

Progress of ExCo Ad Hoc
Committee on
Funding System Priorities

ExCo12 - Madrid

17 May 2007

Committee composition

- Jonathan Wadsworth UK (Chair)
- Franklin Moore USA
- Jean Lebel Foundations
- Eija Pehu WB
- Charles Haines Canada (co-opted)
- George Rothschild Consultant

Resource people

- Ruben Echeverria
- Anne Marie Izac
- Shey Tata
- SC
- Alliance Exec
- CGIAR Sec

Summary

1. Messages from Funders' Forum AGM06
2. Lessons from Framework Plans
3. Emerging aims of a funding mechanism
4. Funding entry points – actual vs desired
5. SPs clustered into Framework Plans
6. Outline funding process
7. Next steps

TORs

- To develop a strategy for coordinated donor funding to implement the CGIAR priorities starting with recommendations for mechanisms on how to fill in the gaps in funding.
- Serve in an advisory role to the CGIAR Secretariat - ideas to ExCo on organization of a Donor Coordination Forum AGM06.

Mea culpa

- Summary progress report late
- Final draft report by end June

- Pilot SP studies-Framework Plans complex and time consuming
- To do full justice to Alliance, SC, donor discussions, Rome, 27 April

Four Pilot SPs

Criteria used to identify pilots

- potential extremes of over/under funding
- new/traditional CGIAR research
- numbers of Centres and CPs involved

Pilot SP analysis focussed on

1. Coherence of research activities within each SP
2. Possible gaps, overlaps and duplication
3. Key development value of research activities
4. Sources of funding

Messages from Funders Forum AGM06

- SPs are a means to an end
- Need for outcome orientation
- Supported by donor best practice
- Programmatic approach (as in *Scenario 4*)
- Some support in principle for an “IFAR” approach as in *Scenario 5*

Lessons from Framework Plans

- Few SPs can be treated as stand alone programmes
- SPs need to be coherently clustered – e.g.
 - SP 3A (Increased income from fruits and vegetables) strongly linked to: 1A, 1B, 2C, 2D, 4C, 4D, 5B and 5C
- SPs represent portfolio of CGIAR “core competency”
- FWPs can be output-oriented with key “deliverables” aimed at priority problems with outcomes contributing to MDGs

Emerging aims of a SP-based funding mechanism

- System agenda (agreed SPs) addressed through FWPs aligned with MTPs
- Prioritisation of SPs/FWPs needed
- FWPs funded by long term unrestricted funds and fully costed restricted funds
- Mitigate funding unpredictability outside regular Centre reserve provision
- Minimise transaction costs

Funding entry points

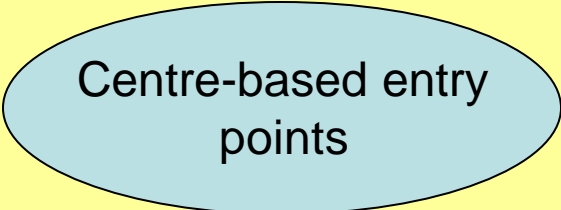
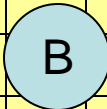
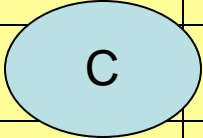
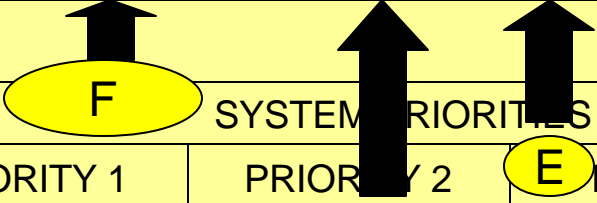
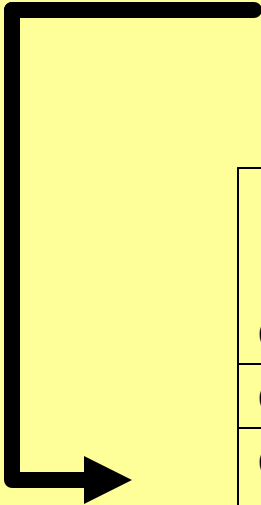
	F SYSTEM PRIORITIES												
	PRIORITY 1				PRIORITY 2				PRIORITY 3				etc
	A	B	C	D	A	B	D	D	A	B	C	D	
CENTRE/CP													
CIAT													
CIP													
IRRI													
SSA-CP													
etc													

Centre-based entry points

Priority-based Entry points

Group of willing donors jointly agree priority-based allocations and channel via centres

CENTRE/CP	SYSTEM PRIORITIES												etc
	PRIORITY 1				PRIORITY 2				PRIORITY 3				
	A	B	C	D	A	B	D	D	A	B	C	D	
CIAT													
CIP													
IRRI													
SSA-CP													
etc													



Possible steps to making this happen

- The part you've been waiting for
- ***Health Warning !!!***
- ***This may seem complicated....but it isn't***

Step 1: Long term Framework Plans developed with Centre and CP roles defined

	FWP1	FWP2	FWP3	FWP4	FWP5	FWP6	TOTAL
CIP	v	v		v	v		
IFPRI			v	v	v	v	
ILRI	v				v		
CIAT		v	v		v	v	
CP1	v	v					
CP2					v	v	
TOTAL							

**Step 2: Centre, Regional and CP MTPs aligned and budgets approved
(ANNUAL DEMAND MATRIX)**

	FWP1	FWP2	FWP3	FWP4	FWP5	FWP6	TOTAL
CIP	\$\$	\$\$		\$\$	\$\$		\$\$\$
IFPRI			\$\$	\$\$	\$\$	\$\$	\$\$\$
ILRI	\$\$				\$\$		\$\$\$
CIAT		\$\$	\$\$		\$\$	\$\$	\$\$\$
CP1	\$\$	\$\$					\$\$\$
CP2					\$\$	\$\$	\$\$\$
TOTAL	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$\$\$

Step 3: Donors declare intended funding types A, B, C
 (Centres and CPs allocate unrestricted funds across FWPs)
(ANNUAL FUNDING MATRIX)

	FWP1	FWP2	FWP3	FWP4	FWP5	FWP6	TOTAL
CIP	\$\$	\$\$		\$\$	\$\$		\$\$\$
IFPRI			\$\$	\$\$	\$\$	\$\$	\$\$\$
ILRI	\$\$				\$\$		\$\$\$
CIAT		\$\$	\$\$		\$\$	\$\$	\$\$\$
CP1	\$\$	\$\$					\$\$\$
CP2					\$\$	\$\$	\$\$\$
TOTAL	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$\$\$

Step 4: Subtraction of ADM (demand) from AFM (supply) reveals over (\$\$), under (\$\$) and adequately (\$\$) funded cells

	FWP1	FWP2	FWP3	FWP4	FWP5	FWP6	TOTAL
CIP	\$\$	\$\$		\$\$	\$\$		\$\$\$
IFPRI			\$\$	\$\$	\$\$	\$\$	\$\$\$
ILRI	\$\$				\$\$		\$\$\$
CIAT		\$\$	\$\$		\$\$	\$\$	\$\$\$
CP1	\$\$	\$\$					\$\$\$
CP2					\$\$	\$\$	\$\$\$
TOTAL	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$\$\$

Step 5: Centres and respective donors try to redistribute from over funded (\$\$) to under funded (\$\$) funded cells

	FWP1	FWP2	FWP3	FWP4	FWP5	FWP6	TOTAL
CIP	\$\$	\$\$		\$\$	\$\$		\$\$\$
IFPRI			\$\$	\$\$	\$\$	\$\$	\$\$\$
ILRI	\$\$				\$\$		\$\$\$
CIAT		\$\$	\$\$		\$\$	\$\$	\$\$\$
CP1	\$\$	\$\$					\$\$\$
CP2					\$\$	\$\$	\$\$\$
TOTAL	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$\$\$

Step 6: Willing donor group uses type D, E, F (priority-based) funds to top up under funded (\$\$) cells

	FWP1	FWP2	FWP3	FWP4	FWP5	FWP6	TOTAL
CIP	\$\$	\$\$		\$\$	\$\$		\$\$\$
IFPRI			\$\$	\$\$	\$\$	\$\$	\$\$\$
ILRI	\$\$				\$\$		\$\$\$
CIAT		\$\$	\$\$		\$\$	\$\$	\$\$\$
CP1	\$\$	\$\$					\$\$\$
CP2					\$\$	\$\$	\$\$\$
TOTAL	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$\$\$

This approach can work if/when:

- Budgeted FWPs are agreed by SC and Alliance (and “finance committee”?)
- Enough willing donors join in with significant funds
- Could be tried out at Funders’ Forum AGM07
- But a supra-Centre legal entity (Alliance options, “IFAR”, Scenario 5) would be better

What next?

- Discussion ExCo 12 – now!
- Written, considered feedback to AHC
- Final draft report end June – are we on right track?
- Anything else you want us to consider?
- Implications of Alliance options?