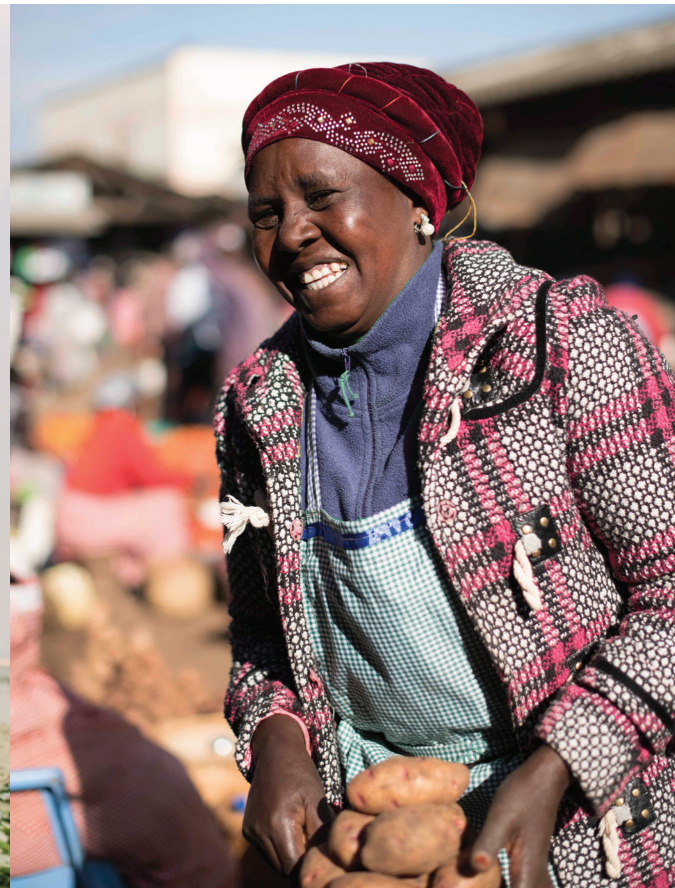
CIP
INTERNATIONAL POTATO CENTER
A CGIAR RESEARCH CENTER



Audited Financial Statements

and Complementary Information

For the year ended December 31, 2017

International Potato Center

Financial Statements as of December 31, 2017 and 2016 and January 1, 2016 together with the Independent Auditors' Report

Board of Trustees Member 2017

Board members	**Country of Origin**	**Membership**
Dr. Rodney Cooke (2012-Present)	U.K.	Board Chair Chair Executive Committee Member Program Committee Member Finance Committee Member Audit/Risk Oversight Committee Member Governance & Nominations Committee
Mr. Patrick Murphy (2013-Present)	Ireland/USA	Board Vice-Chair Chair Audit/Risk Oversight Committee Member Executive Committee Member Program Committee Member Finance Committee Member Governance & Nominations Committee
Dr. Linley Chiwona-Karltun (2014-Present)	Sweden	Chair Governance & Nominations Committee Member Audit/Risk Oversight Committee Member Program Committee Member Finance Committee
Mr. James Eckles (2014-Present)	USA	Chair Program Committee Member Audit/Risk Oversight Committee Member Executive Committee Member Governance & Nominations Committee Member Finance Committee
Dr. Miguel Angel Barandiarán (2017-Present)	Perú	Member Program Committee Member Finance Committee Member Audit/Risk Oversight Committee Member Governance & Nominations Committee
Eng. Andres Casas (2012-Present)	Peru	Member Program Committee Member Finance Committee Member Audit/Risk Oversight Committee Member Governance & Nominations Committee

Board of Trustees Member 2017

Board members **Country of Origin** **Membership**

Board members	Country of Origin	Membership
Mrs. Rhoda Peace Tumusiime (2017-Present)	Uganda	Member Program Committee Member Finance Committee Member Audit/Risk Oversight Committee Member Governance & Nominations Committee
Dr. Qu Dongyu (2016-Present)	China	Member Program Committee Member Finance Committee Member Audit/Risk Oversight Committee Member Governance & Nominations Committee
Dr. Vo-Tong Xuan (2017-Present)	Vietnam	Member Program Committee Member Finance Committee Member Audit/Risk Oversight Committee Member Governance & Nominations Committee
Dr. Barbara Heard Wells (2014-Present)	USA	Member Executive Committee Member Program Committee Member Finance Committee Member Audit/Risk Oversight Committee Member Governance & Nominations Committee

Statement by the Board Chair

The International Potato Center's Board of Trustees remains firm in its commitment to provide programmatic, governance, and financial oversight and leadership that ensure the Center's effective and efficient management. It's a privilege to serve an organization working with partners to achieve food security, well-being, and gender equity for poor people in root and tuber farming and food systems worldwide.

Center Highlights

In 2017, CIP has continued to make a great impact with our Orange-fleshed Sweet Potato Program. We now have evidence impacting nearly 5 million households who are consuming and benefitting from this beta-carotene-rich biofortified crop in Africa and Bangladesh. We are also working to improve our varieties to be more climate resilient (drought and salt tolerant) - to contain high levels of not only beta-carotene but also of zinc and iron.

In potatoes, CIP scientists continue to make great progress toward developing zinc and iron biofortified potato varieties that will have a significant impact on the nutrition of the rural poor, while breeding for earliness, disease resistance and tolerance of heat, drought and soil salinity, all of which will be increasingly important in a climate-changing world. In Peru for example, anemia in children under 3 is a staggering 43%. CIP is working closely in partnership with the Ministry of Development and Social Inclusion, the World Food Program, the Inter-Development Bank and local partners to help reduce anemia to the 19% goal.

In early November 2017, our state-of-the-art research center in Yanqing, managed by the CIP-China Center for Asia Pacific (CCCAP), has officially opened and we will now be better able to consolidate CIP's decades of cooperation with China while enhancing our efforts to improve root and tuber production and utilization across East Asia and the Pacific.

2017 was also the launch year for Phase II of The Roots Tubers and Bananas Program. As the Lead Center and a key participant of this highly respected (both internally and externally) research program, we are very proud of this program and look forward to its continued success.

These are but a few notable achievements on the scientific front that CIP reports for this past year.

Financial Performance

Total Revenue reported in 2017 was \$63.6 million. Total revenues represent an increase of \$5.2 million; Windows 1 and 2 increased \$3.7 million, Window 3 and Bilateral increased \$1.4 million and

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Statement by the Board Chair (continued)

Other revenues increased $0.1 million when compared to 2016. CIP's Operating Expenses in 2017 are $63.9 million and present an increase of $5.4 million from 2016.

The short-term solvency indicator (liquidity), which measures the number of days of working capital to fund expenditures excluding depreciation, was 86 days as of December 31, 2017. While the long-term financial stability indicator (adequacy of reserves), which measures the number of days of unrestricted net assets, was 79 days (both indicators are within the CGIAR recommended norms). The indirect cost ratio of the Center was 15% for 2017. The ratio has been calculated following the CGIAR Financial Guidelines No. 5 and expresses the relation between direct and indirect costs.

CIP's financial indicators reflect the Center's continued financial health, though no institution is immune to financial or operational risk. To mitigate risk, the Board's Audit and Risk Committee ensures oversight of CIP's risk management policies and plans. In a much broader sense, the Board oversees Center operations in the interest of funders and stakeholders.

Appreciation

I would like to express my gratitude and appreciation to Dr. Frannie Leautier and Dr. Alberto Maurer whom both finished their terms on the Board in 2017. They both served with dedication and high standards during their tenures as Board members. I would also like to welcome Dr. Miguel Angel Barandiarán, Head of the National Institute for Agricultural Research of Peru (INIA) and Her Excellency Rhoda Peace Tumusiime, former Commissioner for Rural Economy and Agriculture at the African Union Commission (AUC).

On behalf of the Board, I would like to thank CIP's funders, investors, and all CGIAR partners for their support. I also extend my appreciation to CIP's management and staff for their continued dedication to the organization and its important mission.

April 12, 2018

Dr. Rodney Cooke
Chair, Board of Trustees

Management Report

To the Board of Trustees:

The 2017 Financial Statements expressed in US dollars have been prepared in accordance with the International Financial Reporting Standards (IFRS) and Advisory Notes released by the CGIAR Consortium Office. CIP management is responsible for the reliability of the financial statements and is of the opinion that they give a true and fair view of the state of the financial affairs of the Center and of its operating results.

The Center maintains an internal control system over its financial reporting, which is designed to provide reasonable assurance to management and the Board of Trustees that the financial statements provide reliable information. The systems of internal controls include established policies and procedures communicated and applied throughout the Center.

The Board of Trustees, operating through its Audit and Risk Committee, provides oversight of the financial reporting process and of the safeguards in the system of internal control to avoid unauthorized acquisition, use or disposal of assets. The Audit and Risk Committee, meets privately with external auditors to discuss the results of their work, the adequacy of the internal control system and the quality of financial reporting.

Every year, the Audit and Risk Committee recommends to the Board the appointment of an external audit firm, and the terms of reference for their work. The external audit for 2017 was performed by Ernst & Young.

April 12, 2018

Barbara H Wells

Dr. Barbara H. Wells
Director General
Officer

Luis Felipe Mendes
Chief Financial

Statement on Risk Management

The Board of Trustees is responsible for ensuring that an appropriate risk management system is in place which enables management to identify, manage and take steps to mitigate significant risks to the achievement of the center's objectives. The Audit and Risk Committee (ARC) assists the Board of Trustees in fulfilling its risk management responsibilities.

The ARC regularly receives an update on the effectiveness of CIP's risk management and progress against agreed targets as well as independent assurances from its internal and external auditors. With this information, the ARC satisfies itself that the attention paid by management to CIP's activities. Thus assured, the ARC communicates its views to the Board on the effectiveness and efficiency of CIP's risk management.

Risk mitigation strategies have been ongoing at the Center and include the implementation of systems of internal control which, by their nature, are designed to manage rather than eliminate the risk. The Center also endeavors to manage risk by ensuring that the appropriate infrastructure, controls, systems and people are in place throughout the organization. The Center has implemented a bottom up approach to risk management beginning in 2011. Risks are identified at the department, regional and country level and are regularly evaluated by a Risk Management Team.

Management has established detailed guidelines to ensure risk is assessed at all levels. The process includes a plan by which the Center's management identifies, evaluates and prioritizes risks and opportunities across the International Potato Center; develops risk mitigation strategies that balance benefits with costs; monitors the implementation of these strategies; and reports, in conjunction with the internal audit, semi-annually to the Audit and Risk Committee of the Board.

The Board is satisfied with the comprehensive risk management system adopted by the International Potato Center.

April 12, 2018

Dr. Rodney Cooke
Chair, Board of Trustees

Paredes, Burga & Asociados
Sociedad Civil de Responsabilidad Limitada

Independent Auditors' Report

To the Board of Directors of International Potato Center

1. We have audited the accompanying financial statements of International Potato Center (CIP), which comprise the statement of financial position as of December 31, 2017 and 2016 and, January 1, 2016, and the related statements of activities as of December 31, 2017 and 2016, changes in net assets and cash flow for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Auditing Standards approved in Peru by the Board of Peruvian Association of Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

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Independent Auditors' Report (continued)

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of International Potato Center as of December 31, 2017 and 2016 and, January 1, 2016; and its financial performance and cash flows for the years ended December 31, 2017 and 2016 then ended, in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Other information

7. Other information consists of the information included in the audited financial statements, other than the financial statements and our auditors' report thereon. Management is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowlegde obtained in the audits or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Lima, Peru

Paredes, Burga & Asociados

April 12, 2018

Signed by:

W. Rubiños

Wilfredo Rubiños
C.P.C.C. Register No.9943

International Potato Center

Financial Statements as of December 31, 2017 and 2016 and January 1, 2016 together with the Independent Auditors' Report

Content

Independent Auditors' Report

Financial Statements

International Potato Center

Statement of financial position

As of 31 December, 2017 and 2016, and January 1, 2016

	Notes	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
Assets				
Current assets				
Cash and cash equivalents	6	22,847	24,299	16,624
Short term investments	7	3,252	7,012	8,162
Accounts receivables:				
Donors	8	7,798	8,566	8,243
CGIAR Centers	8 (c)	2,251	637	2,138
Employees	9	342	394	308
Others	10	941	528	369
Inventories	11	95	78	175
Advances	12	2,603	2,324	3,097
Total current assets		40,129	43,838	39,116
Non-current assets				
Long term investments	7	1,920	496	508
Property, plant and equipment	13	9,581	7,648	6,953
Intangible assets	14	561	660	758
Total non-current assets		12,062	8,804	8,219
Total assets		52,191	52,642	47,335
Liabilities				
Current liabilities				
Account payables:				
Deferred income from Donors	15	20,918	21,287	20,617
CGIAR Centers	16	5,999	8,637	4,537
Employees	18	842	784	973
Others	17	4,921	4,558	3,829
Provisions	19	437	465	363
Total current liabilities		33,117	35,731	30,319
Non-current liabilities				
Deferred income from Donors	15	2,231	-	-
Employees	18	1,045	1,131	1,120
Total non-current liabilities		3,276	1,131	1,120
Total liabilities		36,393	36,862	31,439
Net assets				
Undesignated	20, 27	9,955	9,937	10,053
Designated	20	5,843	5,843	5,843
Total net assets		15,798	15,780	15,896
Total liabilities and net assets		52,191	52,642	47,335

The accompanying notes are an integral part of this statement.

International Potato Center

Statement of activities and other comprehensive income

For the years ended December 31, 2017 and 2016

		2017							2016						
		Unrestricted		Restricted		Total			Unrestricted		Restricted		Total		
	Notes	Portfolio US$(000)	Non - Portfolio US$(000)	Portfolio US$(000)	Non - Portfolio US$(000)	Portfolio US$(000)	Non - Portfolio US$(000)	Total US$(000)	Portfolio US$(000)	Non - Portfolio US$(000)	Portfolio US$(000)	Non - Portfolio US$(000)	Portfolio US$(000)	Non - Portfolio US$(000)	Total US$(000)
Revenue															
Grant Revenue															
Window 1 & 2		-	-	23,533	-	23,533	-	23,533	-	-	19,852	-	19,852	-	19,852
Window 3		2,699	431	23,115	2,152	25,814	2,583	28,397	4,729	120	21,342	1,002	26,071	1,122	27,193
Bilateral		-	8	9,883	1,119	9,883	1,127	11,010	-	295	9,948	528	9,948	823	10,771
Total Grant Revenue		2,699	439	56,531	3,271	59,230	3,710	62,940	4,729	415	51,142	1,530	55,871	1,945	57,816
Other Revenue and Gains	22	-	621	-	-	-	621	621	-	515	-	-	-	515	515
Total Revenue		2,699	1,060	56,531	3,271	59,230	4,331	63,561	4,729	930	51,142	1,530	55,871	2,460	58,331
Expenses and Losses															
Research Expenses	24	(1,534)	(436)	(33,369)	(2,717)	(34,903)	(3,153)	(38,056)	(3,089)	(118)	(31,707)	(1,324)	(34,796)	(1,442)	(36,238)
CGIAR Collaborator Expenses	24	-	-	(12,439)	(111)	(12,439)	(111)	(12,550)	-	-	(9,360)	-	(9,360)	-	(9,360)
Non CGIAR Collaborator Expenses	24	(700)	-	(5,003)	(195)	(5,703)	(195)	(5,898)	(1,021)	-	(4,870)	-	(5,891)	-	(5,891)
General and Administration Expenses	25	(334)	(920)	(5,231)	(157)	(5,565)	(1,077)	(6,642)	(614)	(559)	(4,463)	(206)	(5,077)	(765)	(5,842)
Other Expenses and Losses		(129)	(67)	(463)	(90)	(592)	(157)	(749)	-	(442)	(690)	-	(690)	(442)	(1,132)
Total Expenses and Losses	23	(2,697)	(1,423)	(56,505)	(3,270)	(59,202)	(4,693)	(63,895)	(4,724)	(1,119)	(51,090)	(1,530)	(55,814)	(2,649)	(58,463)
Operating Surplus/Deficit		2	(363)	26	1	28	(362)	(334)	5	(189)	52	-	57	(189)	(132)
Gain (Loss) on Sale of Asset(s)		-	21	-	-	-	21	21	-	(423)	-	-	-	(423)	(423)
Finance Income		-	382	-	-	-	382	382	-	176	-	-	-	176	176
Finance Expenses		(2)	(22)	(26)	(1)	(28)	(23)	(51)	(5)	(172)	(52)	-	(57)	(172)	(229)
Surplus (deficit) for the year		-	18	-	-	-	18	18	-	(608)	-	-	-	(608)	(608)

The accompanying notes are an integral part of this statement.

Statement of changes in net assets

For the years ended 31 December, 2017 and 2016, and January 1, 2016

	Unrestricted					
		Designated				
	Undesignated US$(000)	Property, Plant and Equipment US$(000)	Reserve for Replacement of Property, Plant and Equipment US$(000)	Other Designated US$(000)	Sub-total Designated US$(000)	Total US$(000)
Balance at 1 January, before IFRS Conversion	10,551	4,858	920	(9)	5,769	16,320
IFRS adjustments first time adoption	(498)	74	-	-	74	(424)
Balance at 1 January 2016	10,053	4,932	920	(9)	5,843	15,896
Depreciation for the year	-	(681)	681	-	-	-
Additions during the year	-	968	(968)	-	-	-
Others	492	-	-	-	-	492
Deficit for the year	(608)	-	-	-	-	(608)
Balance at 31 December 2016	9,937	5,219	633	(9)	5,843	15,780
Depreciation for the year	-	(715)	715	-	-	-
Additions during the year	-	2,583	(2,583)	-	-	-
Surplus for the year	18	-	-	-	-	18
Balance at 31 December 2017	9,955	7,087	(1,235)	(9)	5,843	15,798

The accompanying notes are an integral part of this statement.

International Potato Center

Statement of cash flows

For the years ended 31 December, 2017 and 2016

	2017 US$(000)	2016 US$(000)
Cash flows from operating activities		
Surplus (deficit) for the year	18	(608)
Adjustment to reconcile changes in net assets to net cash (used in) provide by operating activities:		
Depreciation	1,245	1,065
Amortization	99	99
Provision for doubtful accounts	-	253
Gain/loss on disposal of property and equipment, net	13	-
Other provisions	(34)	431
Decrease (increase) in assets:		
Accounts receivable:		
Donors	768	(576)
Other - CGIAR Centers	(1,614)	1,501
Employees	52	(86)
Others	(413)	(159)
Inventories	(17)	97
Advances and prepaid expenses	(279)	773
Increase (decrease) in liabilities:		
Accounts payable:		
Deferred income from donors	(369)	670
Other - CGIAR Centers	(2,638)	4,100
Employees	(28)	(178)
Others	363	729
Accruals and provisions	(28)	102
Net (used in) provided by operating activities	(2,863)	8,213
Cash flow from investing activities		
Acquisition of property, plant and equipment	(960)	(1,760)
Proceeds from disposal of property, plant and equipment	35	60
(Increase) decrease of investments	2,336	1,162
Net cash provided by (used in) investing activities	1,411	(538)
Net increase (decrease) in cash and cash equivalents	(1,452)	7,675
Cash and cash equivalents at the beginning of the period	24,299	16,624
Cash and cash equivalents at the end of the period	22,847	24,299
Transactions that do not generate cash flows		
Assets received by donation	2,231	-

The accompanying notes are an integral part of this statement.

Notes to the financial statements

As of December 31, 2017 and 2016 and January 1, 2016

1. Identification, corporate purpose, financial statements, and agreements and contracts

(a) Identification and corporate purpose -

The International Potato Center, known by its Spanish acronym CIP, was founded in 1971 as a root and tuber research-for-development institution delivering sustainable solutions to the pressing world problems of hunger, poverty, and the degradation of natural resources. CIP is truly a global center, with headquarters in Lima, Peru and offices in 20 developing countries across Asia, Africa, and Latin America. Working closely with our partners, CIP seeks to achieve food security, increased well-being, and gender equity for poor people in the developing world. CIP furthers its mission through rigorous research, innovation in science and technology, and capacity strengthening regarding root and tuber farming and food systems.

The Center's legal address is Av. La Molina N° 1895, La Molina, Lima, Peru (Experimental Station).

CIP is part of the CGIAR, a global research partnership for a food-secure future. CGIAR science is dedicated to reducing poverty, enhancing food and nutrition security, and improving natural resources and ecosystem services. Its research is carried out by 15 CGIAR Centers in close collaboration with hundreds of partners, including national and regional research institutes, civil society organizations, academia, development organizations and the private sector.

CIP has offices in sixteen (16) developing countries in Asia, Africa, and Latin America, whose main office is located in Lima, Peru. It also has local offices for better supervision and control of the projects executed. Has two (2) offices located in San Ramón and Huancayo in the Department of Junín.

(b) Financial statements -

The financial statements for the years ended December 31, 2017 and 2016 and January 1, 2016 were authorized by the Management on March 31, 2018 and it will be presented for consideration and approval of the Directory. In Management's opinion, financial statements attached will be approved without changes for the Directory.

The financial statements previously reported for the years ended December 31, 2016 and presented in the note 27 were authorized by the Management on April 10, 2017 and approval by the Directory on May 25, 2017.

(c) Agreements and contracts -

CIP has signed agreements and contracts with the Peruvian government, CGIAR Centers, and third parties to manage research projects aligned with its corporate main objectives as it is detailed below:

- Headquarters Agreement between the Peruvian Government and the International Potato Center -

  Agreement signed on March 14, 2000, by means of which the Peruvian government, and CIP regulates CIP's immunities and privileges as an international center with legal personality. This agreement establishes the contribution of the government to reach CIP's main objectives, as well as the commitments assumed.

  CIP has three (3) Experimental Stations located in the Republic of Peru. They have been granted to CIP under land assignment agreements, according to legal provisions. The effective term of these agreements is unlimited and the purpose is to use them according to CIP's scientific research guidelines. Furthermore, the Headquarters Agreement made between the Peruvian government and CIP (2000) guarantees the grant of such lands located in La Molina, Huancayo, and San Ramón during the effective term of this Headquarters Agreement.

  Buildings, facilities, improvements, and all related to CIP in the lands subject matter to assignment will be transferred in favor of the General Rural Settlement and Agricultural Reform Office; if CIP decided to stop operations in Peru, no payment for assets would be made.

- Agreements or contracts with third parties -

  To comply with its corporate purpose, in 2017, CIP signed agreements and contracts with entities, third parties, and CGIAR Centers, stating specific objectives, which shall be reached during the effective term of such agreements or contracts. Exhibit II includes the list of such agreements and/or contracts in force signed by CIP.

  During 2017 and 2016, under the framework of the agreements and contracts signed, CIP was granted cash funds for approximately US$63.6 million and US$58.3 million, respectively. Such funds are restricted and unrestricted.

- Project execution -

  The contributions made by the Donors were invested in the execution of programs and/or projects. As of December 31, 2017 and 2016, CIP executed projects by means of direct acquisition of technical assistance services, advisories, skilled labor, as well as purchase of materials, supplies, and equipment.

  During 2017 and 2016, CIP has incurred in operating costs corresponding to projects for US$63.9 million and US$58.5 million, respectively.

2. **Accounting principles and policies**

The main accounting policies applied in the preparation of the financial statements are detailed below.

Management is responsible for preparing of the financial statements and it expressly states that the Center prepared them in accordance with the applicable standards and interpretations for the years ended December 31, 2017 and 2016. The accounting policies adopted in the preparation of the financial statements are consistent with those applied in previous years.

(a) Basis for the preparation and presentation -

CIP's financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter IFRS) issued by International Accounting Standards Board (hereinafter IASB), effective as of the date of the financial statements and Advisory Notes released by the CGIAR System Management Office.

As of December 31, 2016, the financial statements were prepared in accordance with CGIAR Financial Guidelines (Series N° 2) - Accounting Policies and Reporting Practices Manual - revised in March 2004 and updated in September 2012. This accompanying financial statements are the first prepared in accordance with the IFRS.

The main differences between the former accounting criteria applied and the IFRS, including the reconciliations of net assets and comprehensive income, are described in note 27.

The financial statements have been prepared based on the historical cost basis.

The preparation of the financial statements in accordance with IFRS requires management to use of certain material accounting estimates, judgments and assumptions in the application of the accounting policies of the Center. Actual results may differ from these estimates; however, in Management's opinion, actual results will not vary significantly from estimates and assumptions applied by the Center. The areas involving a major degree of judgment or complexity or areas where assumptions and estimates are material for the financial statements are described in note 4.

(b) Accrual basis

CIP prepares its financial statements based on an accumulation or accrual basis.
Based on an accrual basis, the expenses represent actual or estimated cash outflows incurred or will be possibly incurred as a result of CIP's operations in progress during the period.

(c) Foreign currency translation -

Functional and presentation currency -

The items included in the financial statements are measured in the currency of the primary economic environment where the Center operates in (its functional currency). The financial statements are presented in US dollars, which is the Center's functional and presentation currency.

Transactions and balances -
Foreign currency transactions are translated into functional currency at exchange rates ruling as of the dates of transactions or the date of valuation in case of revalued items. The income and expenses for exchange differences resulting from the payment of such transactions and the translation of monetary assets and liabilities stated in foreign currency at exchange rates at the closure are recorded in the Statement of Activities, except when they are deferred as other income and expenses in transactions qualifying as cash flow hedge and net investment hedge.

The exchange gains and losses resulting from the translation of monetary assets and liabilities stated in foreign currency at exchange rates at the closure of the year are recorded in the Statement of Activities.

(d) Classification of current and non-current items

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed under its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled under its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within twelve months after the reporting period; or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(e) Financial assets -

According to IAS 39, CIP classifies its financial assets within the following categories: i) fair value through income and expenses, ii) loans and accounts receivable, iii) held-to-maturity financial assets, and iv) available-for-sale financial assets.

The classification will depend on the purpose of the financial assets. Management determines the classification on the date of initial recognition and it is reassessed as of the date of the financial statements.

Initial recognition -
Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Center and its Branches commit to purchase or sell the asset

Subsequent measurement -
For the purposes
As the Center does not have financial assets at fair value as of December 31, 2017 and 2016 and January 1, 2016, no subsequent measurement will apply.

Loans and accounts receivable -
Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recorded as current assets, except for those with maturity over twelve (12) months from the date of the Statement of Financial Position. After this maturity period, they are classified as non-current assets.

Financial assets, loans and accounts receivable are initially recorded at fair value. Subsequently, when the effect of the value-for-money over time is important, it is recorded at their amortized cost using the effective interest method.

The financial assets are not recognized when the rights to receive cash flows from investments expire or are transferred and/or when all risks and benefits of ownership have been transferred by the Center.

As of December 31, 2017 and 2016 and January 1, 2016, loans and accounts receivable include cash and cash equivalents, financial investments, accounts receivable, and other accounts receivable of the Statement of Financial Position.

(f) Financial liabilities -
According to IAS 39, the financial liabilities are classified as: i) financial liabilities at fair value through profits and losses and ii) financial liabilities at amortized cost. CIP determines the classification of its financial liabilities on the date of initial recognition.

All financial assets are initially recorded at fair value. Subsequently, when the effect of value-for-money is material, they are valued at their amortized cost using the effective interest rate. The costs attributable to the transaction are deferred and recorded in profit or loss during the effective term of the loan as part of the performance of the financial instrument using the effective interest rate method.

(g) Offsetting of financial instruments -
Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(h) Impairment of financial assets -
As of the date of each Statement of Financial Position, the Center assesses if there is objective evidence of impairment of a financial asset or group of financial assets. The loss for impairment is recognized when there is objective evidence of impairment as a result of one or more events occurred after the initial recognition of the asset impacting on the estimated cash flows related to the financial assets that may be reliably estimated.

For loans and accounts receivable that are recorded at amortized cost, the Center assesses separately if there is objective evidence of impairment of significant financial assets or jointly in case of financial assets are not significant on a separate basis. If there is objective evidence that there is a loss for impairment, the amount of the loss corresponds to the difference between the carrying amount of the asset and the current value of the estimated future cash flows discounted using the original effective interest rate corresponding to the financial asset, if applicable. The Center considers as impaired all due items subject to collection without positive results and have not been refinanced as of this date.

The carrying amount of the accounts receivable is affected by means of an estimate account and the amount corresponding to the loss is recorded in the Statement of Activities. The accounts receivable, jointly to the related estimate, are written off when it is possible to recover them in the future. If within a term of one (1) year the estimated amount of the loss for impairment increases or decreases due to a subsequent event, the loss for impairment previously recognized is increased or decreased adjusting the estimate amount. If an asset that was written off is subsequently recovered, such a recovery is charged to "other income" (recovery of written off accounts receivable) in the Statement of Activities.

(i) Cash and cash equivalents, note 6 -
Cash and cash equivalents presented in the Statement of Financial Position comprise the cash balances held in cash, in bank checking accounts, and bank time deposits with a term of less than three months.

(j) Investments, note 7 -

Investments correspond to time deposits, commercial papers, bonds, opened and/or acquired with the funds from Donors to be used in the execution of projects. These investments bear interest at market rates.

Investments with maturity over twelve (12) months are presented as non-current assets.

(k) Accounts receivable, note 8 -

The accounts receivable correspond to the amounts the Center has right to demand from Donors, CGIAR Centers, and third parties for the activities inherent to the normal course of the business. The accounts whose maturity is within a twelve-month period or lower from the date of the Statement of Financial Position are classified as current assets. If their maturity is over a twelve-month period, they are recorded as non-current assets.

The accounts receivable are initially recognized at their fair value. Subsequently, they are measured at their amortized cost using the effective interest rate less estimate for impairment. The impairment of accounts receivable is estimated according to the policies established by the Management and they are recorded when there is objective evidence that the Center will not collect all due amounts according to the original terms of the accounts receivable.

(l) Property, plant, and equipment, note 13 -

Properties, plant, and equipment are valued at acquisition cost, net of the corresponding accumulated depreciation, and accumulated losses for impairment, if so.

The initial cost of facilities and various equipment comprise their purchase price, including tariffs and non-reimbursable purchase taxes, as well as other costs directly attributable to the respective placement and start-up.

Subsequent costs attributable to assets are capitalized only when they may be reliably measured and to the extent that is probable that future economic benefits over normal performance of such an asset will flow to the Center. The maintenance and repair expenses are charged to the Statement of Activities in the period they are incurred. The cost of interest (and exchange differences for this interest) based on loans granted to finance the construction of buildings, facilities, and equipment are capitalized.

The carrying amount of these assets is revised on a regular basis to guarantee that it does not differ significantly from their fair value at the closure of each fiscal year.

When the carrying amount of an asset is higher than its estimated recoverable value, it is immediately reduced to its recoverable amount.

The cost and accumulated depreciation of the sold or disposed assets are eliminated from their respective accounts and the profit or loss impact the results for the period.

The assets with separate purchase price of US$3,500 or higher, including taxes, freight, and installation costs, are classified as property, plant and equipment.

The residual values and useful lives of the assets are revised and adjusted, if necessary, as of the date of each Statement of Financial Position.

Estimate of useful life of property, plant and equipment is as follows:

	Years
Buildings	50
Agricultural machinery	15
Laboratory and scientific equipment	10
Office equipment, furnishings, and accessories	10
Servers, network systems, and telecommunication equipment	10
Vehicles	5
Computers and peripheral devices	10

(m) Intangible assets, note 14 -
Intangible assets are recorded when it is probable that future economic benefits will flow and the Center is responsible for asset management risks.

Intangible assets are recorded at the initial cost less their accumulated amortization and mainly correspond to payments made for software acquisition and/or development. The amortization is calculated using the straight-line method over the estimated useful life. In the initial recognition, the Center assesses if the useful life of the intangible asset is defined or undefined.

The estimate of useful life of intangible assets is ten (10) years.

(n) Leases -
The leases, whose risks and benefits inherent to ownership - subject matter of lease - are not transferred by the Center, are classified as operating leases. The costs resulting from such operating leases are recorded as expenses on a linear basis during the effective term of the lease based on the respective income.

(o) Impairment of non-financial assets -
The Center's non-monetary assets are subject to impairment testing when there are events or circumstances indicating that their carrying amount may not be recoverable. The losses for impairment arise when the carrying amount of the asset is higher than its recoverable value. The recoverable value of an asset corresponds to the higher of its net amount after sale, less its cost of sales, or its use value.

If the carrying amount of an asset exceeds its recoverable value, a loss for impairment is recognized in the profit or loss for the year. The losses for impairment will be returned if there is a change in the estimates used to determine the recoverable value of the assets. They will be returned until the carrying amount of the asset does not exceed the determined fair value, net of depreciation, if a loss for impairment is not recognized.

(p) Employees' benefits -

The Center has short-term benefit obligations for employees' benefits, including salaries, payroll contributions, and legal bonuses. These obligations are monthly charged to the Statement of Activities on an accrual basis.

Resignation benefits

Resignation benefits are paid when the labor relationship is stopped before the normal date of retirement or when an employee voluntarily accepts to resign in exchange for benefits.

The Center recognizes the resignation benefits when it is committed i) to stopping the labor relationship with employees according to a detailed formal plan with no possibility of resignation or ii) to offering resignation benefits to promote voluntary resignation. The benefits maturing in more than twelve (12) months from the date of the Statement of Financial Position are discounted at current value.

Vacations

The annual vacations of personnel are recognized on an accrual basis. The provision for the estimated obligation for annual vacations of personnel resulting from services provided by the employees are recognized as of the date of the Statement of Financial Position.

Severance indemnities

The severance indemnities corresponding to Center's employees are under applicable legal provisions in each country where CIP operates in.

(q) Recognition of income and expense -

Income from donations received in cash or in kind without any type of restriction are fully recognized when received.

The grants received with the restriction of being destined to a specific purpose are recognized provided that such donations are used for such a specific purpose. The restricted donations are initially debited from "Cash and cash equivalents" and credited to "Deferred Income from Donors", respectively, in the Statement of Financial Position. Subsequently, while they are used, the funds granted are recorded in the Statement of financial Activities in the same amounts they were executed.

The disbursements made by the Center that will be reimbursed by the Donors are recorded in "Accounts receivable from Donors, net" in the Statement of Financial Position. In case the Center has not used the total amount received, it will be transferred to the donors.

Other income and expenses, including income from services provided by the Center, are recognized as they accrue, regardless of when the payment is made or received and are recorded in the periods to which they relate.

Income comprises the fair value of the consideration received or receivable and represents the amounts receivable for service provision, net of returns, discounts, and sales tax.

The Center recognizes its income when it may be reliably measured and when is probable that future economic benefits will flow to the Center, provided that the transaction complies with the specific criteria for each activity of the Center.

The expenses are recognized as earned, regardless of when it is paid, and recorded in the periods to which they relate.

(r) Inventories, note 11 -
Inventories of materials and supplies are recorded at their acquisition cost. The acquisition cost includes the purchase price plus freight, insurance, and handling charges. Inventories are valued at average cost, which should not exceed the market value. Materials in transit are stated at cost.

(s) Deferred income, note 15 -
It includes all funds received in advance, according with Donors, whose activities have not finished yet.

(t) Indirect cost recovery, note 26 -
The cost structure adopted by CIP is based on CGIAR Financial Guidelines N° 5 (FG5) and Activity-Based Cost Methodology (ABC), which allows direct cost allocation to research according to the contribution of each cost unit for the project. CIP applies this methodology to all restricted projects funded by Windows 1 and 2, Window 3, and Bilateral consistently. The institutional costs (overhead expenses) are business support costs that cannot be directly related to research activities. These costs are gathered in a common group and are distributed to benefiting activities by a cost allocation process involving the application of a percentage rate (overhead expense rate).

(u) Provisions, note 19 -
Provisions are registered when 1) the Center has an obligation (legal or constructive) as a result of a past event, 2) it is probable an outflow of resources embodying economic benefits to settle the obligation, and 3) when a reliable estimate of the obligation can be made. When the Center expects that one or all provisions are reimbursed, the reimbursement is recorded as a separate asset but only when reimbursement is certain. The expense related to a provision is recorded in the Statement of Activities, net of any reimbursement.

The provision for the repatriation of GRS corresponding to the liability that will incur the benefits that the repatriation personnel have at the end of their contract periods. The Center expects loans for repatriation payable to all the world's personnel based on estimated flights, relocations and freight costs. See note 18.

(v) Contingent -

A contingent liability is a possible obligation arising from past events, whose existence will be confirmed only by the occurrence or not of one or more uncertain future events that go beyond the control of the Center or a current obligation arising from past events but it is not recognized due to the fact that:

- It is not probable that an outflow of resources embodying economic benefits to settle the obligation arises or
- The amount of the obligation may not be reliably measured.

Contingent assets are not recognized in the separate financial statements; however, they are disclosed in notes if it is probable that such contingent assets will be realized.

(w) New standards and amendments and interpretations -

The new standards and amendments and interpretations effective for the financial statements for annual periods beginning on or after January 1, 2018 that have not been adopted in advance are the following:

- IFRS 9 “Financial Instruments”

  This standard, comprising the recognition, classification, and measurement of the financial assets and liabilities, was issued in July 2014 and will replace IAS 39 “Financial Instruments: Recognition and Measurement” and all previous versions of IFRS 9. The application of IFRS 9 will have an impact on the classification and measurement of the financial assets of the Center, but no impact on the classification and measurement of its financial liabilities. This standard establishes three categories to measure the financial assets: amortized cost, fair value through the Statement of Activity, and fair value through profits and losses. The classification basis will depend on the business model of the Center and the contractual characteristics of the cash flows corresponding to the financial assets.

  The standards requires an economic relation between the hedged item and the hedge instrument and the hedge ratio is the same to the one used by the Center for risk management. The IFRS 9 is applicable for annual periods beginning on or after January 1, 2018. Early adoption is allowed.

  The Management of the Center, based on the preliminary evaluation that it has carried out, estimates that the application of the IFRS 9 would not have a significant effect on the results or on the net assets of the Center.

- IFRS 15 “Revenue from Contracts with Customers”

  It establishes a new five-step model that is applied for revenue recognition and useful information disclosure to the users of the financial statements in relation to the nature, amount, opportunity, and uncertainty related to revenues and cash flows arising from contracts with customers. Revenue is recognized when a customer obtains control of an asset or service, so that customer has the capacity to control the use and obtain benefits arising from such goods and services. This standard replaces IAS 18 “Revenue” and IAS

11 "Construction Contracts" and their respective interpretations. IFRS 15 is applicable for annual periods beginning on or after January 1, 2018. Early adoption is allowed.

The Management of the Center, based on the preliminary evaluation that it has carried out, estimates that the application of the IFRS 15 would not have a significant effect on the results or on the net assets of the Center.

3. Risk management policies

CIP is committed to promoting a risk management culture and developing and maintaining a framework, procedures, and structures to identify, assess, and manage risk on a formal and systematic basis. In 2015, the Board of Trustees approved the Risk Management Operating Policy establishing CIP's risk management principles and practices, as well as the institutional assessment criteria and parameters to guide the Management to deal with risks.

CIP has created a Permanent Risk Management Committee, which will monitor and assess periodically the implementation and efficacy of the risk management program resulting from the operations of the Center, as well as to create a risk assessment and mitigation culture.

The activities carried out by the Center expose it to a variety of financial risks. The main risks that may adversely affect the financial assets and liabilities, as well as future cash flows are variations of exchange rate and a decrease in funding from Donors.

The Management assesses and monitors these risks and tries to reduce potential adverse effects in the financial performance on a regular basis.

4. Judgment assumption estimates

The estimates and criteria used by the Center are permanently assessed and are based on its historical experience and other factors, including the expectation of occurrence of future events that are considered reasonable according to the circumstances.

The Center makes future estimates and assumptions. The resulting accounting estimates by definition usually differ from the respective actual results.

Estimates and assumptions with a significant risk to result in material adjustments to the balances of assets and liabilities next year are the following:

- Estimate for doubtful accounts -
  The estimate for doubtful accounts is made when there is objective evidence that the Center will not be able to recover all due amounts, in accordance with the original terms of the accounts receivable. In this regard, the Center registers an estimate for doubtful accounts for those previously collected with no positive results because it is considered that such accounts will not result in future economic flows.

- Provisions -
  By their nature, provisions are resolved when one or more future events occur or fail to occur. Assessing the existence and potential amount of the provisions inherently involves the exercise of significant judgment and the use of estimates about the outcome of future events.

- Useful lives of property, plant and equipment and intangible assets -
  The accounting treatment of property, plant and equipment and intangible assets requires the use of estimates to determine their useful lives for the purpose of depreciation and amortization. The determination of useful lives requires estimates regarding future technological developments and alternative uses of these assets. The assumptions regarding the technological framework and its future development involve a significant degree of judgment to the extent that the timing and nature of future technological advances are difficult to predict.

Management considers that the estimates included in the financial statements were made on the basis of their better knowledge of the relevant events and circumstances at the date of preparation thereof; however, the final results may differ from the estimates included in the financial statements.

5. Financial instruments per category

(a) As of December 31, the classification of financial instruments is as follows:

	As of December 31, 2017			
	Loans and receivables US$(000)	**Investments held-to-maturity** US$(000)	**Liabilities at amortized cost** US$(000)	**Total** US$(000)
Assets				
Cash and cash equivalents	22,847	-		22,847
Investments	-	5,172	-	5,172
Accounts receivable from donors	10,049	-	-	10,049
Total Assets	32,896	5,172	-	38,068
Liabilities				
Accounts payable to donors	-	-	26,917	26,917
Accounts payable to others	-	-	4,921	4,921
Total Liabilities	-	-	31,838	31,838

	As of December 31, 2016			
	Loans and receivables US$(000)	**Investments held-to-maturity** US$(000)	**Liabilities at amortized cost** US$(000)	**Total** US$(000)
Assets				
Cash and cash equivalents	24,299	-	-	24,299
Investments	-	7,508	-	7,508
Accounts receivable from donors	9,203	-	-	9,203
Total Assets	33,502	7,508	-	41,010
Liabilities				
Accounts payable to donors	-	-	29,924	29,924
Accounts payable to others	-	-	4,558	4,558
Total Liabilities	-	-	34,482	34,482

6. Cash and cash equivalents

(a) The balance of this caption comprises:

	2017 US$(000)	**2016** US$(000)	**1.1.2016** US$(000)
Petty cash	106	64	24
Bank accounts (b)	17,681	23,935	13,646
Time deposits (c)	5,060	300	2,954
Total	22,847	24,299	16,624

As of December 31, 2017 and 2016 and January 1, 2016, the Center has its bank accounts at first-level foreign and local institutions, and they correspond mainly to balances in US dollars, Euros, and Soles. These funds are freely available and do not earn interest.

(b) For the period ended December 31, 2017 funds at bank accounts corresponds mainly to funds amounting to US$11.1 million granted by CGIAR System related to CRP about Roots, Tubers, and Bananas (Stage 2) and Bill and Melinda Gates Foundation related to Sweet Potato Action for Security & Health in Africa II. For the period ended December 31, 2016 funds at bank accounts corresponds mainly to funds amounting to US$12.3 million granted by CGIAR System related to CRP about Roots, Tubers, and Bananas (Stage 2). For the period ended January 1, 2016 funds at bank accounts corresponds mainly to funds amounting to US$7.5 million granted by CGIAR System related to CRP about Roots, Tubers, and Bananas (Stage 1).

(c) Time deposits have been made in US dollars with maturity less than 3 months and bear interest at market rates.

7. Investments

(a) Correspond mainly to investments as of December 31, the balance is detailed as follows:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
Short-term investments	3,252	7,012	8,162
Long-term investments	1,920	496	508
Total	5,172	7,508	8,670

(b) Current and non-current investments are the following:

Institution	Rate	Type of Investment	Date of Investment	Date of Maturity	Par Value US$(000)
		Investments as of December 31, 2017			
Short-term					
Citibank N.Y.	1.23%	Time Deposit	Oct 30, 2017	Jan 29, 2018	3,041
Santander - SAN2BA3V	4.16%	Bonds	Sep 14, 2015	Sep 15, 2018	211
			Short-term		3,252
Long-term					
Procter & Gamble – P&G22	2.30%	Bonds	Nov 30, 2017	Feb 6, 2022	504
Los Portales	5.50%	Bonds	Dec 21, 2017	Dec 5, 2020	495
IndSab – IND1PB1	4.50%	Bonds	Jan 11, 2017	Jan 11, 2020	470
Los Portales – CONT2TLP2U	7.50%	Bonds	Sep 28, 2016	Aug 28, 2022	254
A. Jaime Rojas – JAIME1BC1D	5.97%	Bonds	Jul 25, 2017	Jul 15, 2019	197
			Long-term		1,920
			Total investments		5,172

Investments as of December 31, 2016					
Institution	Rate	Type of Investment	Date of Investment	Date of Maturity	Par Value
					US$(000)
Short-term					
Ciibank N.Y.	0.74%	Time Deposit	Nov 1, 2016	Jan 30, 2017	3,012
BanBif	0.80%	Time Deposit	Aug 8, 2016	Feb 9, 2017	2,007
IndSAB	3.50%	Com. Paper	Dec 26, 2016	Jun 24, 2017	491
Los Portales	3.83%	Com. Paper	Apr 13, 2016	Apr 9, 2017	348
Banco Financiero	0.80%	Time Deposit	Dec 1, 2016	Mar 31, 2017	254
Banco Financiero	0.80%	Time Deposit	Sep 21, 2016	Jan 19, 2017	251
San Martin - SMMAR1CP1A	4.00%	Bonds	Feb 12, 2016	Feb 9, 2017	249
Indsab	4.50%	Com. Paper	Nov 29, 2016	May 28, 2017	205
Leasing Total - LTOTA4BA3B	5.00%	Bonds	Mar 21, 2014	May 21, 2017	99
AdCap	6.50%	Report	Nov 11, 2016	Feb 10, 2017	71
IndSAB	4.50%	Report	Dec 15, 2016	Jan 13, 2017	23
JP Morgan Chase	0.20%	Time Deposit	Jan 1, 2017	Dec 31, 2017	2
			Short-term		7,012
Long-term					
Los Portales - CON2TLP2U	7.50%	Bonds	Sep 28, 2016	Aug 28, 2022	285
Santander - SAN2BA3V	4.16%	Com. Paper	Sep 14, 2015	Sep 15, 2018	211
			Long-term		496
			Total investments		7,508

Investments as of January 1, 2016					
Institution	Rate	Type of Investment	Date of Investment	Date of Maturity	Par Value US$(000)
Short-term					
JP Morgan Chase	0.20%	Time Deposit	Oct 1, 2014	Jan 30, 2016	3,281
Banbif	0.30%	Time Deposit	Dec 23, 2014	Jan 4, 2016	1,000
Banbif	0.37%	Time Deposit	Mar 26, 2015	Jan 15, 2016	500
IndSAB	3.50%	Com. Paper	Dec 21, 2015	Jun 18, 2016	491
Banbif	0.50%	Time Deposit	May 12, 2015	Jan 15, 2016	350
Los Portales	3.46%	Com. Paper	Sep 2, 2015	Aug 27, 2016	346
Tekton	4.50%	Com. Paper	May 28, 2015	Feb 2, 2016	297
Andino Investment Holding	2.75%	Com. Paper	Jan 28, 2015	Jan 23, 2016	251
Banco Financiero	0.30%	Time Deposit	Feb 10, 2015	Apr 5, 2016	250
ADCAP	7.00%	Com. Paper	Nov 13, 2015	May 11, 2016	250
Andino Investment Holding	2.97%	Com. Paper	Apr 22, 2015	Apr 16, 2016	250
Los Portales	2.93%	Com. Paper	Apr 17, 2015	Apr 11, 2016	244
Financiera TFC	5.22%	Com. Paper	Oct 15, 2015	Apr 12, 2016	199
Tekton	4.90%	Com. Paper	Jun 12, 2015	Mar 8, 2016	198
Commercial Paper	5.00%	Com. Paper	Dec 1, 2015	May 29, 2016	146
Kallpa SAB	4.50%	Report	Oct 23, 2015	Feb 20, 2016	50
IndSAB	4.50%	Report	Dec 12, 2014	Jan 11, 2016	37
IndSAB	4.50%	Report	May 11, 2015	Jan 11, 2016	22
			Short-term		8,162
Long-term					
Bonds	5.00%	Bonds	Mar. 21, 2014	Mar 21, 2017	297
Bonds	4.16%	Bonds	Sep. 14, 2015	Aug 29, 2018	211
			Long-term		508
			Total investments		8,670

Time deposits and commercial papers are in US dollars and bear interest at market rates.

(c) As of December 31, 2017 and 2016 an January 1, 2016, the accrued interest corresponding to investments during the year amounted to US$0.18 million in 207, US$0.17 million in the 2016 and US$0.16 in January 1, 2016 which were registered as income in the Statement of Activities.

8. Accounts receivable – donors

(a) The restricted balances from approved agreement and the expenses incurred before receiving funds from Donors are classified as follows:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
Restricted - W3	5,004	4,750	6,195
Unrestricted - W3	2,054	1,846	398
Restricted – Bilateral	993	2,223	1,650
Sub-total Donors	8,051	8,819	8,243
Provision for bilateral uncollectible (b)	(253)	(253)	-
	7,798	8,566	8,243

As of December 31, 2017 and 2016 and January 1, 2016, the accounts receivable from Donors are denominated mainly in US dollars and euros, have current maturity and do not have a specific guarantee.

(b) As of December 31, 2016, the doubtful account (US$0.25 million) were estimate impairment in the financial statements when uncollectible debt was confirmed. During 2017, an approach of the Donor affected the Management's decision related to the cancellation of the account. On January 1, 2016, the accounts over twelve (12) months represented US$0.14 million and were cancelled during that period.

(c) Accounts receivable from CGIAR Centers are in relation to the normal course of business; amounts that the Center has the right to demand due to the execution of projects

The accounts receivable from CGIAR Centers comprise the following:

	2017 US$(000)	**2016** US$(000)	**1.1.2016** US$(000)
Global Crop Diversity Trust (d)	1,122	63	1,677
ILRI (e)	879	53	-
IFPRI	134	209	-
CIAT	86	144	298
CIMMYT	30	20	-
IWMI	-	77	103
IITA	-	57	28
ICRAF	-	14	-
ICARDA	-	-	32
Total CGIAR Centers	2,251	637	2,138

(d) As of December 31, 2017 and 2016 and January 1, 2016, the operations carried out with Global Crop Diversity Trust (GCDT) are mainly related to finance of funds corresponding to Windows 1 and 2 - Genebank Platform.

(e) As of December 31, 2017, the operations carried out with International Livestock Research Institute (ILRI) are mainly related to finance of funds corresponding to Window 3 - Transforming Potato and Sweet Potato for Food Security, Nutrition, and Income in Kenya.

The policy of the Center is to carryout operations with CGIAR Centers under normal conditions established by the market.

9. Accounts receivable - employees

(a) This caption comprises the following:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
Travel advances (b)	174	176	138
Loans (c)	168	218	170
	342	394	308

(b) Travel advances correspond to the disbursements made to employees for travel expenses that will be used for the execution of projects.

(c) Loans have current maturity, bear interest, and do not have specific guarantees.

10. Accounts receivable - others

(a) This caption comprises the following:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
Taxes (b)	371	270	99
Hosted Centers (c)	354	-	-
Institutions	160	174	242
CGIAR Hosted Centers (d)	56	43	28
CGIAR Centers – Others	-	41	-
Total	941	528	369

(b) Tax receivables are mainly related to valued added Tax (IGV for its Spanish acronym), whose recovery will take place during the normal operating cycle. As of the date of this report, recovery with the corresponding governmental office is in progress.

(c) As of December 2017, the amount corresponds to the administrative recovery cost for 2018 in accordance with the terms of the rental contract signed with National Program for Agrarian Innovation (PNIA for its Spanish acronym).

(d) The Accounts receivable others related to CGIAR Centers are the reimbursable amounts owed to the Center for the use of facilities and services.

The balance corresponding to Others -CGIAR Centers comprises the following:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
ICRAF	47	27	3
Biodiversity International	3	16	-
CIFOR	6	-	-
CIAT	-	-	25
Total CGIAR Centers - Hosted Centers	56	43	28
CIAT	-	22	-
CIMMYT	-	19	-
Total Others - CGIAR Centers	-	41	-

11. Inventories

(a) This caption comprises the following:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
Laboratory and field supplies	91	71	122
Office supplies	3	4	3
Spare parts and others	1	3	50
Total inventories	95	78	175

12. Advances

(a) This caption comprises the following:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
Projects	2,264	2,262	2,931
Suppliers	339	62	166
	2,603	2,324	3,097

(b) Prepayment for projects are detailed below:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
IITA	697	599	185
ILRI	213	-	849
CIMMYT	53	111	-
CIAT	-	155	-
Bioversity	-	-	200
Total CGIAR Centers (c)	963	865	1,234
Others	1,301	1,397	1,697
	2,264	2,262	2,931
Suppliers	339	62	166
	2,603	2,324	3,097

(b) As of December 31, 2017 and 2016 and January 1, 2016, the operations carried out with CGIAR Centers are related to prepayments made to operate the regional offices where CIP is implementing projects and advances made according to the contracts signed that have not been liquidated yet.

(c) As of December 31, 2017 and 2016 and January 1, 2016, the balance recorded in "Other prepayments" is related to advances to non-CGIAR collaborators, which were made according to the contracts signed that have not been liquidated yet.

13. Property, plant, and equipment

(a) The movement of "Property, Plant, and Equipment" and the corresponding depreciation in 2017 and 2016 are detailed below:

	Unrestricted (Center's Assets)					Restricted projects					
	Physical facilities US$(000)	Infrastructure and leasehold US$(000)	Furnishings and equipment US$(000)	Work in progress US$(000)	Total US$(000)	Physical facilities US$(000)	Infrastructure and leasehold US$(000)	Furnishing and equipment US$(000)	Work in progress US$(000)	Total US$(000)	Grand total US$(000)
Cost											
Balance as of January 1, 2016 before IFRS conversion	1,556	2,233	13,856	51	17,696	324	372	2,441	-	3,137	20,833
IFRS adjustments	(271)	(11)	(8,433)	(51)	(8,766)	(324)	(16)	(1,162)	-	(1,502)	(10,268)
Balance as of January 1, 2016	1,285	2,222	5,425	-	8,932	-	356	1,279	-	1,635	10,567
Additions (c)	121	214	276	357	968	80	156	570	-	806	1,774
Others	-	-	(9)	-	(9)	-	-	(5)	-	(5)	(14)
Balance as of December 31, 2016	1,406	2,436	5,692	357	9,891	80	512	1,844	-	2,436	12,327
Additions (c)	32	151	2,328	72	2,583	46	90	349	123	608	3,191
Disposals	-	-	(16)	-	(16)	-	-	-	-	-	(16)
Balance as of December 31, 2017	1,438	2,587	8,004	429	12,458	126	602	2,193	123	3,044	15,502
Accumulated Depreciation											
Balance as of January 1, 2016 before IFRS conversion	585	575	12,449	-	13,609	324	372	2,430	-	3,126	16,735
IFRS adjustments	(144)	(342)	(10,023)	-	(10,509)	(324)	(229)	(2,059)	-	(2,612)	(13,121)
Balance as of January 1, 2016	441	233	2,426	-	3,100	-	143	371	-	514	3,614
Additions (b)	132	45	504	-	681	1	56	327	-	384	1,065
Balance as of December 31, 2016	573	278	2,930	-	3,781	1	199	698	-	898	4,679
Additions (b)	140	50	525		715	61	90	379	-	530	1,245
Disposals	-	-	(3)	-	(3)	-	-	-	-	-	(3)
Balance as of December 31, 2017	713	328	3,452	-	4,493	62	289	1,077	-	1,428	5,921
Net carrying amount											
Balance as of January 1, 2016	844	1,989	2,999	-	5,832	-	213	908	-	1,121	6,953
Balance as of December 31, 2016	833	2,158	2,762	357	6,110	79	313	1,146	-	1,538	7,648
Balance as of December 31, 2017	725	2,259	4,552	429	7,965	64	313	1,116	123	1,616	9,581

(b) As of December 31, 2017 and 2016, the Center recorded a depreciation of US$1.2 million and US$1.1 million respectively.

(c) For the period ended December 31, 2017, purchases of restricted property, plant and equipment amounted to US$0.6 million (US$0.8 million in 2016). These assets are depreciated within the effective term of the projects. Purchases of unrestricted property, plant and equipment, in 2017 amounted to US$2.6 million (US$0.9 million in 2016) and are depreciated based on useful life.

Additions during 2017 and 2016 of restricted property, plant and equipment correspond mainly to research equipment and vehicles. Additions during 2017 for unrestricted property, plant and equipment correspond mainly to US$2 million donated by the Government of China, which includes research equipment and laboratory furniture. Additions during 2016 correspond mainly to the improvement of dining and bedrooms room located in its headquarters.

As of January 1, 2016, because of application of the IFRS, property, plant and equipment increase for US$2.9 million, mainly for less depreciation.

As of December 31, 2017, and 2016, the Center does not have any property, plant and equipment granted as guarantee, mainly for less depreciation.

14. Intangible assets

(a) The balance corresponding to intangible assets is the following:

	2017 US$(000)	**2016** US$(000)	**1.1.2016** US$(000)
Costs			
Balances as of January 1st	990	990	990
Additions	-	-	-
Balance as of December 31	990	990	990
Amortization			
Balances as of January 1st	(330)	(231)	(232)
Additions	(99)	(99)	-
Balance as of December 31	(429)	(330)	(232)
	561	660	758

The balance corresponds to software Unit4 Business World (OCS), that is the accounting and financial application to record and consolidate all operations carried out in the different countries where the Center operates in. The amortization period corresponding to this application is ten (10) years.

15. Deferred income from donors

(a) The balance is detailed below:

	2017 US$(000)	**2016** US$(000)	**1.1.2016** US$(000)
Restricted - W3	14,192	14,737	14,042
Restricted – Bilateral	3,850	3,403	3,793
Unrestricted - W3	1	-	4
IFRS - Deferred income (b)	2,875	3,147	2,778
Total current portion	20,918	21,287	20,617
Deferred income from Donors (c)	2,231	-	-
Total noncurrent portion	2,231	-	-
Total	23,149	21,287	20,617

The deferred income from Donors corresponds to the balance of donation received, whose application is pending in consecutive periods.

The balances whose execution is pending will be used in project management within a one-year period as maximum. The project management contract signed with the Donors establishes that the balances of non-executed received subsidies will be kept in CIP's accounts up to the respective execution.

(b) The deferred income results from a change in the policy to register and recover the depreciation of property, plant and equipment acquired for projects. Before depreciation was registered at 100% of the value of assets in the year they were acquired, requesting the Donor to assume all acquisition expenses. The current policy establishes to register depreciation based on the effective term of the project. Such a change has resulted in restructuring the financial statements and recording a net deferred income of US$2.8 million as of December 31, 2017, US$3.1 million as of December 2016 and US$2.8 million as January 1, 2016 corresponding to the amounts collected from Donors (see note 27).

(c) During 2017, an unrestricted donation of property, plant and equipment was received from Government of China amounted of US$2.23 million, which includes research equipment and laboratory furniture.

16. Accounts payable - CGIAR centers

(a) Accounts payable from CGIAR Centers are in relation to the normal course of business. Amounts that the Center has received concerning the subsidies agreed, whose activities have not finished yet.

(b) This caption comprises the following:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
CGIAR System Fund (b)	5,331	8,410	1,480
ILRI (c)	538	104	-
GCDT	96	6	-
IFPRI	27	56	157
CIAT	7	-	970
IITA	-	61	990
Bioversity	-	-	940
Total	5,999	8,637	4,537

(c) As of December 31, 2017, the balance of accounts payable to Other CGIAR Centers is mainly related to the finance of funds corresponding to Windows 1 and 2 CRP Root, Tubers, and Bananas, US$5.33 million, US$8.41 million at December 31, 2016 and US$1.48 million as of January 1, 2016.

(d) As of December 31, 2017, the balance corresponds to funds of Windows 3 US$0.54 million Transforming Potato and Sweet Potato for Food Security, Nutrition, and Income in Kenya a US$0.10 million at December 31, 2016.

These balances have current maturity and do not have specific guarantees.

17. Accounts payable - others

(a) The details of this caption are the following:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
Suppliers	3,725	3,412	2,817
Other deferred income (b)	735	516	-
Taxes	192	120	116
Institutions	6	46	160
Research contracts	-	-	36
CGIAR Centers (c)	221	152	395
Others	42	312	305
	4,921	4,558	3,829

(b) As of December 31, 2017, "Other deferred income" corresponds mainly to Al-Sumait Prize granted to the Center at the end of 2016 for the introduction of orange pulp sweet potato containing A vitamin in Sub-Saharan Africa US$0.39 million (US$0.50 million in 2016) and the advance granted by the Programa Nacional de Innovación Agraria - PNIA (National Agricultural Innovation Program) as part of the contract signed to recover administrative expenses related to the use of the Center's facilities US$0.30 million

(c) The operations carried out with the CGIAR Centers are related to advances sent by such Centers to operate their offices at CIP's facilities (HQ and Mozambique), as well as the obligation resulting from the collection of CSP for projects based on bilateral agreements.

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
CGIAR System Office	180	114	335
CIMMYT	27	19	-
CIAT	12	13	-
BIOVERSITY	2	-	-
CIFOR	-	6	58
ICRAF	-	-	2
Total	221	152	395

18. Accounts payable - employees

(a) The balance of this caption comprises the following:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
Vacations for NRS-HQ	701	633	616
Severance indemnities for RRS-HQ	63	85	20
Severance indemnities for NRS-HQ (CTS for its Spanish acronym)	78	66	62
Salary	-	-	100
Indemnities for NRS	-	-	175
Total current portion	842	784	973
Non- current provision for GRS repatriation costs (b)	1,045	1,131	1,120
	1,045	1,131	1,120
	1,887	1,915	2,093

(b) The provision for repatriation expenses corresponds to repatriation costs related to staff under global contracts and they are paid according to the contract terms, US$1.05 million at December 31, 2017, US$1.13 million at December 31, 2016 and US$1.12 million at January 1, 2016. The staff under global contracts are entitled to repatriation benefits on the completion of their contract periods. Provision is made for repatriation payable to all global staff based on the estimated air flights, relocations, and freight expenses.

19. Provisions

(a) This caption comprises the following:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
Other provisions	434	463	235
Other provisions for NRS and RRS	3	2	65
Training	-	-	63
Total	437	465	363

20. Net assets

Unrestricted net assets are the amount set aside for the Center's use with no restrictions by the Donors. Unrestricted net assets are divided into designated and undesignated.

Designated net assets include the acquisition cost, net of the depreciation charges related to those goods that are part of Property, Plant, and Equipment, as well as replacement costs.

Undesignated net assets correspond to operating surplus to comply with the Center's on-going commitments and obligations when contributions are not made by the Donors on a timely basis.

The net assets are the following:

	2017 US$(000)	2016 US$(000)	1.1.2016 US$(000)
Undesignated	9,937	10,053	10,551
IFRS Conversion – Others undesignated	-	492	(498)
Surplus (deficit) for the year	18	608)	-
Total undesignated	9,955	9,937	10,053
Designated			
Capital invested in property, plant and equipment	7,087	5,219	4,858
Reserve for replacing property, plant and equipment	(1,235)	633-	920
IFRS Conversion property, plant and equipment	-	-	74
Other designated	(9)	(9)	(9)
Total designated	5,843	5,843	5,843
Total net assets	15,798	15,780	15,896

As a result of the conversion to IFRS, there is an effect in the reserve due to the change in the accounting policy for property, plant and equipment and in the accounting policy for accounts receivable and advances as of January 1, 2016 and December 31, 2016. See note 27

21. Tax matters

As mentioned in note 1, CIP is a root and tuber research-for-development institution delivering sustainable solutions to the pressing world problems of hunger, poverty, and the degradation of natural resources. According to Article 19º (b) of the Consolidated Ordered Text (TUO for its Spanish acronym) of the Income Tax Law, approved by Executive Order Nº 179-2004-EF, the income - destined for the specific purposes through the country - of foundations subject to tax and non-profit organizations, whose articles of association exclusively comprise some or various of the following purposes: charity, social assistance, education, culture, science, arts, literature, sports, politics, unions, housing, provided that they are not distributed, directly or indirectly, among the partners, and their by-laws establish that, in case of dissolution, its net assets will be used for the mentioned purposes, shall be exempted from income tax.

22. Other revenue and gains

This caption comprises the following:

	2017 US$(000)	2016 US$(000)
Consultancy income	189	26
Al Sumait prize revenue	171	-
Reversal of provisions	144	315
Hosting income	67	68
Revenue from other service units	15	14
Donations	-	74
Reimbursement insurance	-	4
Others	35	14
Total	621	515

23 Expenses by nature

The expenses by nature are classified as follows:

	2017						
	Unrestricted		Restricted		Total		
	Portfolio US$(000)	Non - Portfolio US$(000)	Portfolio US$(000)	Non - Portfolio US$(000)	Portfolio US$(000)	Non - Portfolio US$(000)	Total US$(000)
Expenses by function							
Personnel costs	1,089	8,519	18,880	1,226	19,969	9,745	29,714
Collaborators - CGIAR Centers	-	-	12,439	111	12,439	111	12,550
Other collaboration	700	-	5,003	195	5,703	195	5,898
Supplies and services	375	(2,796)	12,368	926	12,743	(1,870)	10,873
Travel	70	782	1,811	75	1,881	857	2,738
Depreciation and amortization	-	544	310	490	310	1,034	1,344
System cost (CSP)	129	96	463	90	592	186	778
Subtotal expenses and losses	2,363	7,145	51,274	3,113	53,637	10,258	63,895
Indirect cost recovery	334	(5,722)	5,231	157	5,565	(5,565)	-
Total operating expenses	2,697	1,423	56,505	3,270	59,202	4,693	63,895

	2016						
	Unrestricted		Restricted		Total		
	Portfolio US$(000)	Non - Portfolio US$(000)	Portfolio US$(000)	Non - Portfolio US$(000)	Portfolio US$(000)	Non - Portfolio US$(000)	Total US$(000)
Expenses by function							
Personnel costs	1,666	7,593	15,327	603	16,993	8,196	25,189
Collaborators - CGIAR Centers	-	-	8,164	-	8,164	-	8,164
Other collaboration	1,021	-	6,065	-	7,086	-	7,086
Supplies and services	1,212	(2,032)	13,557	514	14,769	(1,518)	13,251
Travel	211	741	1,910	44	2,121	785	2,906
Depreciation and amortization	-	516	494	154	494	670	1,164
System cost (CSP)	-	5	690	9	690	14	704
Subtotal expenses and losses	4,110	6,823	46,207	1,324	50,317	8,147	58,464
Indirect cost recovery	614	(5,704)	4,883	206	5,497	(5,498)	(1)
Total operating expenses	4,724	1,119	51,090	1,530	55,814	2,649	58,463

24. Research program expenses

Research Program Expenses include the following concepts in the Statement of Activities: Research for US$38.1 million (US$36.2 million in 2016), Collaborators - CGIAR Centers for US$12.6 million (US$9.4 million in 2016), and Non-CGIAR Collaborators for US$5.9 million (US$5.9 million in 2016).

The expenses incurred are the following:

	2017 US$(000)	2016 US$(000)
Research	53,245	48,010
Research support (a)	3,259	3,479
Total	56,504	51,489

(a) Research expenses correspond to those activities supporting research matters on a direct basis.

25. General and administrative expenses

General and administrative expenses incurred in 2017 and 2016 amount to US$6.6 million and US$5.8 million, respectively. They correspond to the offices mentioned below.

General Directorate, Board of Trustees, CFO (excluding project accounting), Operations, Human Resources, Subsidies and Contracts (institutional support), Corporate Specialized Services, Internal and External Audits, Corporate Insurances, Health and Safety, ITU (institutional support and OCS), Communications (CPAD), Resources Mobilization, External Relationships, Visitors and Events, Legal, and Intellectual Property Offices, as well as Administrative Expenses of Regional Offices, and Basic Strategic Research Activities.

26. Indirect cost rate calculation

In 2017, the indirect cost amounted to US$6.6 million (US$5.8 million in 2016). The relation of indirect research costs/direct research costs amounted to 15% (14% in 2016), as it is shown below:

	2017 US$(000)	2016 US$(000)	Under FG2 US$(000)
General and administrative expenses	6,642	5,842	6,603
Research expenses + Non-CGIAR Collaborators (PPA)	43,954	42,129	43,328
Total	15%	14%	15%

(a) The reduction of 2016 previously reported Indirect Cost Rate from 15% to 14% is due IFRS adjustments made for the presentation of this report. The overhead rate applied to projects in 2016 was 15% and is still valid.

27. First-time adoption of IFRS

In 2016, the CGIAR Centers, taking into consideration all benefits of the application of the new accounting policies for the preparation of financial statements established by the IFRS, decided to implement them from January 1, 2016. Under IFRS application, the financial information will be prepared according to these international standards, which are recognized by the lenders, community, banks, potential partners and collaborators, among others, and contrasted with other organizations.

Therefore, these are the first financial statements prepared by CIP based on the IFRS. With the purpose of preparing the opening balance under these international standards, the Center has made adjustments to the balances of the former financial statements prepared under CGIAR Financial Guidelines No. 2 (FG2) previously reported. The following information provides an explanation of the impacts of the transition from the former accounting policies GAAP in Peru to IFRS related to the financial position, income, and cash flows of the Center.

(a) Reconciliations between FG2 and IFRS

IFRS 1 establishes that the Center reconciles the balances of its net assets, results of activities, and cash flows corresponding to previous periods. The adoption of IFRS by the Center for the first time had no impact on the total operating, investing and financing flows. The tables below show the following reconciliations between FG2 and IFRS:

- Net assets as of January 1, 2016 (including impact on assets and liabilities).
- Net assets as of January 31, 2016 (including impact on assets and liabilities).
- Statement of Activities for the year ended December 31, 2016.

(b) Reconciliation of net assets as of January 1, 2016

	1.01.2016 FG2 US$(000)	Adjustments IRFS US$(000)	Others adjustments US$(000)	Reclassifications US$(000)	1.01.2016 IRFS US$(000)
Assets					
Current assets					
Cash and cash equivalents	10,568	-	-	6,056	16,624
Short term investments	14,300	-	-	(6,138)	8,162
Accounts receivables:					
Donors, net	8,290	-	(47)	-	8,243
CGIAR Centers	2,138	-	-	-	2,138
Employees	308	-	-	-	308
Others	290	-	(8)	87	369
Inventory	175	-	-	-	175
Advances	3,084	-	(327)	340	3,097
Prepaid expenses	456	-	(116)	(340)	-
Total current assets	39,609	-	(498)	5	39,116
Non-current Assets					
Long term investments	513	-	-	(5)	508
Property and equipment, net	4,858	2,853	-	(758)	6,953
Intangible assets	-	-	-	758	758
Total non-current assets	5,371	2,853	-	(5)	8,219
Total assets	44,980	2,853	(498)	-	47,335
Liabilities					
Current liabilities					
Account payables:					
Deferred income from Donors	17,838	2,779	-	-	20,617
CGIAR Centers	4,932	-	-	(395)	4,537
Employees	100	-	-	873	973
Others	3,434	-	-	395	3,829
Provisions	363	-	-	-	363
Total current liabilities	26,667	2,779	-	873	30,319
Non-current liabilities					
Employees	1,993	-	-	(873)	1,120
Total non-current liabilities	1,993	-	-	(873)	1,120
Total liabilities	28,660	2,779	-	-	31,439
Net assets					
Unrestricted net assets:					
Undesignated	10,551	-	(498)	-	10,053
Designated	5,769	74	-	-	5,843
Total net assets	16,320	74	(498)	-	15,896
Total liabilities and net assets	44,980	2,853	(498)	-	47,335

(c) Reconciliation of net assets as of December 31, 2016

	31.12.2016 FG2 US$(000)	Adjustments IRFS US$(000)	Others Adjustments US$(000)	Reclassifications US$(000)	31.12.2016 IRFS US$(000)
Assets					
Current assets					
Cash and cash equivalents	24,264	-	-	35	24,299
Short term investments	7,047	-	-	(35)	7,012
Accounts receivables:					
Donors, net	8,617	-	(51)	-	8,566
CGIAR Centers	637	-	-	-	637
Employees	394	-	-	-	394
Others	592	-	(64)	-	528
Inventory	78	-	-	-	78
Advances	2,248	-	(327)	403	2,324
Prepaid expenses	519	-	(116)	(403)	-
Total current assets	44,396	-	(558)	-	43,838
Non-current assets					
Long term investments	496	-	-	-	496
Property and equipment, net	4,215	4,093	-	(660)	7,648
Intangible assets	-	-	-	660	660
Total non-current assets	4,711	4,093	-	-	8,804
Total assets	49,107	4,093	(558)	-	52,642
Liabilities					
Current liabilities					
Account payables:					
Deferred income from Donors	18,140	3,147	-	-	21,287
CGIAR Centers	8,789	-	-	(152)	8,637
Employees	-	-	-	784	784
Others	4,406	-	-	152	4,558
Provisions	465	-	-	-	465
Total current liabilities	31,800	3,147	-	784	35,731
Non-current liabilities					
Employees	1,915	-	-	(784)	1,131
Total non-current liabilities	1,915	-	-	(784)	1,131
Total liabilities	33,715	3,147	-	-	36,862
Net assets					
Unrestricted net assets:					
Undesignated	9,623		314	-	9,937
Designated	5,769	74	-	-	5,843
Total net assets	15,392	74	314	-	15,780
Total liabilities and net assets	49,107	3,221	314	-	52,642

(d) Reconciliation of statement of activities as of December 31, 2016

	31.12.2016 FG2 US$(000)	Adjustments IFRS US$(000)	Reclassifications US$(000)	31.12.2016 IFRS US$(000)
Grant revenue				
Window 1 & 2	19,852	-	-	19,852
Window 3	27,393	(200)	-	27,193
Bilateral	10,939	(168)	-	10,771
Total grant revenue	58,184	(368)	-	57,816
Other revenue and gains	515			515
Total revenue	58,699	(368)	-	58,331
Expenses and losses				
Research expenses	(36,242)	-	4	(36,238)
CGIAR collaborator expenses	(8,165)	-	(1,195)	(9,360)
Non CGIAR collaborator expenses	(7,086)	-	1,195	(5,891)
General and administration expenses	(6,603)	688	73	(5,842)
Other expenses and losses	(1,555)	-	423	(1,132)
Total expenses and losses	(59,651)	688	500	(58,463)
Operating deficit	(952)	320	500	(132)
Loss on sale of asset(s)	-	-	(423)	(423)
Finance income	176	-	-	176
Finance expenses	(152)	-	(77)	(229)
Deficit for the year	(928)	320	-	(608)

27.1 Notes to the reconciliation of the statement of financial position and the statement of activities as of January 1, 2016 and December 31, 2016

Find below a description of the main impacts for changing from FG2 to IFRS:

Property, Plant, and Equipment -

The Center presented its property, plant, and equipment at their acquisition value less accumulated depreciation and accumulated losses for impairment of value. The depreciation was recalculated based on its estimated useful life, which resulted in a net increase in the value of assets as of January 1, 2016 amounting to approximately US$2.9 million, from which US$1.1 million correspond to the highest value allocated to the assets acquired for the projects maturing from 2017 onwards.

Up to 2016, the accounting policy of the Center was fully depreciating the assets acquired for the projects in the year they were purchased, which resulted in the fact that an amount equivalent to the calculated depreciation was charged to profit or loss.

The application of the IFRS generated a change in the accounting policy of the property, plant and equipment from projects, the change refers to register depreciation since the acquisition date to the project termination date. It changes resulted in a deferred income of US$2.8 million as of January 1, 2016, which is referred to the amount collected from Donors, which was calculated considering previous accounting policy that consisted in recording 100% of depreciation of property, plant and equipment.

The effect in the reserve due to this change in the accounting policy for property, plant and equipment as of January 1, 2016, generated an increase in net assets for US$2.85 million. It is referred to the highest value of the assets for changes in the estimate of their useful life. The effect in the change of the accounting policy for accounts receivable and advances as of January 1, 2016 resulted in a decrease in reserves for US$0.5 million, which is referred to the impairment of such balances.

Cash and cash equivalent –
Center classified some deposits as short-term investments due to its high rate, and low mobility during periods. However, IAS 7 states that awaiting deposits in banks which can be added to or withdrawn without limitation and are immediately available for use should be classified as Cash and cash and equivalent. Given the above, Short-term investments of US$6.0 million were reclassified as Cash and cash equivalent.

Advances and prepaid expenses –
Due to the application of the Accounts Receivable Operational Policy in 2017, Center recognized the impairment of older than one-year accounts receivable to donors, advances to partners and prepayments that was not recognized in 2015. Therefore, this recognition had an impact in the Center net assets of US$0.44 million as of January 1, 2016 and December 31, 2016.

Impact on 2016 profits and losses -
In 2016, the restructured Statement of Activities resulted in net deficit of US$0.6 million, mainly due to the adjustment for depreciation for changes in the useful life of the property, plant, and equipment.

28. Subsequent events

Significant subsequent events of a financial nature which may affect the interpretation of these financial statements have not occurred between January 1, 2018, and the date of approval of these financial statements (April 12, 2018).

Schedule of Grants Revenue – Exhibit I

For the years ended 31 December 2017

Donors	Funds Available	Receivables from	Deferred revenue	Grants revenue 2017	Grants revenue 2016
A. Unrestricted					
W3 – Unrestricted					
Department for International Development (DFID)	1,056	1,644	(1)	2,699	4,729
Irish Aid – IA	6	292	-	298	272
Government of Turkey	15	-	-	15	15
Government of China	2,231	118	(2,231)	118	120
Subtotal Window 3 – Unrestricted	3,308	2,054	(2,232)	3,130	5,136
Bilateral – Unrestricted					
Government of Philippines	8	-	-	8	8
Sub Total Bilateral – Unrestricted	8	-	-	8	8
Bilateral Restricted					
Windows 1 & 2					
CGIAR Research Program on Roots, Tuber and Bananas - CRP 16 RTB	23,945	-	(5,331)	18,614	14,084
CIAT - International Center for Tropical Agriculture - CRP 22 CCAFS	45	11	-	56	28
CIAT - International Center for Tropical Agriculture - Platform Big Data PTF32	68	47	-	115	-
ICARDA - International Center for Agricultural Research in the Dry Areas - CRP 1.1	-	-	-	-	8
IFPRI - International Food Policy Research Institute - CRP 23 PIM	385	107	(12)	480	792
IFPRI - International Food Policy Research Institute - CRP 21 A4NH	-	-	-	-	180
IITA - International Institute of Tropical Agriculture - CRP 1.2	-	-	-	-	107
IITA - International Institute of Tropical Agriculture - Platform Genebanks PTF 33	34	-	-	34	-
IWMI - International Water Management Institute - CRP 5	-	-	-	-	185
ICRAF - World Agroforestry Centre - CRP 23 PIM	-	-	-	-	12
GCDT - Global Crop Diversity Trust - Platform Genebanks PTF 33	3,351	1,030	(147)	4,234	4,456
Sub Total Windows 1 & 2	27,828	1,195	(5,490)	23,533	19,852
Window 3					
Austrian Development Agency (ADA)	111		(69)	42	-
Bill and Melinda Gates Foundation (BMGF)	17,605	3	(6,926)	10,682	9,561
Government of China	266	1,842	(458)	1,650	1,002
Government of India	376	-	(73)	303	177
International Fund for Agricultural Development (IFAD)	(583)	2,277	(365)	1,329	2,274
International Livestock Research Institute (ILRI)	1,178	879	(538)	1,519	1,235
United States Agency for International Development (USAID)	15,335	882	(6,727)	9,490	7,757
Sub Total Window 3	34,288	5,883	(15,156)	25,015	22,006

Donors	Funds Available	Receivables from	Deferred revenue	Grants revenue 2017	2016
Window 3 - Challenge Program					
CIAT - International Center for Tropical Agriculture (Harvest Plus)	61	28	-	89	155
IFPRI - International Food Policy Research Institute (Harvest Plus)	151	12	-	163	183
Sub Total Challenge Programs - Window 3	212	40	-	252	338
Bilateral					
2BLADES Foundation	251	-	(157)	94	49
African Agriculture Technology Foundation	288	-	(149)	139	15
Asociación Pataz	5	-	-	5	1
Australian Centre for International Agricultural Research	114	-	(55)	59	-
Bill and Melinda Gates Foundation	-	-	-	-	29
Centro Internacional de Mejoramiento de Maiz y Trigo (CIMMYT)	10	30	-	40	32
European Comission	1,416	57	(367)	1,106	214
European Comission - Agenzia Nazionale per le Nuove Tecnologie, L'Energia e lo Sviluppo Economico Sostenible (ENEA)	70	47	-	117	52
Federal Ministry of Agriculture and Rural Development	(253)	253	-	-	(1)
Food and Agriculture Organization of the United Nations (FAO)	188	122	0	310	179
Gansu Agricultural University (GAU)	18	-	(4)	14	5
GCDT - Global Crop Diversity Trust	414	92	(61)	445	481
Government of Spain	-	-	-	-	7
Government of Germany - Federal Ministry for Economic Cooperation and Development (BMZ) and German Technical Cooperation (GTZ)	2,425	322	(730)	2,017	1,410
Government of Germany	(7)	40	(3)	30	67
Government of Odisha	562	-	(2)	560	340
Government of The Republic of Korea	388	-	(162)	226	79
Hebei North College (HNC)	18	-	(18)	-	-
International Center for Tropical Agriculture (CIAT)	19	-	(7)	12	-
International Food Policy Research Institute (IFPRI)	61	14	(15)	60	17
Instituto Nacional de Investigacion Agraria (INIA) - Programa Nacional de Innovacion Agraria (PNIA)	714	-	(260)	454	388
IITA-International Institute of Tropical Agriculture	61	-	-	61	126
ILRI - International Livestock Research Institute (ILRI)	-		-	-	156
Irish Aid	4,134	5	(1,478)	2,661	1,976
Michigan State University	-	-	-	-	156
Natural Research Institute (NRI)	8	10	(5)	13	-
North Carolina State University (NCSU)	1,516	-	(163)	1,353	1,542
Others	2,662	-	(2,186)	476	-
RTI International	-	1	-	1	-
Syngenta Crop Protection AG	-	-	-	-	271
Syngenta Foundation for Sustainable Agriculture	552	-	(294)	258	207

Donors	Funds Available	Receivables from	Deferred revenue	Grants revenue 2017	Grants revenue 2016
The Beira Agricultural Growth Corridor (BAGC)	1	-	-	1	18
The Ministry of Agriculture, Food Security and Cooperatives	115	74	(99)	90	107
The McKnight Foundation	52	-	(24)	28	32
The Regents of the University of California	69	50	-	119	103
United Purpose	62	-	(31)	31	-
United States Agency for International Development (USAID)	67	-	-	67	2,557
Universal Industries Limited	143	-	-	143	-
WPC-World Potato Congress INC.	1	12	-	13	13
Others - Various projects IFRS	-	-	-	-	(152)
Sub Total Bilateral	16,144	1,129	(6,270)	11,003	10,476
Total	81,788	10,301	(29,148)	62,941	57,816

Schedule of Grants Pledges and Expense Schedule – Exhibit II

For the years ended 31 December 2017

Donor and Program/Project		Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
Windows 1 & 2									
CGIAR Research Programs									
funded by CGIAR Fund						-	-		-
CGIAR Research Program on									
Roots, Tuber and Bananas						-	-		-
1303-CGIA	Grant Award Agreement for Gender and Breeding knowledge management - CIP, RTB 16/030	Jan 2017	Feb 2018	CRP	397	-	312	312	-
1313-CGIA	Roots, Tuber and Bananas phase 2 (RTB 2.0) - Program Implementation Agreement (PIA)	Jan 2017	Dec 2022	CRP	20,598	-	18,302	18,302	-
					20,995	-	18,614	18,614	-
						-	-		-
CIAT - International Center									
for Tropical Agriculture						-	-		-
1309-CIAT	Climate Change, Agriculture and Food Security Phase 2 - Program Participant Agreement	Jan 2017	Dec 2022	CRP	57	-	56	56	-
1341-CIAT	CGIAR Platform for Big Data in Agriculture	Jan 2017	Dec 2022	CRP	135	-	115	115	-
					192	-	171	171	-
						-	-		-
IFPRI - International Food									
Policy Research Institute						-	-		-
1142-IFPR	CGIAR Research Program on Policies, Institutions and Markets PPA CRP2-004	Jan 2012	Dec 2016	CRP	3,923	3,910	-	3,910	-
1312-IFPR	Policies, Institutions and Markets Phase 2 Program Participant Agreement	Jan 2017	Dec 2022	CRP	501	-	480	480	-
					4,424	3,910	480	4,390	-
						-	-		-
IITA - International Institute of									
Tropical Agriculture						-	-		-
1355-IITA	Standardization of NGS-based Virus Indexing for Clonal Crops	Jan 2017	Dec 2018	CRP	34	-	34	34	-
					34	-	34	34	-

Donor and Program/Project		Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
GCDT - Global Crop Diversity Trust					-	-	-	-	-
1311-GCDT	CGIAR - Genebank Phase 2	Jan 2017	Dec 2022	CRP	4,470	-	4,234	4,234	(112)
					4,470	-	4,234	4,234	(112)
	Total - W1 & W2				30,115	3,910	23,533	27,443	(112)
Window 3									
Austrian Development Agency (ADA)									
1326-ADA0	Enhancing rural livelihoods in Georgia: Introducing Integrated Seed Health approaches to local potato seed systems	Jul 2017	Jun 2020	CRP	500	-	42	42	-
					500	-	42	42	-
Bill and Melinda Gates Foundation (BMGF)						-	-	-	-
1223-BMGF	Jumpstart Ghana Value Chain	Apr 2014	Mar 2017	CRP	4,000	3,512	428	3,940	-
1230-BMGF	SASHA II	Jun 2014	Jul 2019	CRP	21,644	10,338	4,485	14,823	(104)
1256-BMGF	Scopyng study to understand the importance of potato and sweet potato from a commodity diversification perspective in three priority states	Oct 2015	Jan 2017	CRP	86	71	15	86	-
1264-BMGF	Building Nutritious Food Baskets: Scaling up Bio-fortified Crops for Nutrition Security in Nigeria and Tanzania (Reaching Agents of Change Phase 2)	Oct 2015	Oct 2018	CRP	5,000	970	2,264	3,234	-
1265-BMGF	Building an Economically Sustainable, Integrated Seed System for Cassava in Nigeria	Nov 2015	Dec 2019	CRP	11,612	1,289	2,680	3,969	-
1295-BMGF	NextGen Phytosanitation: Rapid Elimination of Viruses from RTB Plants for Crop Improvement and Seed Systems	Oct 2016	Sep 2019	CRP	2,386	24	810	834	-
					44,728	16,204	10,682	26,886	(104)
						-	-		-
Government of China						-	-		-
1078-CHI0	Supporting preparation work of CCCAP in China	Jan 2014	Dec 2017	CRP	4,870	2,635	1,650	4,285	-
					4,870	2,635	1,650	4,285	-

Donor and Program/Project		Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
Government of India									
1016-GOI0	Varietal improvement of potato for biotic resistance, enriching of germplasm.	Mar 2007	Mar 2018	CRP	2,211	1,838	303	2,141	-
					2,211	1,838	303	2,141	-
International Fund for Agricultural Development (IFAD)									
1215-IFAD	Expanding utilization of RTB and reducing their post-harvest losses	Jan 2014	Apr 2017	CRP	3,300	2,987	223	3,210	-
1247-IFAD	Food Resilience Through Root and Tuber Crops in Upland and Coastal Communities of the Asia-Pacific (FOODSTART+)	May 2015	May 2018	CRP	200	144	3	147	-
1272-IFAD	Programme for Strengthening Innovation to Improve Income, Food Security and Resilience of Potato Producers	Dec 2015	Dec 2018	CRP	1,400	169	485	654	-
1284-IFAD	Food Resilience Through Root and Tuber Crops in Upland and Coastal Communities of the Asia- Pacific (FOODSTART+)	Nov 2015	Dec 2018	CRP	1,918	369	618	987	-
					6,818	3,669	1,329	4,998	-
						-	-	-	-
International Livestock Research Institute (ILRI)									
1262-ILRI	Transforming Potato and Sweet potato for Food Security, Nutrition and Incomes in Kenya (FtF AVCD)	Oct 2015	Sep 2018	CRP	4,283	1,285	1,519	2,804	-
					4,283	1,285	1,519	2,804	-
United States Agency for International Development (USAID)									
1111-IBRD	Late Blight / Sweet potato Weevil	Oct 2010	Sep 2017	CRP	3,167	2,743	422	3,165	-
1202-USAI	US-CGIAR Linkage Program CRP 3.4	Oct 2012	Mar 2017	CRP	440	404	17	421	-
1235-USAI	The Viable Sweet potato Technologies in Africa (VISTA) Mozambique	Oct 2014	Sep 2021	CRP	4,250	1,402	1,838	3,240	(143)
1236-USAI	The Viable Sweet potato Technologies in Africa (VISTA) Tanzania	Oct 2014	Sep 2017	CRP	3,125	2,119	977	3,096	-
1238-USAI	The Viable Sweet potato Technologies in Africa (VISTA) Malawi	Oct 2014	Jun 2019	CRP	4,730	2,199	1,176	3,375	(72)

Donor and Program/Project		Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
1261-USAI	Feed the Future Rwanda Orange Fleshed Sweet Potato (OFSP) for Income and Nutrition Activity - VISTA Rwanda	Oct 2015	Sep 2018	CRP	4,000	1,107	1,613	2,720	(97)
1267-USAI	Genetic Improvement in Potato and Sweet potato	Oct 2015	Aug 2018	CRP	4,936	3,195	1,731	4,926	(10)
1285-USAI	Emergency Response with Potato and Sweet potato among drought-affected farmers in SNNP Region, Ethiopia	Jun 2016	Jun 2018	CRP	1,300	295	715	1,010	-
1292-USAI	Nutritional Vegetables for Improved Food Security in Khatlon - Tajikistan Potatoes II	Oct 2016	Sep 2019	CRP	390	18	113	131	-
1293-USAI	Mitigation Drought Impacts in Southern Mozambique Through Resilient, Nutritious Sweet potato	Aug 2016	Jul 2017	CRP	900	92	808	900	-
1337-USAI	Extending Orange-fleshed Sweet potato Availability for Vulnerable Households through Good Agricultural Practices and Post-Harvest Storage	Jul 2017	Jun 2018	CRP	275	-	80	80	-
					27,513	13,574	9,490	23,064	(322)
	Total W3				90,923	39,205	25,015	64,220	(426)
Challenge Programs									
CIAT - International Center for Tropical Agriculture									
1232-CIAT	Bio-fortified Potato Varieties to help overcome Micronutrient Malnutrition in East Africa Africa and South Asia, Agreement #5322	Jan 2014	Dec 2017	CRP	605	498	89	587	-
					605	498	89	587	-
						-	-	-	-
IFPRI - International Food Policy Research Institute									
1122-IFPR	Varietal selection and seed systems technical support for OFSP large-scale dissemination in Northern and Western Uganda	Jan 2012	Dec 2017	CRP	1,139	955	163	1,118	-
					1,139	955	163	1,118	-
	Total Challenge Programs - W3				1,744	1,453	252	1,705	-
Bilateral									

Donor and Program/Project		Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
2BLADES Foundation									
1288-BLAD	Contribution for LB Project	Jan 2016	Dec 2017	CRP	300	49	94	143	-
					300	49	94	143	-
African Agriculture Technology Foundation									
1297-AATF	Development and testing of transgenic potato with resistance to bacterial wilt using pflp and harp genes.	Oct 2016	Sep 2019	CRP	467	15	139	154	-
					467	15	139	154	-
Asociación Pataz									
1100-AP00	Evaluacion y seleccion de clones mediante la seleccion varietal participativa usando el diseño Mama & BB	Feb 2013	Feb 2018	CRP	37	32	5	37	-
					37	32	5	37	-
1327-ACIA	AGB-2017-008 Integrating gender and social inclusion into agricultural value chain research in Vietnam	Jun 2017	Dec 2018	CRP	250	-	59	59	-
					250	-	59	59	-
1291-CIMM	GENNOVATE: understanding and addressing gender norms as barriers to adoption at scale	Jan 2016	Dec 2017	CRP	72	32	40	72	-
					72	32	40	72	-
European Comission									
1271-EC00	Desarrollo de Innovaciones para la Seguridad Alimentaria y Nutricional en las zonas de integracion fronteriza Peru-Bolivia (INPANDES)	Dec 2015	Dec 2017	CRP	551	214	337	551	-
1307-EC00	Sustained Diet Quality Improvement by Fortification with Climate-smart, Nutrition-	Jan 2017	Jun 2021	CRP	4,000	-	769	769	(70)

Donor and Program/Project		Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
	Smart Orange-fleshed Sweet potato in Southern Nations, Nationalities and Peoples								
					4,551	214	1,106	1,320	(70)
European Comission - Agenzia Nazionale per le Nuove Tecnologie, L'Energia e lo Sviluppo Economico Sostenible (ENEA)									
1283-ENEA	Linking genetic resources, genomes and phenotypes of Solaneceous crops - G2P-SOL	Mar 2016	Feb 2021	CRP	478	52	117	169	-
					478	52	117	169	-
Federal Ministry of Agriculture and Rural Development									
1218-NFM0	Nigeria Sweet Potato	Jan 2014	Aug 2016	CRP	1,245	1,073	-	1,073	-
					1,245	1,073	-	1,073	-
Food and Agriculture Organization of the United Nations (FAO)									
1249-FAO0	Adoption and diffusion of C88 potato variety in China: Spatial variability of productivity gains and cost savings and value chain development	Jun 2015	Feb 2017	CRP	200	166	34	200	-
1275-FAO0	W2B-PR-23 Biodiverse and Nutritious Potato Improvement across Peru, Nepal and Bhutan	Dec 2015	Dec 2018	CRP	800	125	276	401	-
					1,000	291	310	601	-
Gansu Agricultural University (GAU)									
1296-GAU0	Talent Introduction Agreement - GANSU	Oct 2016	Sep 2019	CRP	28	5	14	19	-
					28	5	14	19	-
GCDT - Global Crop Diversity Trust									

Donor and Program/Project		Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
1217-GCDT	Sustainable use of potato crop wild relatives (CWR) and development of a pre-breeding core collection with key climate change-related traits	Dec 2013	Sep 2017	CRP	547	435	111	546	-
1315-GCDT	Collection of crop wild relatives in the potato genepool in Peru by INIA	Jan 2017	Oct 2018	CRP	196	-	50	50	-
1316-GCDT	Providing for the long-term funding of ex situ collections of germplasm held by International Potato Center Phase II	Jan 2017	Dec 2017	CRP	625	-	284	284	-
					1,368	435	445	880	-
Government of Germany - Federal Ministry for Economic Cooperation and Development (BMZ) and German Technical Cooperation (GTZ)									
1220-GIZ0	Improved Soil Fertility Management for Sustainable Intensification in Potato Based Systems in Ethiopia and Kenya	Apr 2014	Mar 2017	CRP	1,372	1,137	235	1,372	-
1240-GIZ0	Acceleration the Development of Early-Maturing-Agile Potato for Food Security through a Trait Observation and Discovery Network	Jan 2015	Dec 2018	CRP	1,248	762	436	1,198	-
1294-GIZ0	Promotion of nutrition-sensitive potato value chains in East Africa	Sep 2016	Aug 2018	CRP	319	37	162	199	-
1305-GIZ0	Green Innovations Centers for the Agriculture and Food Sector	Dec 2016	Apr 2017	CRP	100	-	80	80	-
1306-GIZ0	Improved Diagnostics and Genotypic/Epidemiological Mapping Potato Bacterial Wilt Disease to Enhance Food Security of Smallholder Farmers	Jan 2017	Dec 2019	CRP	900	-	281	281	-
1308-GIZ0	SIMPATICA: Systematic In situ Monitoring of Potato Agro-diversity under Climate Change in the Andes	Jan 2017	Jun 2018	CRP	100	-	46	46	-
1325-GIZ0	Support potato activities and capacity building of Green innovation centers potato partners in Cameroon	Oct 2016	Aug 2017	CRP	62	-	62	62	-
1328-GIZ0	Curso Corto en Manejo de la sanidad del cultivo de papa y produccion de semilla PROAGRO	May 2017	Jul 2017	CRP	15	-	12	12	-

Donor and Program/Project		Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
1339-GIZ0	GIZ Attributed Funds for Ex Situ Genetic Resources Conservation	Jan 2017	Dec 2017	CRP	501	-	478	478	-
1342-GIZ0	GIZ Long-Term Grant (LTG) from Germany as a contribution to the genetic resources collections of CIP	Jan 2017	Dec 2017	CRP	225	-	225	225	-
					4,842	1,936	2,017	3,953	-
Government of Germany									
1194-ICIP	Development and implementation of a sustainable IPM and surveillance program for the invasive tomato leaf miner, Tuta absolute (Meyrick), in North and sub-Saharan Africa	Jun 2013	Mar 2017	CRP	244	214	30	244	-
					244	214	30	244	-
Government of Odisha									
1225-GOO0	Generating advances in Income and Nutrition through sweet potato (GAINS)	Dec 2013	Dec 2017	CRP	1,500	897	560	1,457	(2)
					1,500	897	560	1,457	(2)
Government of The Republic of Korea									
1228-RDA0	Development of Sweet potato lines with high resistance to environment stresses against global warming	Jun 2014	May 2017	CRP	120	53	68	121	-
1274-RDA0	Development of Potato Variety with Abiotic Stress Tolerances and Early Maturity for Adaptation to Climate Change	Dec 2015	Dec 2020	CRP	550	10	158	168	-
					670	63	226	289	-
Hebei North College (HNC)									
1300-HNC0	Collaboration on Potato Germplasm Evaluation and Breeding between CCCAP and HNC	Jul 2016	Jun 2017	CRP	120	-	-	-	-
					120	-	-	-	-
International Center for Tropical Agriculture (CIAT)									

Donor and Program/Project		Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
1344-CIAT	Collaboration on Specific Objectives in the Flagship Programme Food System for Healthier Diet (FSHD) under the A4NH CRP in Vietnam	Jul 2017	Dec 2017	CRP	19	-	12	12	-
					19	-	12	12	-
International Food Policy Research Institute (IFPRI)									
1253-IFPR	Global Futures and Strategic Foresight Project–IFPRI	Sep 2015	Mar 2017	CRP	110	67	43	110	-
1335-IFPR	Provitamin A carotenoid sweet potato for an afficacy study of the effect of multiple bio fortified foods on micronutrient status an immune and cognitive function in children under 2 years old in India	Jun 2017	Jun 2018	CRP	34	-	17	17	-
					144	67	60	127	-
						-	-	-	-
Instituto Nacional de Investigacion Agraria (INIA) - Programa Nacional de Innovacion Agraria (PNIA)						-	-	-	-
1276-PNIA	10460-Caracterización de poblaciones de Phytopthora Infestans y Ralstonia Solanacearum en tres regiones agroecológicas del Perú y fortalecimiento de las capacidades del INIA para el monitoreo continuo de los principales patógenos de la papa.	Dec 2015	Mar 2018	CRP	347	149	145	294	(24)
1277-PNIA	9828-Uso efectivo del agua en el cultivo de papa en zonas áridas: Mejorando el manejo del riego mediante el monitoreo del estatus hídrico para enfrentar al Cambio Climático.	Dec 2015	Dec 2018	CRP	345	76	104	180	(15)
1278-PNIA	10471 - Viroma de la papa en el Perú y fortalecimiento de las capacidades de INIA y UNALM en el diagnóstico de patógenos con técnicas de última generación para enfrentar el riesgo de enfermedades emergentes por el calentamiento global	Dec 2015	Dec 2018	CRP	346	102	91	193	(6)
1279-PNIA	10481-Desarrollo de métodos de diagóstico fitosanitario (DAS-ELISA, secuenciamiento	Dec 2015	Dec 2018	CRP	343	61	114	175	-

Donor and Program/Project		Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
	de fragmentos pequeños de RNA (sSRSA) y PCR) para incrementar la distribución, repatriación y uso de semillas de oca, olluco, mashua y yacón libres de virus.								
					1,381	388	454	842	(45)
IITA - International Institute of Tropical Agriculture									
1268-IITA	Africa RISING going to scale in the Eastern Province of Zambia – Theme 2 (OFSP)	Nov 2015	Sep 2017	CRP	187	126	61	187	-
					187	126	61	187	-
Irish Aid									
1147-IAI0	Nutritious Orange-fleshed Sweet potato for Niassa: Combatting Food Insecurity & Vitamin A Deficiency Through Effective Delivery of A Bio fortified Crop	Nov 2012	Dec 2018	CRP	2,582	1,992	590	2,582	-
1209-IAI0	Scaling out sweet potato and potato-led interventions to improve nutrition and food security in Tigray and SNNPR, Ethiopia	Nov 2013	Mar 2017	CRP	2,539	2,354	185	2,539	-
1280-IAI0	Root and Tuber Crops for Agricultural Transformation in Malawi (RTC-ACTION Malawi)	Apr 2016	Mar 2018	CRP	2,400	595	1,547	2,142	(25)
1338-IAI0	Strengthening institutional systems for scaling-up OFSP for improved nutrition and food security in Tigray and SNNPR, Ethiopia	Jul 2017	Apr 2018	CRP	600	-	339	339	-
					8,121	4,941	2,661	7,602	(25)
Natural Research Institute (NRI)									
1321-NRI0	Nutritional Postharvest Loss Estimation Methodology (B0500x1)	Jan 2017	Dec 2018	CRP	31	-	13	13	-
					31	-	13	13	-
North Carolina State University (NCSU)									

Donor and Program/Project		Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
1242-NCSU	GTSPI: Genomic Tools for Sweet potato Improvement	Sep 2014	Aug 2018	CRP	4,013	2,327	1,287	3,614	(9)
1243-NCSU	Targeted use of crop wild relatives for improved abiotic stress resistance in cultivated sweet potato	Jan 2015	Nov 2018	CRP	250	100	66	166	-
					4,263	2,427	1,353	3,780	(9)
RTI International									
1348-RTI0	Private sector driven agricultural growth project	Nov 2017	Mar 2019	CRP	198	-	1	1	-
					198	-	1	1	-
Syngenta Foundation for Sustainable Agriculture									
1281-SFSA	The Collaborative Breeding of Five Tropically Adapted Potato Varieties	Apr 2016	Dec 2020	CRP	2,000	47	258	305	-
					2,000	47	258	305	-
The Beira Agricultural Growth Corridor (BAGC)									
1270-BAGC	Diffusion and uptake of Mozambican potato varieties in the Beira Corridor	Sep 2015	Jul 2017	CRP	88	18	1	19	-
					88	18	1	19	-
The Ministry of Agriculture, Food Security and Cooperatives									
1252-MNTZ	Fast-Tracking the access to improved and popular varieties of root crops by small holder farmers: A case of Sweet potato and Cassava	Jun 2015	Apr 2018	CRP	314	125	90	215	-
					314	125	90	215	-
The McKnight Foundation									
1322-MFO0	Understanding Potato Seed Degeneration in Ecuador Grant No. 16-275	Apr 2017	Mar 2020	CRP	180	-	28	28	-
					180	-	28	28	-

Donor and Program/Project		Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
The Regents of the University of California									
1269-RUCD	Rapid and Targeted Introgression of Traits via Genome Elimination	Sep 2015	Aug 2018	CRP	280	103	119	222	-
					280	103	119	222	-
United Purpose									
1343-UP00	Developing Integrated Value chains to Enhance Rural Smallholders' Incomes and Food	Jan 2017	May 2020	CRP	525	-	31	31	-
					525	-	31	31	-
United States Agency for International Development (USAID)									
1063-USAI	Exploiting the potential of potato and sweet potato to reduce food insecurity and dependence on cereals in SNNPR and Tigray (Ethiopia)	Sep 2009	Mar 2017	CRP	10,543	10,475	67	10,542	-
					10,543	10,475	67	10,542	-
Universal Industries Limited									
1301-UIL0	Development and commercialization of orange-fleshed sweet potato (OFSP) based nutritional products	Feb 2015	Jul 2017	CRP	141	-	143	143	-
					141	-	143	143	-
WPC-World Potato Congress INC.									
1290-WPC0	Promoting the Potato Industry's Development in China and Asia	Jul 2016	Jul 2017	CRP	24	12	13	25	-
					24	12	13	25	-
Others									
	Various projects IFRS				-	(152)	476	324	(2,186)
	Total Bilateral				45,611	23,885	11,003	34,888	(2,337)

Donor and Program/Project	Start Date	End Date	CRP/Non CRP	Total Grant Pledge	Expenditure Prior Years	Expenditure Current year	Total Expenditure	Deferred Depreciation
Grand Total				168,393	68,453	59,803	128,256	(2,875)

Schedule of Property, Plant and Equipment – Exhibit III

For the year ended 31 December 2017 and 2016

	UNRESTRICTED (Center's Assets)					RESTRICTED PROJECTS					
	Physical facilities	Infrastruc ture and leasehold	Furnishings and equipment	Work in progress	Total	Physical facilities	Infrastructure and leasehold	Furnishing and equipment	Work in progress	Total	Total
Cost											
Balance as of January 1, 2016											
before IFRS conversion	1,556	2,233	13,856	51	17,696	324	372	2,441	-	3,137	20,833
IFRS adjustments	(271)	(11)	(8,433)	(51)	(8,766)	(324)	(16)	(1,162)	-	(1,502)	(10,268)
Balance as of January 1, 2016	1,285	2,222	5,425	-	8,932	-	356	1,279	-	1,635	10,567
Additions	121	214	276	357	968	80	156	570	-	806	1,774
Others	-	-	(9)	-	(9)	-	-	(5)	-	(5)	(14)
Balance as of December 31, 2016	1,406	2,436	5,692	357	9,891	80	512	1,844	-	2,436	12,327
Additions	32	151	2,328	72	2,583	46	90	349	123	608	3,191
Disposals	-	-	(16)	-	(16)	-	-	-	-	-	(16)
Balance as of December 31, 2017	1,438	2,587	8,004	429	12,458	126	602	2,193	123	3,044	15,502
Accumulated Depreciation											
Balance as of January 1, 2016											
before IFRS conversion	585	575	12,449	-	13,609	324	372	2,430	-	3,126	16,735
IFRS adjustments	(144)	(342)	(10,023)	-	(10,509)	(324)	(229)	(2,059)	-	(2,612)	(13,121)
Balance as of January 1, 2016	441	233	2,426	-	3,100	-	143	371	-	514	3,614
Additions	132	45	504	-	681	1	56	327	-	384	1,065
Balance as of December 31, 2016	573	278	2,930	-	3,781	1	199	698	-	898	4,679
Additions	140	50	525		715	61	90	379	-	530	1,245
Disposals	-	-	(3)	-	(3)	-	-	-	-	-	(3)
Balance as of December 31, 2017	713	328	3,452	-	4,493	62	289	1,077	-	1,428	5,921
Net carrying amount											
Balance as of January 1, 2016	844	1,989	2,999	-	5,832	-	213	908	-	1,121	6,953
Balance as of December 31, 2016	833	2,158	2,762	357	6,110	79	313	1,146	-	1,538	7,648
Balance as of December 31, 2017	725	2,259	4,552	429	7,965	64	313	1,116	123	1,616	9,581

Indirect Cost Computation – Exhibit IV

For the year ended 31 December 2017 and 2016

	2017	2016	2016 previously reported
Direct Costs:			
Research Costs	38,056	36,238	36,242
Sub agreement Costs - Collaborator Others	5,898	5,891	7,086
Sub Total Direct Research Costs	43,954	42,129	43,328
CRP Collaborator Costs - CGIAR Centers (1)	12,550	9,360	8,165
Total Research Costs	56,504	51,489	51,493
Indirect Costs:			
Management	5,801	5,045	5,806
Unallocable Indirect Costs	841	797	797
Total Indirect Costs	6,642	5,842	6,603
Total Operating Expenses	50,596	47,971	49,931
Cost Ratios (1)			
Direct Research Costs / Total Operating Expenses	87%	88%	87%
Total Indirect Costs / Total Operating Expenses	13%	12%	13%
Total Indirect Costs / Total Direct Research Costs	15%	14%	15%

(1) The cost category *"CRP Collaborator Costs - CGIAR Centers"* - RTB PPA is excluded from this calculation.

International Potato Center

CRP Policies, Institutions & Markets - Expenditure Report – Exhibit V

For the year ended 31 December 2017

Expenses by Natural Classification	Phase 1 Windows 1 & 2	Phase 2 Windows 1 & 2	Window 3	Bilateral	Center Funds	Total
Personnel Costs	-	248	129	72	-	449
CGIAR Collaboration Costs	-	-	-	-	-	-
Other Collaboration Costs	-	20	20	100	-	140
Supplies and Services	-	120	165	103	-	388
Operational Travel	-	29	25	28	-	82
Depreciation	-	-	-	-	-	-
Cost Sharing Percentage	-	-	-	-	-	-
Total Direct Costs	-	417	339	303	-	1,059
Indirect Costs	-	63	27	28	-	118
Total Costs	-	480	366	331	-	1,177
Deferred Depreciation	-	-	-	-	-	-
Grand Total - All Costs	-	480	366	331	-	1,177

Funding Report

Description	Phase 1 Windows 1 & 2	Phase 2 Windows 1 & 2
Opening Balance	(2)	-
Add: Cash Receipts from Lead Center	14	373
Less: Disbursements	-	(480)
Closing Balance	12	(107)

CRP Roots, Tubers & Bananas - Expenditure Report – Exhibit V

For the year ended 31 December 2017

Expenses by Natural Classification	Phase 1 Windows 1 & 2	Phase 2 Windows 1 & 2	Phase 2 Window 3	Phase 2 Bilateral	Phase 2 Center Funds	Phase 2 Total
Personnel Costs	-	3,402	8,522	3,679	34	15,637
CGIAR Collaboration Costs	-	-	872	356	-	1,228
Other Collaboration Costs	-	-	2,559	787	-	3,346
Supplies and Services	-	1,116	5,846	2,581	64	9,607
Operational Travel	-	199	777	482	4	1,462
Depreciation	-	-	118	145	-	263
Cost Sharing Percentage	-	-	452	79	-	531
Total Direct Costs	-	4,717	19,146	8,109	102	32,074
Indirect Costs	-	714	2,543	922	-	4,179
Total Costs	-	5,431	21,689	9,031	102	36,253
Deferred Depreciation	-	-	78	14	-	92
Grand Total - All Costs	-	5,431	21,767	9,045	102	36,345

Funding Report

Description	Phase 1 Windows 1 & 2	Phase 2 Windows 1 & 2
Opening Balance	(2,585)	-
Add: Cash Receipts from Lead Center	2,585	5,431
Less: Disbursements	-	(5,431)
Closing Balance	-	-

International Potato Center

CRP Agriculture for Nutrition & Health - Expenditure Report – Exhibit V

For the year ended 31 December 2017

	Phase 1	Phase 2				
Expenses by Natural Classification	**Windows 1 & 2**	**Windows 1 & 2**	**Window 3**	**Bilateral**	**Center Funds**	**Total**
Personnel Costs	-	-	107	8	-	115
CGIAR Collaboration Costs	-	-	-	-	-	-
Other Collaboration Costs	-	-	24	-	-	24
Supplies and Services	-	-	75	3	-	78
Operational Travel	-	-	15	-	-	15
Depreciation	-	-	-	-	-	-
Cost Sharing Percentage	-	-	-	-	-	-
Total Direct Costs	-	-	221	11	-	232
Indirect Costs	-	-	33	1	-	34
Total Costs	-	-	254	12	-	266
Deferred Depreciation	-	-	-	-	-	-
Grand Total - All Costs	-	-	254	12	-	266

Funding Report

Description	**Phase 1 Windows 1 & 2**	**Phase 2 Windows 1 & 2**
Opening Balance	(67)	-
Add: Cash Receipts from Lead Center	67	-
Less: Disbursements	-	-
Closing Balance	-	-

International Potato Center

CRP Climate Change, Agriculture & Food Security - Expenditure Report – Exhibit V

For the year ended 31 December 20171|E

Expenses by Natural Classification	Phase 1 Windows 1 & 2	Phase 2 Windows 1 & 2	Phase 2 Window 3	Phase 2 Bilateral	Phase 2 Center Funds	Phase 2 Total
Personnel Costs	-	32	310	-	-	342
CGIAR Collaboration Costs	-	-	-	-	-	-
Other Collaboration Costs	-	-	-	-	-	-
Supplies and Services	-	14	366	-	-	380
Operational Travel	-	3	4	-	-	7
Depreciation	-	-	26	-	-	26
Cost Sharing Percentage	-	-	-	-	-	-
Total Direct Costs	-	49	706	-	-	755
Indirect Costs	-	7	102	-	-	109
Total Costs	-	56	808	-	-	864
Deferred Depreciation	-	-	-	-	-	-
Grand Total - All Costs	-	56	808	-	-	864

Funding Report

Description	Phase 1 Windows 1 & 2	Phase 2 Windows 1 & 2
Opening Balance	(14)	-
Add: Cash Receipts from Lead Center	14	45
Less: Disbursements	-	(56)
Closing Balance	-	(11)

Platform Big Data - Expenditure Report – Exhibit V

For the year ended 31 December 2017

	Phase 1	Phase 2				
Expenses by Natural Classification	**Windows 1 & 2**	**Windows 1 & 2**	**Window 3**	**Bilateral**	**Center Funds**	**Total**
Personnel Costs	-	82	-	-	-	82
CGIAR Collaboration Costs	-	-	-	-	-	-
Other Collaboration Costs	-	-	-	-	-	-
Supplies and Services	-	14	-	-	-	14
Operational Travel	-	4	-	-	-	4
Depreciation	-	-	-	-	-	-
Cost Sharing Percentage	-	-	-	-	-	-
Total Direct Costs	-	100	-	-	-	100
Indirect Costs	-	15	-	-	-	15
Total Costs	-	115	-	-	-	115
Deferred Depreciation	-	-	-	-	-	-
Grand Total - All Costs	-	115	-	-	-	115

Funding Report

Description	**Phase 1 Windows 1 & 2**	**Phase 2 Windows 1 & 2**
Opening Balance	-	-
Add: Cash Receipts from Lead Center	-	68
Less: Disbursements	-	(115)
Closing Balance	-	(47)

Platform Genebank - Expenditure Report – Exhibit V

For the year ended 31 December 2017

	Phase 1	Phase 2				
Expenses by Natural Classification	**Windows 1 & 2**	**Windows 1 & 2**	**Window 3**	**Bilateral**	**Center Funds**	**Total**
Personnel Costs	-	1,865	-	338	-	2,203
CGIAR Collaboration Costs	-	-	-	-	-	-
Other Collaboration Costs	-	-	-	-	-	-
Supplies and Services	-	1,670	-	133	-	1,803
Operational Travel	-	124	-	-	-	124
Depreciation	-	18	-	4	-	22
Cost Sharing Percentage	-	-	-	5	-	5
Total Direct Costs	-	3,677	-	480	-	4,157
Indirect Costs	-	591	-	29	-	620
Total Costs	-	4,268	-	509	-	4,777
Deferred Depreciation	-	112	-	-	-	112
Grand Total - All Costs	-	4,380	-	509	-	4,889

Funding Report

Description	**Phase 1 Windows 1 & 2**	**Phase 2 Windows 1 & 2**
Opening Balance	6	6
Add: Cash Receipts from Lead Center	-	3,380
Less: Disbursements	-	(4,380)
Closing Balance	6	(994)

CRP Roots, Tubers & Bananas - Lead Center Expenditure Report – Exhibit V

For the year ended 31 December 2017

	Phase 1	Phase 2				
Expenses by Natural Classification	**Windows 1 & 2**	**Windows 1 & 2**	**Window 3**	**Bilateral**	**Center Funds**	**Total**
Personnel Costs	-	4,276	8,820	3,679	34	16,809
CGIAR Collaboration Costs	-	10,783	1,300	356	-	12,439
Other Collaboration Costs	-	737	4,017	787	-	5,541
Supplies and Services	-	1,543	5,984	2,581	64	10,172
Operational Travel	-	331	837	482	4	1,654
Depreciation/Amortization	-	-	118	145	-	263
Cost Sharing Percentage	-	-	508	79	-	587
Sub-total Direct Costs	-	17,670	21,584	8,109	102	47,465
Indirect Costs	-	944	2,802	922	-	4,668
Total Costs	-	18,614	24,386	9,031	102	52,133
Deferred depreciation	-	-	78	14	-	92
Grand Total - All Costs	-	18,614	24,464	9,045	102	52,225

Funding Report

Description	**Phase 1 Windows 1 & 2**	**Phase 2 Windows 1 & 2**
Opening Balance	8,409	3,284
Add: Cash Receipts from Lead Center	-	17,948
Less: Disbursements		
Bioversity	(1,784)	(2,447)
CIAT	(1,446)	(2,018)
CIP	-	(7,831)
IITA	(1,895)	(3,606)
Closing Balance	3,284	5,330

International Potato Center

CRP Humidtropics - Expenditure Report – Exhibit V

For the year ended 31 December 2017

Funding Report

Description	Phase 1 Windows 1 & 2	Phase 2 Windows 1 & 2
Opening Balance	(56)	-
Add: Cash Receipts from Lead Center	28	-
Less: Disbursements	28	-
Closing Balance	-	-

International Potato Center

CRP Water, Land & Ecosystems - Expenditure Report – Exhibit V

For the year ended 31 December 2017

Funding Report

Description	Phase 1 Windows 1 & 2	Phase 2 Windows 1 & 2
Opening Balance	(77)	-
Add: Cash Receipts from Lead Center	77	-
Less: Disbursements	-	-
Closing Balance	-	-

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INTERNATIONAL POTATO CENTER
A CGIAR RESEARCH CENTER

The International Potato Center (known by its Spanish acronym CIP) is a research-for-development organization with a focus on potato, sweetpotato, and Andean roots and tubers. CIP is dedicated to delivering sustainable science-based solutions to the pressing world issues of hunger, poverty, gender equity, climate change and the preservation of our Earth's fragile biodiversity and natural resources.

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Financial Statements

For the year ended 31 December 2017