

Financial Criteria for Challenge Programs

A proposal of the Center Directors Committee

The Center Directors support the development of a portfolio of Challenge Programs as an important element of the CGIAR reform process. The Challenge Programs will further enable centers to focus their respective core competencies jointly, and through alliances with partner institutions from the developing and developed countries, to create public goods that address important priority problems of the global community in the domain of agriculture, natural resources, as well as human nutrition and health in the 21st century.

The Center Directors reaffirm the intention of the CGIAR that the Challenge Programs need to be fully financially viable in order to achieve their objectives. To fulfill this intention, we recognize that Challenge Programs must necessarily induce additional funding to the CG system, to strengthen rather than weaken the System as a whole.

As Centers develop Challenge Programs, they wish to draw extensively on capabilities of National Research Systems and advanced research institutions. This implies that much of the Challenge Program budget will be “pass through funding” to finance such program components. Such activities should mostly be financed from additional sources, including contributions from participants beyond the CGIAR System.

Therefore, we propose that all Challenge Programs continue to be assessed carefully according to criteria that ensure their financial viability. And further, that the Executive Council/CGIAR adopt the criterion that the unrestricted and redirected funding investments in a Challenge Program be matched annually by adequate levels of new, additional funding to the program, and to the CGIAR System.

The CDC encourages that the donors who redirect previous funding of Center operations for Challenge Programs (set-asides), be asked to match such re-directed funding with 50 percent additional funding. This would maintain Centers’ capabilities to convene and service current and future Challenge Programs, and continue their core program responsibility for international public good research and services.

Specifically, the CDC proposes that during the selection process for a Challenge Program, clear evidence be produced that there are significant amounts of new

funding to be expected that are additional to the current funding sources in the CGIAR system.

It is also proposed that by the third year of operation of an approved Challenge Program, the continued operation of the program be based on the general principle that it can be expected that the future funding of the program is at least 50 percent from additional new funding sources.

It is recognized that some degree of discretion is needed in applying these principles, and in classifying the specific sources of funding to Challenge Programs as new and non-traditional. The classification of a funding source as new and non-traditional would be based on reasonable evidence that this funding is additional to funding currently being allocated to the CGIAR system. The CDC recognizes that what is needed is additional funding at the CGIAR level, and not just a re-direction of funds. If Challenge Programs are to be seen as a means for finding additional funding, the CDC suggests that a System-wide strategy be developed to achieve this, in order to avoid individual or possibly conflicting CP-consortia, acting in isolation.

Received May 4, 2003