

Highlights

At a glance

	2003–04 (actual)	2004–05 (actual)	2005–06 (actual)	2006–07 (estimate)	2007–08 (forecast)
Collaborative research					
Projects active in year					
Bilateral	192	201	200	294	290
Multilateral	29	26	23	30	35
Projects started in year					
Bilateral	38	51	40	100	100
Multilateral	8	7	5	8	10
Projects extended in year					
Bilateral	33	41	35	34	35
Multilateral	5	4	4	4	4
Projects reviewed in year	34	24	25	34	30
Projects completed in year					
Bilateral	34	37	40	106	100
Multilateral	10	6	6	4	10
Building capacity					
Non project-specific training courses	8	13	8	10	10
Fellowships					
– John Allwright Fellows—total active in year	50	52	57	94	110
– Fellowships awarded during year	6	10	58	80	60
– John Dillon Fellows—total active and awarded in year	3	6	6	7	5
Staff at 30 June					
Staff—Public Service Act (FTE)*	44.3	42.0	44.7	42.5	44.8
Overseas officers—locally engaged (FTE)	18.8	20.5	20.5	21.5	21.0

* FTE = full time equivalent

Summary of revenue by source

	2006–07 \$('000)	2007–08 \$('000)
Appropriation	50,362	51,479
AusAID	7,210	12,331
Other	513	428
Total	58,085	64,238

Overview of planned expenditure

Overall planned expenditure in 2007–08 will be \$64.2 million, compared with budgeted expenditure of \$58.1 million in 2006–07 and actual expenditure of \$55.4 million in 2005–06.

	\$m		
	2005–06 Actual	2006-07 Budget allocation	2007-08 Budget estimate
REVENUE			
Appropriation	49.36	50.36	51.48
AusAID funds	5.44	7.21	12.33
Other revenue	0.78	0.51	0.43
Total	55.58	58.08	64.24
EXPENDITURE BY PROGRAM			
Research funding	42.81	44.52	49.40
<i>Bilateral program</i> ¹	32.45	34.09	38.63
<i>Multilateral projects</i> ²	4.42	4.47	4.71
<i>Multilateral core</i> ³	5.50	5.50	5.50
<i>Multilateral other</i>	0.09	0.10	0.09
<i>Research other</i>	0.35	0.36	0.48
Education and training ⁴	2.91	3.56	4.57
Communicating research results	0.69	0.68	0.70
International Program ⁵	0.65	0.80	0.81
Executive management ⁶	0.11	0.25	0.29
Corporate support ⁷	2.41	2.41	2.46
Travel	0.66	0.71	0.75
All salaries	5.18	5.17	5.25
Total	55.42	58.08	64.24

¹Bilateral projects, other bilateral activities and impact assessment.

²Research through international centres.

³Untied funding to international centres.

⁴Not including training within projects.

⁵Includes overseas offices.

⁶Including Board/Commission and Policy Advisory Council. From 05–06 this includes \$0.18m reserve, a \$0.14m reserve in 06–07 and a \$0.17m reserve in 07–08.

⁷Finance; Admin; IT; Information Services; HR; Infrastructure and Fisheries Program support

The bilateral research and development program by region and country

In 2007–08 ACIAR is allocating \$38.63m to bilateral program expenditure, as follows:

Region	Country	2006-07 Budget Allocation					2007-08 Budget Estimate							
		\$m		% projects			\$m		% projects					
		Appropriation	AusAID	AusAID SMAR Projects	AusAID SMAR Other	Other funding	Appropriation	AusAID	AusAID SMAR Projects*	AusAID SMAR Other*	Other funding			
PNG AND PIC	>20	5.10	2.10				22%	4.92	1.87				18%	
	PNG	2.63	2.10				14%	2.58	1.87				12%	
	PICs	2.47					8%	2.35					6%	
S E ASIA	>45	15.06	1.80				52%	15.96	2.74	2.4	1.66		61%	
	Indonesia	6.01					18%	5.87	0.78	2.4	1.66		29%	
	Vietnam	3.14					10%	2.85					8%	
	Philippines	2.62	0.32				9%	3.10	0.39				9%	
	East Timor	0.58	1.28				6%	0.50	1.57				6%	
	Cambodia	1.31	0.20				5%	1.64					4%	
	Laos	1.08					3%	1.41					4%	
	Thailand	0.24					1%	0.59					2%	
Burma	0.08					0%								
SOUTH ASIA	<15	2.97	1.86				15%	3.29	1.48				0.09	13%
	India	1.93				0.09	6%	2.11					0.09	6%
	Pakistan	0.48	1.53				6%	0.51	1.48					5%
	Bangladesh	0.41					1%	0.46						1%
	Other South Asia & the Middle East	0.16	0.33				2%	0.21						1%
NORTH ASIA	<15	2.85					10%	2.33					0.26	7%
	China	2.85				0.38	10%	2.33					0.26	7%
DPR Korea														
SOUTHERN AFRICA	<5%	0.47					1%	0.41						1%
OTHER	<5%													
Subtotal		26.45	5.77			0.47	100%	26.97	6.08	2.4	1.66	0.35	100%	
Total Projects		32.69						37.41						
Other Program Costs		0.95						0.77						
Impact Assessments		0.45						0.45						
Total Bilateral Program		34.09						38.63						

* SMAR is 'Support for Market Driven Adaptive Research' – see page 26.

Bilateral and multilateral program funding by discipline

In 2007–08 ACIAR will continue region/country specialisation in the project portfolio managed by each program manager. The table below shows the distribution of bilateral and multilateral research project funding in discipline/region combinations (\$m).

Program	\$m					Total
	PNG & PIC	SE Asia	Sth Asia	Nth Asia	Africa	
Economics/farming Systems						
Agribusiness		0.29				0.29
Agricultural Development Policy	0.25	0.80	0.19	0.12		1.36
Agricultural Systems Economics and Management	1.58	2.12				3.70
Policy Linkages & Impact Assessment	0.22	0.31	0.18	0.40		1.11
Support for Market-driven Adaptive Research (Indonesia)		4.06				4.06
Cropping Systems						
Crop Improvement and Management		3.14	1.53	0.53		5.21
Crop Protection	1.06	2.57				3.63
Horticulture	1.30	1.38	1.05	0.08		3.76
Natural Resource Management						
Forestry	1.69	1.61		0.21	0.04	3.65
Land and Water Resources			2.36	0.60		2.96
Soil Management and Crop Nutrition	0.26	1.63			0.03	1.92
Livestock Systems						
Animal Health	0.08	2.68	0.05			2.80
Fisheries	0.90	3.64	0.05			4.59
Livestock Production Systems	0.28	1.12	0.58	0.80	0.37	3.14
TOTAL	7.61	25.36	5.99	2.73	0.44	42.12*

* \$42.12m consists of bilateral project expenditure of \$38.63m and \$4.71m for multilateral projects.

AusAID funding to ACIAR by region

	\$m		
	2005-06 Actual	2006-07 Budget allocation	2007-08 Budget estimate
PAPUA NEW GUINEA	2.22	2.10	1.87
INDONESIA			
– Aceh reconstruction ¹	0.25		0.78
– Support for Market-Driven Adaptive Research ²			4.06
PHILIPPINES	0.34	0.32	0.39
EAST TIMOR	1.43	1.28	1.57
CAMBODIA	0.23	0.20	
CHINA	0.11		
PAKISTAN	0.46	1.53	1.48
IRAQ			
Bilateral	0.03	0.33	
Multilateral	0.18	0.27	0.18
AFGHANISTAN	0.17	0.17	
IFPRI (Multilateral)	0.02		
POSTGRADUATE SCHOLARSHIPS		1.00	2.00
Total	5.44	7.21	12.33

¹ AusAID funding of \$1.67m over three years

² AusAID funding of \$12.89m over four years. See page 26.

Shared responsibility in project design and management

ACIAR's Country and Research Program Managers work in close *partnership with Australian and developing country project leaders to design projects* that address genuine priorities in agriculture, forestry and fisheries and ensure that there is a clear pathway for delivery of results to end users. Management of active projects is also a shared responsibility between the project leaders in Australia and the partner country, and ACIAR's Research Program Managers.

Our partnership model also means that many projects have *mutual benefits* for agriculture, forestry and fisheries in both the partner developing country and in Australia (Appendix 3). Australian and partner country organisations usually contribute in-kind resources to projects, such as senior research and administrative staff time, and field and laboratory facilities. Apart from co-investment providing a larger pool of resources for project activities, it also provides tangible confirmation that the project does align with major research priorities of the partner country and Australia. In addition, research collaborations on problems of mutual concern for developing countries and Australia often leads to greater sustainability of activities after the ACIAR funding has finished, as the partners have a strong incentive to continue cooperation over the long-term.

ACIAR adopts significant flexibility in the staffing arrangements for individual projects. The usual ACIAR project involves regular short-term visits between the partners, with email, telephone and mail contact in between visits. However, in some cases, the partner country and Australian organisations (and ACIAR) agree that there would be significant benefits from basing the Australian researchers in partner countries for longer periods of time. This is especially the case in the partner countries which have lower agricultural research capacity and where specialist technical training is required over the longer-term or where a large or complex project or group of related projects needs coordination. Depending on the needs of the project (or thematic cluster of projects), options range from placing a junior researcher in the partner country, such as an Australian Youth Ambassador or Australian Volunteer, to placing a more senior researcher or research manager. Even in the latter case, the partnership model persists as developing country project leaders retain a leadership role.

Multilateral program

The Centre's research focuses primarily on its bilateral program where projects emphasise partnership between Australian and developing-country organisations. It also funds programs of some International Agricultural Research Centres (IARCs). Total budgeted expenditure to these centres in 2007–08 is \$10.27 million. Of this, \$5.5 million will go to core expenditure, with the remainder tied to funding for project-specific research.

The partnership approach also applies to IARC projects. The crop germplasm collections and crop mandates (e.g. tropical rice, maize, cassava and sweet potato) and advanced research facilities of the IARCs often complement, rather than duplicate, the genetic resources and agricultural R&D skill base and facilities in Australia and ACIAR's partner countries. In most cases, we require ACIAR-funded IARC projects to involve a developing country partner agency and an Australian research partner to foster these synergies.

Details of the allocation of funds, including a list of specific projects, are in the chapter entitled 'The multilateral program' (p. 78). IARC projects involving specific partner countries are also listed in relevant country chapters.

Building capacity: training and education

ACIAR is setting aside \$4.56 million for its program of formal training of agricultural researchers from developing countries. Of this, \$0.69 million is provided to the ATSE Crawford Fund. John Allwright (postgraduate) Fellowships will receive \$3.59 million, including returnee awards, and \$0.28 million will be allocated for John Dillon Fellowships (introduced in 2002–03) and cross-program training. The sharp expansion in funding for the John Allwright Fellowships (from \$1.59m in 2005–06 to \$3.59m in 2007–08) is being done to strengthen the partnership framework of our projects. See page 82 for further details.

Selecting trainees and delivering training—whether it be for a one-week short course or a 4-year PhD program—also involves the partnership model. All trainees are selected in partnership with ACIAR's partner country and Australian collaborating institutions. Partner research institutions often provide facilities and trainers for training courses. They make a commitment to host in-country field work for John Allwright Fellows and re-employ graduates on completion of their studies in Australia.

Impact evaluation

ACIAR is setting aside \$0.45 million for its ongoing program of ex-post project evaluations. Details are in the 'Research program impact assessment' chapter (p. 84). In 2007–08 ACIAR will continue to commission adoption statements on all large projects (>\$0.4 million), and will focus on projects that were completed in 2003–04 where there has been no follow-up project. Funds are also allocated for six formal benefit:cost studies. We will increasingly work in partnership for impact evaluation. It is recognised that short-term visits by consultants can be insufficient in obtaining quality data on the economic benefits and other impacts of projects, and ACIAR will increasingly work with developing-country partner agencies, including returned John Allwright Fellows, in gathering such data.

Communicating research results

ACIAR is allocating \$0.68 million towards communicating the results of the research it funds. Electronic and hard-copy scientific publications form the bulk of this allocation, with some funding also allocated for R&D awareness publications. ACIAR is also contributing to training and capacity-building activities in science communication and the use of information and communication technologies in disseminating agricultural research information. We are producing an increasing number of publications in local languages, in partnership with ACIAR's collaborating organisations. See page 85 for further details.

Program priorities for key partner countries

Papua New Guinea

- Enhancing smallholder incomes with an emphasis on:
 - improving production, quality and marketing of root, horticultural and plantation crops
 - village-based aquaculture and agroforestry.
- Sustainable management of land, forestry and fisheries resources
- Biosecurity and pest and disease management
- Increasing institutional and individual capacity building

Pacific countries

- Improving incomes through adoption of technologies for smallholders, including:
 - integrated crop management and marketing for root and horticultural crops
 - value addition to forest products
 - smallholder aquaculture and mariculture.
- Stock assessment and planning for sustained use of inshore fisheries
- Biosecurity and quarantine issues
- Working closely with Pacific regional organisations to plan and execute projects

Indonesia

- Enhancing smallholder incomes with an emphasis on agribusiness development for horticultural and plantation crops, aquaculture and crop–livestock systems (in eastern Indonesia)
- Better policy options for Indonesian agribusiness
- Sustainable management of forestry and fisheries resources
- Biosecurity and pest and disease management
- Involvement in major Australia–Indonesia Partnership programs
 - smallholder agribusiness development in eastern Indonesia
 - aquaculture and farming land rehabilitation in Aceh

Philippines

- Increasing market competitiveness of agricultural products with reference to meeting market specifications (focus on horticulture and aquaculture products)
- Farmer-based land and water resource management for profitable and sustainable agriculture
- Addressing regulatory, policy and technical constraints to the adoption of research outputs
- Increasing the focus on southern Philippines (Mindanao and Visayas)

Vietnam

- Increasing the market competitiveness of agricultural and fisheries products
 - better policy interventions for meeting market specifications and opportunities
 - enhanced quality and reduced losses in crops and forest products
 - competitive and sustainable aquaculture and livestock production
- Optimising water and soil management for sustainable production in central Vietnam

Other Mekong countries (Cambodia, Lao PDR, Burma)

- Increasing the productivity of rice-based farming systems
- Greater agricultural diversification to generate income and better nutrition
- Developing alternatives to shifting cultivation in the uplands (of Lao PDR)
- Increasing institutional capacity building

India

- Maintaining the competitiveness and sustainability of production in favoured areas
- Increasing productivity in marginal areas with limited resources, with an emphasis on improving water management
- Researching policy options for trade and market reform

Pakistan

- Executing the Agriculture Sector Linkages Program
 - developing more productive and competitive mango and citrus production and marketing systems
 - improving dairy farmer incomes
- Better soil and water resource management for irrigated and dryland cereal cropping

China

- More sustainable agricultural practices in north-western China, focusing on technical and policy interventions for better management of land and water resources
- Improving productivity of crop–livestock systems in Tibet Autonomous Region
- Assessing the implications of Chinese trade developments for smallholders through policy research