

Cross-Cutting Lessons Learned on Challenge Program Governance

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Suggestions for Governance Principles (for Discussion)

1. Set up CPs as non-incorporated, hosted organizations
2. Clarify responsibilities between CP and host on the *governance* and on the *operational* level
3. Avoid unnecessary institutional representation in CP governance but respect legitimate host interests
4. Establish an effective vertical chain of command
5. Allow for the possibility of governance evolution during CP lifetime

1. Set up CPs as non-incorporated, hosted organizations

Explanation of principle

- Outsource financial, legal and human resources and office functions to a host center instead of providing them directly through the CP

Supporting rationale

- CPs have a limited lifetime
- Resources needed for set up and close down of an independent entity (legal status, back-office and financial functions) would be high
- Trusted hosting partners are available
- Example: HarvestPlus is based on joint venture agreement between CIAT and IFPRI who, together, provide the above functions

Potential risks

- Hosting induces a higher level of complexity into CP governance

2. Clarify responsibilities between CP and host on the *governance* and on the *operational* level

Explanation of principle

- Decide on and establish roles and responsibilities between CP and host governance
- Establish transparent and fair conditions for host services to the CP, e.g. through a host agent agreement

Supporting rationale

- Due to absence of legal CP entity, host is ultimately responsible and liable
- This naturally leads to some ambiguity in CP oversight and operations
- Checks and balances on governance and operational level are needed
- Example: Service provision of CIMMYT to the GCP is based on a detailed host agent agreement

Potential risks

- none

3. Avoid unnecessary institutional representation in CP governance but respect legitimate host interests

Explanation of principle

- Avoid vested interests in CP governance, e.g. through CP governance representatives whose home institutions have an economical interest in the CP
- Ensure representation of legitimate host center interests

Supporting rationale

- Protection of vested interests of individual institutions decreases CP governance efficiency and poses reputation risk
- Institutional representatives are not necessarily the best available experts
- Grant allocation processes are simpler with independent oversight
- Example: GCP decided to move towards a Board composed of “independent experts” because of self-assessed conflicts of interest

Potential risks

- Reduced institutional buy-in into the CP

4. Establish an effective vertical chain of command

Explanation of principle

- Establish an unambiguous downward chain of command (and of performance evaluation) from the principal CP oversight body to the CP director (and from the director to its staff), as well as unambiguous upward reporting

Supporting rationale

- Due to hosted setup, CP staff is employed by program partners
- CP staff sometimes experiences a “two masters problem”
- This can lead to decreased management efficiency
- Example: at the time of the evaluation, the CPWF coordinator responded to the Consortium Steering Committee but the DG of IWMI had the right to unilaterally remove him from his post

Potential risks

- Institutions that employ staff on behalf of the CP may require substantial control over such staff

5. Allow for the possibility of governance evolution during CP lifetime

Explanation of principle

- Avoid too rigid mechanisms, e.g. unanimity clauses, in CP charters

Supporting rationale

- Rigid clauses can block needed governance reform
- Example: unanimity clause in GCP charter made governance reform more difficult

Potential risks

- none

Thank you for your attention
