

## **Annual Budget 2008**

### **Purpose**

To consider and approve the annual budget for 2008.

### **Background**

The Secretariat has prepared a proposed budget in the amount of USD 11.1 million for 2008. This includes USD 1,950,000 in respect of long-term grants through which the Trust would support international collections for 14 major crops. These grant proposals are presented for consideration and approval under Item 7C. Expenditure under the Global System Project, which is discussed under Item 7B amounts to USD 6.7 million.

### **Action**

That Members consider and approve the annual budget for 2008.

**Item 8A**  
**Annex A**

**Annual Budget 2008**

<b>INCOME</b>	<b>Note</b>	<b>USD</b>
Endowment Fund Income Released	1	2,390,960
<b>Restricted Funding:</b>	<b>2</b>	
Bill & Melinda Gates Foundation/UN Foundation		6,700,000
Grains Research & Development Corporation		844,300
Norway		101,000
Sweden		95,000
Swiss Agency for Development & Cooperation		110,000
<b>Unrestricted Funding:</b>	<b>3</b>	
Canada		955,110
<b>TOTAL INCOME</b>		<b><u>11,196,370</u></b>
<b>EXPENDITURE</b>		
Program Expenditure		9,653,980
Operational Expenditure		1,247,390
New Initiatives	16	200,000
Contingency	17	95,000
<b>TOTAL EXPENDITURE</b>		<b><u>11,196,370</u></b>

**GLOBAL CROP DIVERSITY TRUST  
NOTES TO THE ANNUAL BUDGET 2008**

1. In accordance with the current Investment Objectives and Policies of the Trust, the Trust may withdraw an amount equivalent to 4.5% of the average portfolio value over the previous six quarters as annual income from the endowment investment fund. As in previous years, the Trust will not withdraw the entire amount during 2008. It is projected that the Trust will require an amount of c. USD 2.4 million to fulfill expenditure requirements. The remainder, an estimated USD 1 million will be retained in the investment fund.
2. The Trust will receive restricted funding from the following sources during the year:
  - Bill & Melinda Gates Foundation/UN Foundation  
This is a four-year project, April 2007 – March 2011, which aims to secure the biological basis of agriculture and promote new and fuller use of crop genetic resources. The Trust has secured a further USD 15 million for the Endowment Fund through this project.
  - Grains Research & Development Corporation (GRDC)  
Through this agreement GRDC has provided funding for crop and regional conservation strategies and related capacity building grants. During 2008 the funding will also be used to fund long-term conservation grants and a grant scheme for evaluation. The funding for 2008 has not yet been committed but discussions are at an advanced stage and the Trust has received verbal agreement. It is expected that final agreement will be reached prior to the Board meeting.
  - Norway  
Norway has provided funding to assist with raising awareness for the Svalbard Global Seed Vault.
  - Sweden  
Sweden has provided an Associate Professional Officer to the Trust for two years (2007-2008).
  - Swiss Agency for Development & Cooperation (SDC)  
SDC have entered into an agreement with the Trust to provide funding for an Independent Financial Advisor for a period of three years (2007-2009).
3. Canada will provide unrestricted funding in the amount of CAD 1 million as part of a ten-year CAD 10 million agreement, 2003-2012.
16. An amount of USD 200,000 has been set aside to provide the Trust with the capacity to capitalize on unforeseen programmatic opportunities arising from project and public awareness work. Both are areas of rapid development. Occasionally, modest funds can serve to expand existing efforts or provide leverage. The Secretariat will report any expenditures to the Board. As this item pertains to new initiatives it is not appropriate to use contingency funds.
17. The Trust has provided for a contingency of 5% on operational expenditure (as opposed to its entire budget) for the coming year. It is not necessary to include a contingency in respect to long-term grants in the budget of the Trust as (a.) the level of commitment is set by contract and not variable, and (b.) the Trust will not withdraw the full amount of income from the endowment fund foreseen by the Trust's business plan (4.5%), which creates the possibility and option of tapping this "reserve" should there be a dramatic fall in markets. These funds then remain invested while still be available for use if absolutely necessary to meet the Trust's contractual agreements with grantees.