

**AGM06 Business Meeting
Member Coordination Forum**

**Draft Report of the ExCo *Ad Hoc* Committee on
Funding System Priorities**

18 November 2006

DRAFT REPORT OF THE ExCo AD HOC COMMITTEE ON FUNDING SYSTEM PRIORITIES

Background

1. Some of the information in this '*Background*' section has been provided to ExCo11, but is reiterated for the benefit of the majority of members, who will be participating in the Member Coordination Forum at AGM06, and may not have read the .ExCo11 documentation.
2. The ExCo *Ad Hoc* Committee on Funding System Priorities (AHC) was formed in May 2006 following the endorsement of the 20 system priorities (SPs) by CGIAR members at AGM05. Its principal terms of reference are: (a) to develop options for mechanisms to help coordinate funding of the SPs, emphasizing priorities that are under- ('gaps') or over-funded; and (b) to provide inputs to the Member Coordination Forum at AGM06.
3. Amongst its preliminary activities, the AHC sought the views on options for funding mechanisms from a number of other CGIAR members and stakeholders, as well as all centres, challenge programmes, and the Science Council. From this information and its own perspectives, the AHC concluded that significant additional work is required before it is possible to develop meaningful options for funding the priorities. Of particular significance is the need for centre and challenge programme (CP) medium term plans (MTPs) to be properly aligned with the SPs, which in turn requires that all priorities are clearly defined. Framework plans to help achieve this have yet to be developed by the SC and the Alliance. This, and the still-to-be-addressed issue of the interdependence and coherence of the SPs, has significant implications for the development of funding options. In the light of these issues, the AHC has adopted a pragmatic approach, and used six criteria ('Principles') as desirable for funding options: These are listed in Para 6 below
4. The lack of background information, also led the AHC to focus its attention on four priorities as pilots. These were selected on the basis of: (i) Probability of over- or under-funding; (ii) Number of centres and CPs engaged in the priority, and (iii) whether their respective contributions represented "traditional" or "new" research. Those selected were 1C (*Conservation of indigenous livestock*), 3A (*Increasing income from fruit and vegetables*), 4B (*Sustaining and managing aquatic ecosystems for food and livelihoods*) and 5D (*Science and technology policies and institutions*). In response to a request from the AHC, the Alliance Office and the SC provided their perspectives on the four pilots in terms of: (i) coherence of research; (ii) gaps, duplications and overlaps; (iii) developmental value of research activities, and lastly, (iv) sources of funding. AHC members also undertook their own analyses of these SPs.
5. The outcomes of these reviews are used as the basis for developing the scenarios and options summarised in the next part of this brief report, recognising that work on defining the SPs and aligning the MTPs has still to be undertaken, and that the outcomes of the Member Coordination Forum will influence greatly what is suggested.

Options for funding system priorities

Principles

6. The AHC considers that whatever mechanisms are considered, these need to be driven by principles of what they aim to achieve and how they add value to what already exists. The principles have to address both technical issues of content in terms of priority needs of the poor, and process, i.e. which mechanism(s) will best achieve the desired outcomes. Six principles are considered by the AHC as being important: (i) Incentives for members to invest in SPs through unrestricted funding or appropriate alignment of restricted funding; taking a longer term perspective wherever possible (ii) Funding SPs to be undertaken through centres, regardless of

which mechanisms are adopted; (iii) Encouragement for members to harmonize funding of key priorities; (iv) Improving stability ('smoothing') of funding for the system, as well as individual centres through such harmonization; and ensuring that full economic costs of delivering outputs are met (v) Incentives for centres to collaborate, and lastly, (vi) Transparency, with low transaction costs. Of the non-financial principles, information sharing among members is highlighted by the AHC, as is the need to rank the 20 SPs both individually and as part of interdependent or cross-cutting programmes.

Scenarios

7. The AHC suggests that given the present status of information available from the Alliance and SC, there is merit in presenting a range of 'Scenarios' for which funding mechanisms for SPs can then be developed. These could range from doing nothing, i.e. using the current system to deliver the SPs, through to a totally centralized UN agency type funding system. Expanding upon this:

Scenario 1: *Status quo:* Current centre, CP and SWP activities, but all appropriately aligned with and incorporating the SPs endorsed at AGM05. No guarantee that all will be adequately funded.

Scenario 2: Scenario 1, but with some appropriate SPs supported as CPs. Some migration to funding based on SPs.

Scenario 3: All SPs supported as CPs or SWPs. No guarantee that centres will be adequately funded.

Scenario 4: Over a decade ago there was a serious proposal for a largely programmatic approach for all CGIAR activities¹. The AHC has adapted this somewhat, as follows: Content of individual SPs retained, but 'packaged' into categories on the basis of content, desired output, and comparative advantage of centres. Categories are flexible, and may indeed overlap. Four categories can be envisaged, but there could be more:

- (a) Long-term programmes based on mandated core agendas of centres, with partners. Not time-bound
- (b) Long-term but time-bound multi-centre programmes with partners. Could include regional initiatives with potential for significant international spillovers. Management options include consortia, CPs, SWPs or other modalities.
- (c) Medium term collaborative programmes with CGIAR and partners, with competitive funding. Could also be managed through CPs, SWPs or other collaborative approaches
- (d) Short- to medium-term programmes on regional problems of a more specific nature. May be components of centre and CP agendas, possibly led by consortia of NARS or (Sub) Regional Organisations.

Scenario 5: Develop an International Fund for Agricultural Research ("IFAR") based on a global mechanism similar to that for the International Fund for Agricultural Development (IFAD). This option is included, but would not currently "fly" as the CGIAR system is not a legal entity...

8. Looking at the first four scenarios and the list of 20 SPs in the context of current centre, CP and SWP activities, and proposed cross-cutting programmes, it is possible to come up with configurations of SPs that could, with some adaptation, fit the funding options available to most CGIAR members. This could form a useful basis for discussions at the forthcoming Member Coordination Forum

¹ (Conway, G., U. Lele, J. Peacock, M. Pineiro. 1995. A Vision for the CGIAR: Sustainable Agriculture for a Food Secure World, pp. 41-71. In Renewal of the CGIAR: Sustainable Agriculture for Food Security in Developing Countries. Ministerial Level Meeting, Lucerne, Switzerland, February 9-10, 1995.