



Sustainable
Intensification of
Mixed Farming Systems

Initiative and platform budget processes - 2022

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Initiative Planning and Inception Meeting

31 May – 2 June 2022, ILRI Campus, Addis Ababa, Ethiopia.

Outline



- Introduction and budget calendar
- Budget Phases
- 2022 Detailed Budget high level guidelines
- Budget template and clarifications
- Plan of Results and Budget
- Upload of Actual and Forecasting
- Q&A

Budget phases

Phase 1:

- Initiative's proposals were submitted to the ISDC with aspirational budgets
- FinPlan was prepared based on fundraising assumptions
- Centers board-approved budgets were based on CRP 2019/2020 reports

Phase 2:

- Initiative's flow of funds to CGIAR Entities approved by SGDs
- Initiatives detailed budgets – aggregation of Entities budgets per Initiative and Work package
- Upload of detailed 2022 budgets to Anaplan (planning system)
- Link of initiatives workplan with detailed budget – POR

2022 detailed budget high level guidelines



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- The Initiative Leader is responsible for the budget consolidation and approval following FinPlan guardrails (Flow of funds to Entities).
- The budget will follow CGIAR Entities cost allocation methodologies based on existing CGIAR guidelines.
- The One CGIAR 2022 Budgeting Transition Task Team will support the Initiative Leader in coordination with the Entity Finance Partner.
- The Initiatives POR will be developed in coordination with the project management team.

2022 detailed budget template



Entity:		Initiative A
Main Accounts		2022
Crosscutting across Work Packages	Personnel	
	Consultants	
	Workshops and Conferences	
	Other Supplies and Services	
	Partners - Non CG	
	Depreciation Project Assets	
	Travel	
	Chargeback	-
	Facilities	
	IT	
	Research Support	
	Other chargebacks	
	Overhead	
	WP SubTotal	-
Personnel		
Consultants		
Workshops and Conferences		
Other Supplies and Services		
Partners - Non CG		
Depreciation Project Assets		
Travel		

Entity:				
Natural Classification	Country 1			
	Region	Country	%	USD
Crosscutting across Work Packages	ESA	Ethiopia	100%	
Work package 1				
Work package 2				
Work package 3				
Work package 4				
Work package 5				
Work package 6 innovation packages & Scaling Readiness				
Total				

Plan of Results (POR) and budget

- Design Principles:
 - Less is more, keep it simple
 - Must have categories/dimensions only, at this stage (ie risk, etc will be included in a future version)
 - 1st iteration of an evolving document
- Process:
 - 1st version of template and instructions for review by key stakeholders/delegates (Science Directors/IDT leaders/Finance/PPU)
 - Small support team of project managers assembled and trained on tool (1-2 hours zoom meeting)
 - IDT leaders supported by project manager team to complete POR
- Timeline:
 - By 26/01 - support team members identified
 - By 28/01 - final version of POR approved by stakeholders
 - By 31/01 - support team members trained
 - By 18/02 - first version of POR drafted by IDT leaders and support team
 - By 28/02 - POR reviewed and approved for circulation

2022 Plan of Result template



WP/Results		2022				Budget
		Implementation Timeline				
		Q1	Q2	Q3	Q4	
Total Initiative	<i>Crosscutting across Work Packages</i>		X	X	X	7,100,000
	<i>Work Package 1</i>		X	X	X	
	<i>Work Package 2</i>		X	X	X	
	<i>Work Package 3</i>		X	X	X	
	<i>Work Package 4</i>		X	X	X	
	<i>Work Package 5</i>		X	X	X	
	<i>Work Package 6</i>					
	<i>Innovation packages & Scaling Readiness</i>		X	X	X	
	TOTAL		X	X	X	

At IITA



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BUDGET, BUDGET CONTROL, FUND FLOW & DATA UPLOAD

CG PROCESS FLOW AND EXPECTATION

- Each Initiative focal point to develop POR in conjunction with the IDTs
- Break the POR into activities
- Develop the budget details to deliver the POR
- Detailed budget to Include Personnel, Other Direct cost, Chargebacks and Overhead
- Personnel to include all category of personnel required to deliver the POR
- Other Direct Cost includes Consultancy, Workshop/Conferences, other supplies & Services, Non-CG Partners, Project Asset/Armotisation, Travels
- Ensure this agrees with the flow of fund allocated to the Entity
- Break the detailed budget into the different work packages as stated in the POR
- Submit to the Initiative Leader for consolidation
- Initiatives to ensure the principle of fund flow in such a way that one CG center cannot give sub-grant to another.
- There might be adjustment of fund flow to ensure the implementing Entity received the fund directly.

IITA EXAMPLE TO DELIVERING CG EXPECTATION

- Each focal point to develop the POR for all the WPs
- Each focal point to prepare budget details with the ENTFIN
- The Personnel budget should include IRS based on SMT approved staff mapping and NRS
- The FTE of the mapped staff should be further mapped to the respective WP
- Finance will then apply the individual salary to develop the Personnel budget
- List of Consultant, number and cost of workshops/Conferences must be submitted, Travel plans and location, names of Non-CG Partners if any and the amount to allocate, project asset plan, supplies and services historically being charged.
- Chargeback as directed by CG for IITA is 15% of the fund allocation and will cover chargebacks like IT charges, RSS, Facilities, other chargebacks like Finance, Personnel, etc
- Overhead will apply automatically at the rate of 16.2%
- The detailed budget and POR will be submitted to the Initiative Leader after ensuring the total for all the WP agrees with the fund allocated to the entity.

Good morning. Just a quick clarification for initiatives budget utilisation in the following scenario

If 3 CG Centers have to work with a non-CG partners, we are thinking of a joint MOU and one of the Center will be responsible for the payment and in turn invoice other CG Center. Please confirm if this is workable solution.



Sanchez, Antonio Ricardo (CGIAR System Organization) 10:29 AM

Hi Francis,

The latest agreement on the CSE: Partnerships for this year will be managed by the Center responsible for the activity. The process for managing Initiatives partnerships will be formulated with a view of having better coordination between Partnerships and Centers in 2023.

Therefore, your suggestion would not be entirely aligned with this indication. In addition, the principles for invoicing between Centers are still under review, so I cannot provide further guidance until that process and guardrails are set.

10:36 AM

Thanks for the clarification. We will keep our fingers crossed and see how the handling of joint partnership with common Non-Cg Partners will play out.



Sanchez, Antonio Ricardo (CGIAR System Organization) 10:40 AM

the process for managing Initiatives partnerships is targeted for 2023. Please be cautious with the Partners engagement.

Also other scenarios and solutions can be reviewed and discussed with the corresponding FSI team member for the Initiative, as now they have all the information about the ongoing processes for initiatives; therefore, they can support the Init leads better and work with the teams this type of scenarios and potential solutions



10:19 AM
I can imagine your work load.

On another note, i am hoping to one day visit your new Genebank facility in Columbia with the head of IITA Genebank



Glover, Melanie (Alliance Bioversity-CIAT) 10:20 AM
that would be really great if you can go see it. I am planning to go to Colombia in September, so will request a tour when I go.

when are you planning to go?

10:22 AM 1
I will let you know when we agree on the timing.



Glover, Melanie (Alliance Bioversity-CIAT) 1:09 PM
Francis, thinking more on this MOU issue, as a part of the forecast that will be due in June. the centers can agree that 1 center will manage that LOA and all the funds in the forecast are moved to that center.

instead of re-billing

1:12 PM
okay Thanks

Last read



Glover, Melanie (Alliance Bioversity-CIAT) 1:13 PM
either option is ok though, but with the forecast revision due, the centers can clean-up this type of things

Questions from the initiatives team



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1. **BUDGET PERIOD AND TEMPLATE:** Will there be a different process and template for the Initiatives that are not starting in January 2022? What are the periods covered by this budget exercise?

Answer: This process applies to all initiatives irrespectively of their starting dates and covers the period from January to December 2022.

2. **INCEPTION COST:** What is the Inception Cost and how is it incorporated in this budget exercise?

Answer: For those Initiatives with a Start Date different from January 2022, Inception Costs will be recognized from January 2022. Inception Costs refer mainly to the cost of staff time to formulate and develop the Plan of Results and Budget, meetings, conferences, workshops (virtual or physical), professional services and the related Full Cost Recovery/Chargebacks of the involved Entities.

Questions from the initiatives team

3. **2022 FLOW OF FUNDS THROUGH ENTITIES:** What is this document and how does it relate to the Initiatives Proposals? What is the flexibility for this allocation per Initiative and Entity?

Answer: The flow of funds indicate which entities will be implementing the Initiatives activities following a detailed consultation made by the IDT Leaders with Centers and approvals by the Global Science Directors and the EMT.

Required reviews should be coordinated with the Global Science Directors and If approved, adjusted in the Forecast in Q2 2022.

4. **BUDGET RECOMMENDATIONS AND SUPPORT COST:** Should initiatives have Project Management Units (PMU) or how finance, project management and other support costs should be included? Will Entities be allowed to include chargebacks/Full Cost Recovery in their budgets?

Answer: Each entity will prepare the budgets using their calculated overhead rates and cost allocation methodologies (Including Full cost recovery/chargeback methodologies), based on existing CGIAR guidelines.

In the short-term, transitional structures will be implemented using Entities current capacity to support the Initiatives. As we transition to the new operational structure, global units will provide financial, project management, HR and other support to the Initiatives.

Questions from the initiatives team



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5. **INITIATIVES LEADER COST:** How should the Initiatives leaders be costed? And where should it be budgeted according to the Flow of Funds through Entities shared?

Answer: Initiative leaders should budget for the time dedicated to the Initiative. This cost will be captured at the “Global Management” section of the detailed budget template.

The Initiative Leader’s employer of record will receive an additional fund allocation to cover the Leader’s costs included in the budget.

Other team members should be fully covered by the Initiative budget.

Questions from the initiatives team



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6. **INDIRECT COST:** Will the Initiatives budgets include a single Indirect Cost/Overhead Rate for all the Entities?

Answer: Each entity will prepare the budgets using their calculated overhead rates and cost allocation methodologies (Including Full cost recovery/chargeback methodologies), based on existing CGIAR guidelines.

7. **BUDGET REVIEW PROCESS:** Considering that Initiatives are still evolving, new leaders appointed are providing additional feedback, and additional information is constantly being shared; will there be flexibility during the implementation in comparison with the Initiatives detailed budget?

Answer: A forecast will be prepared in Q2 2022 to incorporate new appointments, and any other reviews needed for the successful implementation of the Initiatives.

Questions from the initiatives team



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8. **AGREEMENTS:** How will the Initiatives be formalized? When are the new agreements expected to be signed?

Answer: There will not be agreements drawn out for each Initiatives. Funds will flow to each Entity based on decision letters as provided for under paragraph 5 of the Financial Framework Agreements (FFAs) signed between each Entity and the System Organization. Allocations of funds to each Entity (Center) from each Initiative have been approved by the Science Global Directors and will inform the decision letters. Therefore, **sub-contracting between Entities is not allowed**. If sub contracting is needed, then it means the flow of funds needs to be adjusted.

9. **DONORS DESIGNATED FUNDS TO INITIATIVES:** What are Designated Funds from donors? Will this be later allocated as additional funds?

Answer: Donors can choose to designate part or all of their pooled funding contribution to an Initiative under Window 1 (Not to an Entity). Designated Funds are not additional funds, but part of the funding towards the approved Initiative budget.

Questions from the initiatives team



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10. **POR vs POWB:** A) Does the Plan of Results (POR) replace other documents like the Plan of Work and Budget (POWB)? B) Will the POR be a different template?

Answers:

- Yes, the POR will replace the POWB for this stage of planning, once it's approved (proposed timeline considers February 28th as the date for POR reviewed and approved for circulation).
- The POWB template was not aligned with the financial structure/entities and therefore it would end up creating more work for review and adjustments. Additionally, the POWB template has more details than the must-haves at this stage.

11. **POR SUPPORT TEAM:** When will the support team be trained? and who will be part of this team?

Answer: The proposed timeline considers that support team members will be fully trained by the end of January. Team members are being identified and once these are formalized, names will be shared with IDT leads.

Questions from the initiatives team



12. POR USE AS PLANNING TOOL: A)The POR Template includes 2023 and 2024, which are not part of the current budget exercise; what budget should be used for these years? B)Why is the POR submitted after the budget, if both exercises are related? C)How should Scaling and Innovation Readiness and MELIA be included? D)Will be a difference if 2022 follows the Flow of Funds amount and 2023 and 2024 the aspirational budget?

Answers:

- In the POR the budget for 2023/2024 we'll use the aspirational amount presented on the proposals.
- We know that the POR exercise is related to budget, however, the timeline for budgets was set ahead of the work on POR being initiated. So, it will be a backwards process, this time. For the next iterations of POR and Budget, the more appropriate flow will be done.
- The POR template includes Scaling and Innovation Readiness and MELIA activities as per proposals submitted.
- A difference may occur, one of the purposes of the POR is to update results based on the now confirmed funds for 2022, while still working with aspirational figures for 2023/2024.



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Thank you

