERAL  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in thousands of US Dollar)

Donors and projects	Grant period MM/YY	Grant pledged	Cumulative expenditures through prior year	Expenditures in current year	Total cumulative expenditures
<i>United States Agency for International Development (USAID)</i>					
- Nyimba Forest Project: developing models for measuring, reporting and verification (MRV) for REDD+ in the Miombo socio-ecological system: utilizing opportunities under Zambia's UN-REDD+ quick-start programme	08/12-12/14	2,961	1,990	971	2,961
- The economic choices and trade-offs of REDD+ in the Asia Region	10/12-12/14	1,115	467	648	1,115
- Sustainable Wetlands Adaptation and Mitigation Program (SWAMP)	10/12-09/15	2,268	1,288	344	1,632
- Conservation and sustainable use of tropical forest biodiversity	10/12-09/15	3,185	1,229	1,695	2,924
- Forest certification research	10/12-12/14	392	216	176	392
- Developing systems for reducing emissions from land use	10/12-09/15	2,189	719	891	1,610
		12,110	5,909	4,725	10,634
<i>U.S. Fish and Wildlife Services</i>					
- 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	40	-	40
		50	40	-	40
<i>U.S. Forest Service - International Programs</i>					
- Forest conservation and sustainable wetlands adaptation and mitigation program	08/13-03/18	419	64	199	263
		419	64	199	263
<i>University of Dar Es Salaam (Institute of Resource Assessment)</i>					
- Fellowship award under the African climate change fellowship program	11/11-Open	34	23	-	23
		34	23	-	23
<i>University of Gottingen</i>					
- Restoration and reclamation of mined-out areas and other degraded lands for biodiversity conservation and rural development in Burkina Faso: a chance for local people?	01/14-12/16	120	-	37	37
		120	-	37	37
<i>Wageningen International</i>					
- The international course on "Governance for forest nature and people"	07/14-01/15	54	-	49	49
		54	-	49	49
<i>WorldFish Center</i>					
- Integrated research in development for improved livelihoods programme in Northern Province, Zambia (IRDLP) (Irish Aid)	09/13-08/15	242	26	194	220
		242	26	194	220
<i>World Wide Fund for Nature (WWF)</i>					
- Social impacts of the FSC certification in the Congo basin: effectiveness of negotiated arrangements and platforms of dialogue between logging companies and the local population	10/12-04/14	183	132	51	183
		183	132	51	183
<b>Total restricted grants</b>		<b>94,352</b>	<b>33,130</b>	<b>25,546</b>	<b>58,676</b>

**SUPPLEMENTARY SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in Thousands of US Dollar)

	<u>Infrastructure and leasehold improvements</u>	<u>Furnishing and equipment</u>	<u>Property, plant and equipment under commissioning</u>	<u>Total 2014</u>	<u>Total 2013</u>
<b>COST:</b>					
Balance 1 January	2,702	5,712	35	8,449	7,022
Current period:					
- Additions	1,022	942	43	2,007	3,455
- Disposals	(85)	(36)	(78)	(199)	(2,028)
Balance 31 December	<u>3,639</u>	<u>6,618</u>	<u>-</u>	<u>10,257</u>	<u>8,449</u>
<b>ACCUMULATED DEPRECIATION:</b>					
Balance 1 January	(915)	(4,475)	-	(5,390)	(4,543)
Current period:					
- Additions	(241)	(805)	-	(1,046)	(1,294)
- Disposals	15	34	-	49	447
Balance 31 December	<u>(1,141)</u>	<u>(5,246)</u>	<u>-</u>	<u>(6,387)</u>	<u>(5,390)</u>
<b>Net Book Value</b>	<u><u>2,498</u></u>	<u><u>1,372</u></u>	<u><u>-</u></u>	<u><u>3,870</u></u>	<u><u>3,059</u></u>



**SUPPLEMENTARY COMPUTATION OF INDIRECT EXPENSE RATE  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in Thousands of US Dollar)

	2014			2013		
	Center	Partner	Total	Center	Partner	Total
General and administrative expenses	5,947	769	6,716	6,050	818	6,868
Research expenses	33,772	8,141	41,913	29,020	7,057	36,077
Total	39,719	8,910	48,629	35,070	7,875	42,945
<b>Indirect cost rate</b>			<b>16%</b>			<b>19%</b>

The above calculation excludes CGIAR collaboration costs.

**CRP EXPENDITURE REPORT - CENTER  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in Thousands of US Dollar)

**CRP on Forests, Trees and Agroforestry – Expenditure Report**

<b>Natural Classification</b>	<b>Window 1 &amp; 2</b>	<b>Window 3</b>	<b>Bilateral Funding</b>	<b>Center Funds</b>	<b>Total Funding</b>
Personnel costs	7,100	2,569	3,414	268	13,351
CGIAR collaboration	4	73	85	-	162
Other collaboration	494	874	1,268	45	2,681
Supplies and services	2,869	3,131	5,245	95	11,340
Travel	1,161	522	874	56	2,613
Depreciation	757	41	73	75	946
Sub-total of direct costs	12,385	7,210	10,959	539	31,093
Indirect costs	3,215	1,132	1,016	102	5,465
Total – all costs	15,600	8,342	11,975	641	36,558

**CRP on Climate Change, Agriculture and Food Security – Expenditure Report**

<b>Natural Classification</b>	<b>Window 1 &amp; 2</b>	<b>Window 3</b>	<b>Bilateral Funding</b>	<b>Total Funding</b>
Personnel costs	180	120	392	692
CGIAR collaboration	-	-	-	-
Other collaboration	-	-	-	-
Supplies and services	110	290	144	544
Travel	36	20	17	73
Sub-total of direct costs	326	430	553	1,309
Indirect costs	78	68	60	206
Total – all costs	404	498	613	1,515

**CRP WINDOW 1 AND WINDOW 2 FUNDING REPORT - CENTER  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in Thousands of US Dollar)

**CRP on Forests, Trees and Agroforestry – Funding Report**

Description	Windows 1 & 2
Opening balance	(1,748)
Cash receipts from lead center	15,184
Disbursements	15,600
Closing balance	(2,164)

**CRP on Climate Change, Agriculture and Food Security – Funding Report**

Description	Windows 1 & 2		
	CIAT	ICRISAT	Total
Opening balance	(145)	-	(145)
Cash receipts from lead center	345		345
Cash receipts from other center		69	69
Disbursements	399	5	404
Closing balance	(199)	64	(135)

**CRP EXPENDITURE REPORT – LEAD CENTER  
FOR THE YEAR ENDED 31 DECEMBER 2014**  
(Expressed in Thousands of US Dollar)

**CRP on Forests, Trees and Agroforestry – Expenditure Report**

<b>Natural Classification</b>	<b>Windows 1 &amp; 2</b>	<b>Window 3</b>	<b>Bilateral Funding</b>	<b>Center Funds</b>	<b>Total Funding</b>
Personnel costs	7,100	2,569	3,414	268	13,351
CGIAR Collaboration	13,793	73	85	-	13,951
Other collaboration	1,505	874	1,268	45	3,692
Supplies and services	2,869	3,131	5,245	95	11,340
Travel	1,161	522	874	56	2,613
Depreciation	757	41	73	75	946
Sub-total of direct costs	27,185	7,210	10,959	539	45,893
Indirect costs	3,215	1,132	1,016	102	5,465
Total – all costs	30,400	8,342	11,975	641	51,358

**SUPPLEMENTARY SCHEDULE  
 CRP WINDOW 1 AND WINDOW 2 FUNDING REPORT – LEAD CENTER  
 FOR THE YEAR ENDED 31 DECEMBER 2014**  
 (Expressed in Thousands of US Dollar)

**CRP on Forests, Trees and Agroforestry – Funding Report Windows 1 and 2**

Description		Total
Opening balance (all partners)		45
Cash receipts from Consortium		33,646
Disbursements:		
Bioversity International	3,765	
CATIE	290	
CIRAD	440	
CIAT	539	
CIFOR	15,184	
World Agroforestry Centre	11,327	
Total disbursements		31,545
Closing balance (all partners)		2,146

