



**Decision Sheet of WHEAT Management Committee (W-MC) Meeting
Virtual, by deadline of 24th October 2014**

W-MC Members present: See below

Decision (quorum reached, 100% consensus): In 2014, to continue to spend as per original endorsed WHEAT 2014 W1&2 Budget.

Item 15: From CRP Management side, we propose to the W-MC that WHEAT continues to spend as per original endorsed 2014 WHEAT Budget (yellow scenario). Do you agree/disagree. If latter pls justify.

Item 16: Do any of the four budget components (CRP Mgt, Partner Budget, CIMMYT Research, ICARDA Research) have an expected shortfall in 2014 over the 2014 WHEAT Budget (yellow scenario, in xls attached). If so for what and how much?

	M Banziger	I Sharma	G Moore	E Huttner	B Gerard	H Braun	K Pixley	O Erenstein	M v Ginkel	M Baum
Item 15	Agree	Agree 22/10/14	Agree 23/10/14	Agree 24/10/14	Agree	Agree	Agree	Agree	Agree	Agree
Item 16	Yes, CRP Mgt Budget, due to CIMMYT-ICARDA meeting 6-7 Dec	N/A	N/A	N/A	Slight risk of W1&2 overspend, but unlikely	Slight risk of W1&2 overspend below 250k, including for setting up HEDWIC	No	No	No	No
Comment			Cannot attend global partners meeting	Clarify CGIAR rules on carry-over		Points to verbal agree with CA on where to spend their W2 (Yield, FHB, Rusts)	W1/2 carry-over into 2015 secure?	Avoid carry-over into 2016(!)		Request CRP Mgmt budget for ICARDA in 2105-16



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Attachment to original email to W-MC 20th Oct 2014

WHEAT 2012 - 2014 W1&W2 Actuals and Budget (US '000)	Expenses 2012	Expenses 2013	Expected Budget 2014	Expected Budget 2014	Promised Budget 2014	MC agreed Budget 2014	Total 2012 - 2014	Percentage 2012 - 2014
				25-Sep-14	16-Oct-14			
CIMMYT	6,926	6,780	7,848	6,238		7,848	21,554	58%
ICARDA	1,692	2,379	2,307	2,189		2,307	6,378	17%
Partner	1,635	2,094	2,675	1,926		2,675	6,403	17%
CRP Management	1,240	728	1,000	670		1,000	2,968	8%
Total	11,492	11,982	13,830	11,023	16,630	13,830	37,304	100%

CIMMYT Received	6,915	6,915	6,915
CGIAR W2 Estimated	4,900		8,430
CGIAR W2 Received			
CGIAR W1 Pledged	9,000		8,200

What is the likelihood that W1 will be cut more?

- Proposal to W-MC: We continue with original 2014 budget. Do you agree or not?
- Question to W-MC members : Who expects budget shortfalls over the yellow 2014 scenario and for what?
- Question to Victor: How much of W2 has been received by FC or CIMMYT has been notified?
- Question to Victor: What is the likeliness that W1 will be cut more?



RESEARCH PROGRAM ON
Wheat



Status W2 / 2014

Payment received by CIMMYT (1st W2 payout for 2014)	3,283,855	16th Sept 2014
Letter from ACIAR confirming W2 for 2013-14 total: AUD 1,218,000 = USD 1,180M, counted towards 2014 W2 budget.		
1st installment disbursed to CGIAR Fund Dec'13, 2nd installment July'14	see above	25th July 2014
CA Gov informs CGIAR Fund of CA\$3M W2 disbursement by 31st March 2014 (to Fund)		3rd March 2014
USAID W2 confirmation (for 2013-14)		



Original email text 20th Oct 2014

Subject: FYAction: Response needed by 24-Oct-2014; 2014 WHEAT Budget

Dear WHEAT-Management Committee members (WHEAT-IAC members will receive this FYI only),

All CRPs have received news about 2014-16 funding (see email below and attachment). An initial warning about a -8% W1/2 budget reduction for the running year & flat W1/2 income 2015-16 was sent to us on 25th Sept. This was then further revised on 16 Oct by a new Finance Plan (attached, see email below) that shows an increased WHEAT W1&W2 budget. The key points below summarize the facts and consequences, followed by questions to all WHEAT-MC in red, below:

When can WHEAT-MC know for sure 2014 W1/2 budget and make decisions about 2015?

1. After final approval of 2014-15 FinPlan by the Consortium Board, **December 2014**.

What will be WHEAT 2014 W1/2 budget (most likely)?

2. As per latest Finance Plan (16-Oct-2104), our budget may be as high as US\$16.6M, more than the 13.8M endorsed by W-MC for 2014 (CO calculates with 13.9M).
3. Why? Because Canada gave unanticipated 2.75M/W2 (linked to Lumpkin/Braun fundraising efforts), on top of planned W2 income of 4.9M. All 2014/W2 contributions have been paid into the Fund by donors, of which WHEAT has received a partial pay-out in Sept.
4. The W2 income is offset by a reduction in W1 income (-9%, or 800k, applies to all CRPs' W1).
5. So, net increase W1/2, compared to plan = 2.7M. *This is good news, but is still not secure until the Finance Plan is approved by the CB in Dec 2014 and we know for sure that W1 will no longer be modified (ie down-graded for WHEAT because all other CRPs have a net reduction of their W1&2 total) ...*

What about 2015-16?

6. CB/CO proposes 'flat revenues', e.g. 16.6M for WHEAT p.a.
7. Assumes that Canada and the other W2 donors (USAID, ACIAR) will continue to contribute at 2014 levels.
8. In the Extension Period Proposal, WHEAT asked for 19.14M (2015) and 20.42M (2016).
9. So WHEAT will have at least 2.54M and 3.82M **less to invest, or even less, if W2 income falls and/or W1 income will be below CB/CO predictions. That is bad news.**
10. The 'less to invest' is roughly **equal to the additional W1/2 that WHEAT requested for new initiatives (3.9M & 3.7M respectively** for WHEAT Business Case, Precision Phenotyping Platforms, etc.).
11. Because the 2014 additional income can/may only be spent in 2015, WHEAT can offset the lower than hoped for W1/2 budget.

Clarification about carry-forward (c/f)

12. The CO assumes that CRPs are somewhat cushioned, because they have had significant carry-over (since 2013, when it was allowed).
13. For WHEAT (and surely for other CRPs), the carry-over is almost entirely made up of commitments to R&D partners (commissioned or competitive grants). This carry-over is also the main way of adjusting to in-year W1/2 budget reductions – by shifting the pay-out schedule into the future.
14. The c/f figures you see in the attached document's tables are committed – they cannot be shifted!!

What's next?

15. **From CRP Management side, we propose to the W-MC that WHEAT continues to spend as per original endorsed 2014 WHEAT Budget (yellow scenario). Do you agree/disagree. If latter pls justify.**
16. **Do any of the four budget components (CRP Mgt, Partner Budget, CIMMYT Research, ICARDA Research) have an expected shortfall in 2014 over the 2014 WHEAT Budget (yellow scenario, in xls attached). If so for what and how much?**
17. On 10th Dec., WHEAT-MC should be able to make 2014 and 2015 budget planning / allocation decisions, based on a CB-approved FinPlan 2014-15 in December. I will ask Philippe Ellul to make sure that WHEAT-MC has the necessary information from CB.
18. It will be important to maintain close ties to W2 donors, to retain their commitment.

I hope this clarifies the situation. **I would appreciate your answer to items 15 & 16 by 20 Oct.**

Sincerely - Victor