

Proposal to the CGIAR to support WorldFish-IWMI alignment

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Executive Summary

The WorldFish Center and the International Water Management Institute have established a strategic alliance. The two centers are proceeding rapidly in a process of:

- aligning their corporate services (harmonizing policies and processes and adopting the same platforms) with a focus on finance, HR and ICT;
- forming a joint venture from which they intend to source finance and HR functions for the two centers and others that may join (where CIFOR has already indicated its intent to join for the shared HR platform);
- merging their communication, library, publishing and knowledge management / sharing functions into a single Information and Knowledge Group;
- developing research collaboration, with a focus in the first instance on:
 1. Wetlands, agriculture and fisheries in the Mekong basin.
 2. Basin synthesis of multiple use water productivity and water poverty, with a focus on the Nile and Ganges basins.
 3. Integrated small-scale irrigation and aquaculture in Southern Africa.
 4. Shared Geo-informatics support for WorldFish and IWMI research.
- developing a joint impact assessment function for the two centers and CIFOR;
- sharing facilities – with as a first step the decision to close the IWMI regional office for South-East Asia in Bangkok and re-locate the research staff to WorldFish HQ in Penang; and
- aligning their governance processes through
 1. One Board member appointed to both Boards, i.e. Mr Asger Kej of Denmark.
 2. Exchange of profiles for current and candidate Board members with a view to increasing the number of joint Board members if candidates meet the competency requirements of both parties.
 3. Regular meetings of the Board Chairs and DGs to review progress on collaboration.
 4. A second co-located meeting of the two Boards at IWMI HQ in 2007. (Subsequent co-located meetings depending on the development of the alignment of the two centers and other possible partners).

In response to the decision of the CGIAR at AGM05 to establish a one-year window for market-driven alignment, and soliciting proposals along these lines for which financial support would be available, IWMI and WorldFish are proposing that the CGIAR shares 50% of the following costs:

1. alignment of the finance function (harmonization of policies and processes), specifically for IWMI to implement SAP and restructure the finance function (redundancies for 4 staff) and for the corporate service staff of both centers to participate in a program of training to align the cultures of the two organizations, with a focus on quality and service-orientation (US\$402K).

2. alignment of the HR function (harmonization of policies and processes), specifically for development of a new, joint HR platform to automate HR related processes, as well as train the staff and roll out improved, joint HR to regional offices of both WorldFish and IWMI; plus participation in the shared HR system by CIFOR (US\$192K);
3. alignment of corporate ICT through the development of a common platform for shared web-based Corporate Services (US\$83K);
4. alignment of the information, communication and knowledge management functions, specifically implementation of Aqualogic (former Plumtree) as the portal software on which to redevelop the websites and intranets of both Worldfish and IWMI in a single environment; a single portal for delivering corporate services, and a portal to deliver the global public goods produced by the two centers, i.e. infrastructure (shared servers); conversion of databases to the Aqualogic environment, training for staff of both centers to develop a single service function (US\$223K);
5. alignment of facilities and offices, specifically closure of the IWMI Bangkok office and relocation to WorldFish HQ in Penang, development of joint office in Cambodia (US\$175K); and
6. development of a shared impact assessment function (for IWMI, Worldfish and CIFOR), and development of a shared RS/GIS capacity to support the developing research collaborations between the two institutions (US\$125K).

The costs mentioned above do not include staff costs. The two centers will bear the staff costs (on top of the costs outlined above). The staff costs relate to: eight shared positions established between the two centers that will cost between 7 and 8 hundred thousand US\$ in 2006; time of other staff in the two centers to implement the activities outlined above (costs estimated as at least 4 hundred thousand US\$). That means that the total costs associated with the alignment activities described in this proposal are in the order of US\$2.4M, of which US\$600K is proposed to be provided as additional support by the CGIAR.

The alignment activities described in this proposal focus on shared services, not programmatic alignment or governance alignment. This does not imply that there are no activities in these two other areas, but that these either have limited costs (for governance alignment) or would be difficult to single out for additional support (for programmatic alignment).

The total costs of the 6 elements of alignment proposed for cost-sharing are estimated as US\$1,200K. It is proposed that the CGIAR and the two centers share these costs on a 50-50 basis. Of the two centers, WorldFish has significant reserves but these have already been allocated by the WorldFish Board in 2005/6 to an investment plan outside the costs proposed here, while IWMI has grown rapidly over the past 5 years and has maintained reserves that are at the lower boundary of the recommended range. In other words, the two centers are proposing to contribute 50% of the costs of alignment, plus the staff costs, and do not have additional reserves that could be used instead of the additional CGIAR support requested here.

While many of the elements outlined above are in the plans of the two centers, the additional requested funding from the CGIAR, i.e. US\$600K, would allow the centers to accelerate alignment significantly and would help ensure the timely development of best practice options which would provide a model for other centers.

The centers will be pleased to put in place an arrangement to provide independent monitoring and verification of the spending on the activities put forward for cost-sharing.

1. Background / history

Exploring collaboration: AGM04 to May '05

In the context of the drive for more efficient and effective collaboration among the centres of the CGIAR (cf. the Africa Task Forces report and the plans for the Future Harvest Alliance), WorldFish, CIFOR and IWMI have explored options for increased collaboration since AGM 2004. Following a joint meeting of DGs and directors of corporate services of the three centers at CIFOR, on 17 and 18 January, 2005, the senior management of all three centres was positive about increased collaboration. The three centres all focus on integrated natural resources management, do not have large physical research campuses, have fairly closely aligned cultures, and are all positively interested in exploring options for increased collaboration.

WorldFish and IWMI Board Chairs and DGs continued discussion in the margins of the Science Council meeting at IWMI in April 2005 and the CDC/CBC meeting at WorldFish in May. The shared conclusion was that there are both short and longer-term opportunities that make it opportune to accelerate joint action. At the same meeting at WorldFish, there were also continued explorations with the CIFOR Board Chair and DG, which show continued interest to explore increased collaboration, although probably at a somewhat slower pace.

Decision to integrate CS and recruit a joint director: May 2005

WorldFish and IWMI board chairs and senior management were convinced that there is considerable scope for substantial cost savings and/or accelerated innovation (due *i.a.* to economies of scale) if the back-office support services of the two organisations are integrated. The vision is that while the core research programmes can continue to be developed and managed independently, they can be more effectively supported by a single function for finance, HR, ICT etc. Jointly the centers are likely to have opportunities not available to each individually (e.g. cheaper labour in Sri Lanka than Malaysia; access to national offices in places where one center is represented). It is also very likely that once there is a smooth back-office function, the transaction costs for researchers to engage in cross-center projects can be significantly reduced.

In May '05 the two Boards endorsed plans for a shared corporate services and the recruitment of a joint Corporate Service Director. In addition, the Board Chairs were invited to join the Board meeting of the other center.

Recruitment and preparation for implementation: May-December '05

The IWMI Board Chair attended the WorldFish meeting in September '05, and the WorldFish Vice-Chair and DG attended the IWMI Board meeting in November. The WorldFish Board asked to explore all possible options for collaboration between IWMI and WorldFish. The IWMI Board decided in principle to adopt SAP as a financial platform to enable alignment of the finance functions on a single platform. The IWMI Board also decided to shift its next meeting to March '06 to enable a co-located meeting with WorldFish. It elected Mr Asger Kej, who is a Board Member of WorldFish, to the IWMI Board as first step to having jointly appointed Board members.

The IWMI and WorldFish Board Chairs and DGs met with World Bank lawyer Maurizio Regazza during CGIAR AGM05 in Morocco to discuss options for joint governance. The two DGs also met at AGM05 to discuss and prepare for the development of a joint Information and Knowledge group for the two centers, headed by a jointly appointed Head and Deputy

Head. The HR Heads of both centers prepared for a joint platform for HR services. The newly recruited joint CS Director, Dr Barry Tan, started work in December 2005.

2. Medium-term Vision

The vision for alignment of the two organisations is that in the coming two years the following would be achieved:

1. reducing transaction costs for scientists to work across centers (i.e. scientists in one center who want to involve a scientist from the other center should only have to provide their budget code and all else becomes automatic);
2. reducing overhead of the two centers while increasing service to a decentralized network of over 20 offices (of both IWMI and WorldFish) in terms of both monthly web-based project management information and automated workflow processes for HR functions across the network;
3. delivering the finance and HR function to the Joint Venture International Research Support Services (IRSS), and offering the same service to at least several other CGIAR centers;
4. substantive development of collaborative research activities with shared facilities in at least two (sub-) regions, the Mekong river basin, and a second location to be selected;
5. implementation of the websites, intranets, key corporate service applications and key (spatial) databases of the two centers on a single portal platform that is improving access for users of the centers' international public goods.

3. Alignment plans and costing for 2006 (proposed for cost-sharing)

The two centers have started to implement plans for alignment as outlined above. Staff costs of these alignment plans are in the respective budgets of the two centers (e.g. shared positions for the Corporate Service Director, Head of IKG, Deputy Head of IKG and Librarian for the two centers, as well as the staff of the Joint Venture that is being established) and *not* proposed for CGIAR support. The staff costs of the eight shared positions (4 shared management positions and 4 additional finance staff positions in the shared services) are estimated to cost between US\$700 and 800 in 2006 (partly under recruitment at the time of writing). In addition, the cost of other staff of both centers involved in alignment activities is estimated for most activities mentioned below (as about US\$400 thousand), but only for information – these costs are not proposed as shared costs to the CGIAR.

Costs that are proposed for cost-sharing below are development of new (shared) systems and platforms that can be used by the two centers but also other centers that may join (such as CIFOR that has decided to join on the HR platform), restructuring costs, infrastructure such as new shared services or portals, consultants, training, costs to develop a shared culture and bring staff from the two centers in contact for joint meetings, planning and programming – to bridge the gap and align cultures.

The following activities are planned in 2006 to bring about the desired alignment between the two centers:

1. *alignment of the finance function:*

- a) harmonization of finance policies and processes, shared general ledger coding, harmonized project coding, adoption of the “plain vanilla” best practice SAP business processes for IWMI as have been implemented for WorldFish;

Harmonization of Financial Policies	USD
Travel to Penang/Colombo	6,600

Telecon Meetings	1,000
Consumables	400
Total	8,000
Staff Time	
Finance Manager (30 days)	6,750
Finance Staff (60 days)	7,500
Total	14,250

Milestone 1: 31/12/06: at least 75% of all finance processes shared.

- b) implementation of SAP at IWMI, starting April 27, '06, by SATYAM of India, scheduled to last 6 months, with support of the SAP unit at WorldFish;

SAP Implementation	USD
Implementation Cost (SATYAM contract)	220,000
Accommodation/transport (SATYAM staff)	10,790
WorldFish Support Expenses	7,240
IT Cost	32,000
CGIAU Audit of Internal Controls	7,000
Total	277,030
Staff Time (on top of project team)	
Business Support (45 days)	6,750

Milestone 2: 31/12/06: SAP live at IWMI.

- c) restructuring costs of the finance department at IWMI;

Restructuring of Finance Department	USD
Redundancy Cost	60,000
Legal Advice	1,500
Consultancy – Temporary	12,000
Consultancy - Recruitment	2,000
Total	75,500

Milestone 3: 30/04/06: SAP project team in place.

- d) development of a joint set of services for the shared regional office network and training to develop a shared business culture focused on quality management and customer service;

SAP Roll Out to Regional Offices	USD
Finance Manager Travel	6,000
Core Team Travel	6,000
Consumables	500
Data Migration and Testing	1,000
End User Training Workshop	3,000
Total	16,500

Staff Time	
<i>Finance Manager (45 days)</i>	<i>10,125</i>
<i>Core Team (45 days)</i>	<i>5,625</i>
Total	15,750
IRSS Culture / Quality Training	
Total	25,000
Staff Time	
<i>Managers (147 days)</i>	<i>33,075</i>
<i>Staff (250 days)</i>	<i>31,250</i>
Total	64,325

Milestone 4: 31/12/06: SAP rolled out to 8 or more regional offices.

Milestone 5: 31/12/06: at least 50 staff trained.

2. alignment of the HR function:

- a) harmonization of HR policies and processes, from a shared performance assessment system to harmonized policies, system of job grading / valuation and shared training calendar;

Harmonization of HR Policies and Processes	USD
IWMI HR Manager Travel	2,320
Performance Management Workshop	4,000
Policy Review Consultant	17,000
WF HR Manager Travel (Incl. Roll Out)	17,000
PMS Consulting Fee	48,000
PMS Staff Training	5,000
Total	93,320
Staff Time	
<i>IWMI HR Manager (30 days)</i>	<i>15,750</i>
<i>WF HR Manager (60 days)</i>	<i>18,000</i>
<i>Other Staff (20 days)</i>	<i>2,500</i>
Total	36,250

Milestone 6: 31/12/06: at least 75% of all HR processes shared.

- b) development of a new HR platform to automate HR related processes, by hSENID of Sri Lanka, between April and October '06, as well as train the staff and roll out improved, joint HR to regional offices of both WorldFish and IWMI as well as the third partner, CIFOR;

Implementation of HRMS for IWMI/WF/CIFOR	USD
HRMS Application	46,385
Travel Cost	33,000
HRMS Workshop	10,000
Miscellaneous	5,000
WF at HRMS Workshop	4,500

Total	98,885
Staff Time	
<i>Project Manager's Time (90 days)</i>	47,250
<i>Project Team Member's Time (90 days)</i>	4,500
Total	51,750

Milestone 7: 31/12/06: HRMS live at both centers.

3. alignment of corporate ICT functions;

- a) development of plans for shared networks, servers, VPN, shared off-site back-up and disaster recovery / security plans; shared facilities to increase bandwidth to the network of regional offices, in collaboration with ICT-KM (following technology and approach choices made in the various ICT-KM pilot projects);

Shared Network and ESBC Program	USD
VPN Set Up Cost	2,750
ESBC Consultant	12,000
Travel	10,000
ESBC implementation and Back-up devices	15,000
Total	39,750

Milestone 8: 31/12/06: shared ESBC capability in place.

- b) establishment of a basic infrastructure with shared new equipment for the outsourced services provided by the JV, for the two centers and following customers;

Hardware Infrastructure for Shared Services	USD
HSend Hardware and Operating System	13,110
SAP Consultant (ABAP)	10,000
SAP Consultant (BASIS)	10,000
ABAP and BASIS Training	10,000
Total	43,110

Milestone 9: 31/12/06: shared platform and trained staff for outsourcing ICT-support for CS applications in place.

4. alignment of the information, communication and knowledge management functions:

- a) implementation of Aqualogic (former Plumtree) as the portal software on which to redevelop the websites and intranets of both Worldfish and IWMI in a single environment, in collaboration with the CGXchange project of the ICT-KM program; development of a shared corporate service delivery portal;

Implementation of Aqualogic portal	USD
Web Developer & Web Design consultants	22,000
Development Environment (Hardware)	6,000
SATYAM Consultant	45,000
Aqualogic Training (WorldFish)	15,000

Aqualogic Training (Regional Offices)	20,000
Total	108,000
Shared Services Portal Establishment	
Hardware	25,500
Web Programmer Consultant	20,000
Content Manager Consultant	13,000
Total	58,500

Milestone 10: 31/12/06: IWMI and WorldFish Intranet migrated to Aqualogic.

Milestone 11: 31/12/06: IWMI and WorldFish websites at least 50% migrated to Aqualogic.

- b) development of a joint e-library with increased service levels for researchers, through a single metadata and content management system dealing with scientific information from outside the centers, as well as for publication of the knowledge produced by the two centers (Konnectsoft); improved information-professional-assisted search functions (development of search profiles for the research domains of the centers), development of ontologies / contributions to WIKIPEDIA, in collaboration with FAO and the University of Florida, the CGIAR ICT-KM program and possibly other centers;

Joint Library Service for IWMI and WorldFish	USD
Joint Virtual Library Management – INMAGIC	6,000
Establish Advanced Information Access Services (consultant and system costs)	5,000
Water-Fish Ontology (travel to Univ. Florida and FAO to establish shared system)	10,000
Training for both libraries (plus possibly CIFOR)	5,000
Hardware	3,000
Total	29,000
E-Publishing Project / Konnectsoft	
Hardware	3,000
Consultant	10,000
Training	5,000
Total	18,000
Joint IKG Activities – Team Building/Workshops	
Travel	5,000
Workshop facilities	4,000
Total	9,000

Milestone 12: 31/12/06: shared e-library management system in place.

Milestone 13: 31/12/06: KonnectSoft operational for e-publishing use.

5. *alignment of facilities and offices:*

- a) closure of the IWMI Bangkok office; costs of re-organization and relocation to Penang; costs in 2006;

Closure and Relocation of IWMI Bangkok Office to WorldFish Penang	USD
Redundancies	127,000
Relocation of Staff	20,000
Consultancy over closure period	6,500
Travel and Legal Advice	1,800
Total	155,300
Staff Time	
<i>Office Head</i>	<i>13,500</i>
<i>HR and Finance</i>	<i>3,150</i>
Total	16,650

Milestone 14: 31/03/06: all staff either redundant or re-located.

- b) development of joint offices in Cambodia ;

Development of Joint office in Cambodia	USD
Staff Relocation	8,000
Basic Infrastructure	10,000
Regional Director and Office Head Travel	2,000
Total	20,000

Milestone 15: 31/04/06: all staff relocated and shared office in place.

6. *programmatic alignment:*

- a) development of joint programs, following priorities set by the workshop of WorldFish and IWMI staff on March 5 (US\$75K);

Shared Priority Setting workshop	USD
Workshop in Penang (March 5)	20,500
Total	20,500
Staff Time	
<i>22 researchers over 2 days</i>	<i>25,000</i>

Milestone 16: 31/03/06: priorities for programmatic alignment set.

- b) development of a joint impact assessment function, combining staff at WorldFish, IWMI and CIFOR, for joint impact assessment of NRM research, with at least one impact assessment study for each of the three centers in 2006, with priority for assessment of joint work where possible, and emphasis on joint development of NRM impact assessment methodologies;

Joint Impact Assessment	USD
Shared NRM IA & Outcome Mapping training IWMI/WF/CIFOR	25,000

Consultant to support shared NRM IA approach	20,000
Development of joint Website	2,000
Kick Off Meeting (3 centers)	3,000
Total	50,000
Staff Time	
<i>IKG staff (40 days)</i>	2,000
<i>Researchers (15 days)</i>	8,250
<i>Workshop (75 days)</i>	41,250
Total	51,500

Milestone 17: 31/12/06: shared NRM impact assessment approach drafted.

- c) development of a shared RS/GIS facilities, in essence linking WorldFish into the GIS labs at IWMI, bringing WorldFish up to speed in the Consortium on Spatial Information; development of shared meta-data standards for databases and spatial datasets.

Development of Shared RS/GIS Facilities	USD
Integrating WorldFish Spatial Datasets into the IWMIDSP (travel, training and hardware)	20,000
Linking ReefBase and IWMI Water and Climate Atlas (consultant and training)	25,000
Shared metadata systems for databases and spatial datasets (made available through CSI) training, acquiring system	10,000
Total	55,000
Staff time	
<i>ICT staff (50 days)</i>	2,500
<i>Researchers (40 days)</i>	24,000
Total	26,500

Milestone 18: 31/12/06: World Fish spatial datasets available through CSI.

Milestone 19: 31/12/06: shared meta-data standards in place.

4. Summary of costs and staff time estimates

	Summary of Alignment Costs	USD
1 a)	Harmonization of Financial Policies	8,000
1 b)	SAP Implementation	277,030
1 c)	Restructuring of Finance Department	75,500
1 d)	SAP Roll Out to Regional Offices	16,500
1 d)	IRSS Quality Workshop	25,000
2 a)	Harmonization of HR Policies and Processes	93,320
2 b)	Implementation of HRMS for IWMI/WF/CIFOR	98,885
3 a)	Shared Network and ESBC Program	39,750
3 b)	Hardware Infrastructure for Shared Services	43,110
4 a)	Implementation of Aqualogic Portal	108,000

4 a)	Shared Services Portal	58,500
4 b)	Joint Library Service for IWMI and WorldFish	29,000
4 b)	E-Publishing Project – Konnectsoft	18,000
4 b)	Joint IKG Activities – Team Building/Workshops	6,000
5 a)	Closure and Relocation of IWMI Bangkok Office	155,300
5 b)	Development of Joint office in Cambodia	20,000
6 a)	Development of Joint Programs Workshop	20,500
6 b)	Joint Impact Assessment	50,000
6 c)	Development of Shared RS/GIS Facilities*	55,000
	Total	1,200,395
	Summary of Staff Cost for Alignment	
	Cost of the shared staff positions	750,000
	Plus center staff contributing to specific activities:	
1 a)	Harmonization of Financial Policies	14,250
1 b)	SAP Implementation	6,750
1 c)	Restructuring of Finance Department	
1 d)	SAP Roll Out to Regional Offices	15,750
1 d)	IRSS Quality Workshop	64,325
2 a)	Harmonization of HR Policies and Processes	36,250
2 b)	Implementation of HRMS for IWMI/WF/CIFOR	51,750
3 a)	Shared Network and ESBC Program	
3 b)	Hardware Infrastructure for Shared Services	
4 a)	Implementation of Aqualogic Portal	35,000
4 a)	Shared Services Portal	
4 b)	Joint Library Service for IWMI and WorldFish	20,000
4 b)	E-Publishing Project – Konnectsoft	15,000
4 b)	Joint IKG Activities – Team Building/Workshops	20,000
5 a)	Closure and Relocation of IWMI Bangkok Office	16,650
5 b)	Development of Joint office in Cambodia	
6 a)	Development of Joint Programs Workshop	25,000
6 b)	Joint Impact Assessment	51,500
6 c)	Development of Shared RS/GIS Facilities	26,500
	Total	1,148,725