

CGIAR Special Meeting on CIAT: Summary

Washington, DC, USA

February 28, 2008

The Chair of the provisional ExCo Ad Hoc Committee on Finance welcomed attendees and the draft agenda for the meeting was adopted.

CIAT Transition Plan

CIAT Board Chair Yves Savidan briefed participants on the scientific work of CIAT and Director General Geoff Hawtin presented a Power Point presentation with its proposed transition plan and request for funding, which included some additional information from the written version of the plan circulated before the meeting. CIAT requested a total of \$4.9 million to implement the transition plan. He presented three scenarios on activities that would be carried out depending on the amount of funding received:

- Full request (\$4.9 million) received: all items will proceed as indicated
- 50% of funding (\$2.5 million) received: activities will be scaled down as follows:
 - strategic plan, reconstitution of management and bridging funds for contracts remain as in full scenario
 - reduced downsizing and only IT equipment upgraded
 - no funding for upgrading research equipment, stipends for LAC visiting scientists or preserving staff capacity
- No additional funding provided:
 - strategic plan would go ahead at reduced level and management changes would proceed – but with resources from elsewhere within the budget, impacting negatively the research program. No other elements of the Plan could be implemented

Shey Tata presented the CGIAR Secretariat's comments on the proposed written transition plan received before the meeting from CIAT. He pointed out that the written CIAT transition plan 1) had not clearly articulated its short-term requirement for stabilization that would preserve and strengthen those critical elements of the current research program that will be needed in the future and 2) the assertion of "not business as usual" seems to be undermined by a 2008 budget that is even higher than the 2006 and 2007 budgets, a restricted budget portfolio that is growing, and a reduced funding budget scenario that is an across the board reduction, not guided by explicit strategic criteria.

Noting that science has remained strong and relevant in the Center, and the measures taken so far to address some of the governance and management failures, he recommended a \$3.1 million stabilization package (before considering the USAID funding reduction) to assist CIAT in the transition. This will better position the Center to participate in the CGIAR change process. The Center should be monitored closely to ensure completion of stabilization efforts.

Discussion:

- Jonathan Wadsworth presented the EIARD comments on the CIAT transition plan which included the following highlights:

- The written transition plan did not show a concrete concept that outlines a methodology with milestones, nor the required level of alignment with the on-going CGIAR change process.
 - CIAT's assertion of "not business as usual" is contradicted by the recruitment of a new DG with business as usual TOR and a 5 year term. EIARD suggested a few short term possibilities to fill the DG position, e.g. short or easily dissolvable contract, extend the interim DG's contract, bring in a change management consultant.
 - No mention is made regarding the Board of Trustees responsibility for the current crisis in the Center.
 - It is premature for CIAT to make investments in research infrastructure, regional stipends and building new staff capacity before development of the strategic plan.
 - The financial tables in the transition plan are not clear. In the absence of a greater understanding of the figures presented, EIARD considered only the following three items to be essential at this time: 1) new strategic plan; 2) reconstituting leadership; and 3) bridging staff contracts.
- The representative from Colombia said they do not perceive the situation as a crisis but an opportunity for change in the context of a changing agricultural research environment and for CIAT to focus its efforts on Latin America. As host country, Colombia is willing to do what is necessary to strengthen the institution.
 - Fontagro welcomed the participation of CIAT in the change process and looks forward to the new CIAT that will evolve from this process.
 - Some Members expressed concern about the flexibility of each CGIAR Member to increase funding to the CGIAR to contribute to CIAT's transition plan, and expressed concern that increasing allocation to CIAT could involve a reallocation from other Centers to transfer to CIAT.
 - Another Member suggested the CIAT situation be addressed from a System perspective, especially the issue of establishing defined criteria for a bail out, and the effect a bail out would have on other Centers if Members reallocate resources to provide incremental funding to CIAT.
 - One Member expressed concern that CIAT might be relying too much on external resources and believes the Center has internal resources that could be used for the transition.
 - Yves Savidan clarified some of the issues raised and emphasized that the offer of a 5-year appointment to a new DG is very important for continuity and staff morale but he recognized that the contract should be more easily terminated should that be necessary.
 - Geoff Hawtin clarified the links of the transition plan – which aims to stabilize the situation at CIAT – with the change process by which the future of CIAT will be determined through a strategic planning exercise within the context of overall CGIAR change. He noted that activities to drop have not been identified pending the strategic planning exercise. He stressed that the Center aims to use internal resources as much as possible but additional external resources are also urgently needed. He also explained the legal obligation of the Center to donors regarding existing restricted contracts, hence the

3-4 years estimated time needed for all of these to phase out before full direct cost recovery can be achieved across all of the Center's projects.

A closed session of CGIAR Members followed the above discussion.

Conclusions:

- *Overall, following the discussion the sense of the meeting was that a stabilization plan for CIAT would merit support in view of (a) the continued quality of the science at CIAT that needs to be preserved; (b) progress made in improving the situation at CIAT over the past 6 months; (c) the quality of the presentation made at the ExCo ad hoc committee on finance meeting, which was considered an improvement over the written transition plan; and (d) the overarching need to maintain CIAT in a stabilized position so that it would be able to take advantage of the results of the overall CGIAR change management exercise.*
- *CIAT should proceed with the recruitment of a new Director General, in view of the importance of putting strong leadership in place that will be necessary for at least the next few years regardless of the ultimate decisions regarding CIAT, but ensure the following: a) the recruitment of the DG should include a dissolvable contract that retains flexibility, and b) the recruitment process should be more transparent.*
- *The stabilization plan should be revised to reflect the role and accountability of the CIAT Board for its current crisis and other comments raised in the meeting, including clearer explanation on the costs of staff reduction.*
- *The revised stabilization plan should not reflect a “business as usual” approach by CIAT.*
- *It is important for CIAT to take advantage of the CGIAR change process. The timing of the strategic planning process of CIAT should be compatible with the CGIAR change process.*
- *The level of financial support for the stabilization plan should be toward the lower end of the range provided (i.e., closer to \$2.5 million), in part in recognition that there is a short term tradeoff between extraordinary support for CIAT and funds available for other CGIAR activities. It was felt that financially supporting the stabilization plan should be a collective effort of the shareholders. The CGIAR Secretariat was asked to contact CGIAR Members individually with a view to putting together the financing package required.*

2008 USAID Funding

- Rob Bertram gave a brief background of the funding cut decision from USAID and the current situation. He explained that there is a planned reduction by the U.S. Congress from the USAID budget, specifically on the portion where the agency draws funding for the CGIAR. He emphasized that this is not a direct decision against the CGIAR but as a result of the limited resources that will be made available to the agency. He also mentioned taking an inventory of how this will affect the work of each Center. Members discussed strategic options on addressing this “crisis” situation.

Conclusion:

- *The Chair welcomed the concerted effort on this matter, expressing hope that the U.S. decision was not a final one, and emphasized that based on experience, informal channels in the current situation would work better.*

Terms of Reference and Composition of the ExCo Ad Hoc Committee on Finance

- There was some discussion on process issues and it was clarified that the draft TORs document that was circulated to ExCo for comments earlier had not been revised because the issue would now be discussed at the face to face meeting of ExCo in May 2008.
- The issue of delegation of authority to the ExCo ad hoc committee was raised. In order to help the System be more efficient, a certain degree of decision making needs to be delegated to the ad hoc committee rather than simply adding another layer to the decision making process and more meetings.
- On composition of the ExCo ad hoc committee, different opinions were raised about the minimum contribution that will be considered in order to serve as a member of the ad hoc committee. While the benefit of having a minimum unrestricted contribution for membership on the ad hoc committee creates an incentive for increasing core unrestricted contribution to the System, the disadvantage is that the ad hoc committee would not be inclusive.
- Some Members also expressed the need for a more balanced representation, especially to increase representation from the South.
- Representation from the Alliance as a member of the ExCo ad hoc committee or as a resource person was also discussed.

Conclusion:

- *The Chair suggested that while the decision to finalize the TORs and the composition of the ExCo ad hoc committee on finance would be taken at the May 2008 ExCo meeting, the CGIAR Secretariat was tasked to revise the draft TOR using the discussion in this meeting to include: a) stronger developing country representation, and b) Alliance representation in the ExCo ad hoc committee as resource person.*

Attendees:**Provisional ExCo Ad Hoc Committee on Finance**

Mark Cackler	World Bank (Chair)
Rob Bertram	USA
Peter Core	Australia
Mark Debois	EC
Felix Franca (for Eliseo Contini)	Brazil
Charles Haines	Canada
Shantanu Mathur	IFAD
Jonathan Wadsworth	EIARD

Other CGIAR Members:

Jürg Benz	Switzerland
Marlene Diekmann	Germany
Pierre Fabre	France
Ruth Haug	Norway
Jean-luc Khalfaoui	EIARD
Jean Lebel	IDRC
Ivan Daque Marquez	Colombia
Nicolas Mateo	IDB
Siphiwe Mkhize	South Africa
Harold Vandermeulen	Belgium

Science Council

Jim Ryan

CGIAR Secretariat

Ren Wang, Director
Loriza E. Dagdag

Alliance of CGIAR Centers

Emile Frison
Anne-Marie Izac

Namita Datta
Shey Tata (thru telephone hook-up)
Jason Yauney

CIAT

Geoff Hawtin
Albin Hubscher
Douglas Pachico
Yves Savidan

Independent Review Panel

Elizabeth MacAlister, Chair
Joan Barclay