

Independent Review of the CGIAR System

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Bringing together the best of science and the best of development



Independent Review

Objectives

- Take stock and assess the effectiveness and efficiency of the CGIAR partnership and governance
- Assess the effectiveness of CGIAR research
- Recommend changes in the CGIAR System to improve effectiveness (in view of emerging challenges for food security, agriculture, and natural resource management for the poor)

Comprehensive scope

- Context
- Impact
- Partnerships
- Governance

Process/Methods

Meta-reviews

- Science impact (all Center reviews and impact studies, Center annual reports, and planning documents)
- Other donor evaluations and literature in governing science research
- Recent evaluations of the international development and international agriculture architecture (IFAD, FAO, WFP, WDR 2008, Paris Declaration)

Interviews

- 300 interviews with members and partners, System Office, Science Council; visits to 8 Centers

Questionnaires

- General questionnaire to 200+ stakeholders (85% response rate)
- Gender questionnaire for all Centers (developed with IFPRI)

Commissioned studies

- Resource management and allocation, GPG partnerships, CGIAR priority setting, partnerships, EPMP analysis, research networks

CGIAR: new context and implications

Vastly changed context for the CGIAR System

- Global food security concerns, climate change risks
- Dramatic recent changes in global agriculture and research
- Crowded field: other sources of supply for CGIAR goods and services

Focus on CGIAR comparative advantage and contributions

- 37-year-old partnership
- Accumulated social capital
- Provision of agricultural research international public goods

Although Centers contribute value, the CGIAR System is adrift and not achieving its full potential

- Donor-doer partnership has become fragile
- System is seriously underperforming
- No systemwide strategy

Major obligation and opportunity for the CGIAR

Findings

Finding 1

**CGIAR-supported Centers
contribute substantially to
agricultural productivity and
natural resource management**

Impact assessments reveal very high returns on research and investment

- Meta-analysis based on ex post impact studies (largely by SPIA)
- Benefits range from \$14 to \$120+ billion (Raitzer)
- Most benefits attributable to a few programs
- Evidence suggests ongoing work will also deliver good impact
- High CGI benefits in Asia
- In SSA, benefits mainly biological control and CGI; returns lower than in other regions, despite 41% of total investment since 1971

Impact assessment trends vary by type of research

- Most impact assessment is of CGI research
- NRM studies show positive IRR, substantial benefits
- Recent efforts made to assess impact of policy-oriented research
- Future assessment should be more holistic; focus more on SSA, environmental benefits, gender
- EPMRs support these findings, highlight conflict between generating IPGs and working on partners' applied research and capacity building in turning outputs into outcomes

Performance Measurement System

- New system a result of extensive work since 2002
- Monitoring of research publications improved (impressive increases in some Centers)
- Data used by some donors and managers
- Output monitoring needed by managers, but not important to donors
- Outcome information vital to donors, but weak
 - Captures only 5 outcomes per center, not comprehensive or granular
- System must be retooled as part of new joint strategy and results framework

Finding 2

**The CGIAR and Centers need to
take a more strategic approach
to partnership**

Partnerships are essential to CGIAR effectiveness and relevance

- Centers are engaging in partnerships with added value
- But Centers are falling short of developing strategic potential of partnerships
 - Most partnerships are sound, but one-off and short-term
 - Tools to engage in and manage partnerships are lacking; *ad hoc* arrangements prevail
 - Resources, incentives, and arrangements for IPG delivery are not in place
 - Neglect of capacity and institution building needs to be reversed

Effective IPG delivery systems in the CGIAR

- Robust partnerships required for distribution and use of CGIAR outputs
 - Cosponsors: major opportunities for improved alignment
 - GFAR: facilitating CGIAR engagement with stakeholders
 - Inter-Center partnerships: important, but lack effectiveness
 - Advanced research institutes: need more joint programs
 - NARS: key partners, but collaborators and competitors
 - NGOs: vital for IPG delivery in weak states, shared values with CGIAR, difficult relationship
 - Private sector: multiple obstacles, little progress
- New efforts could strengthen IPG delivery
 - Regional research capacities
 - Country-level innovation and adaptation systems
- Partnerships should be central to CGIAR strategic and results frameworks

Finding 3

**The Centers have made progress
in addressing intellectual
property protection, but more
needs to be done**

Intellectual property management varies across Centers

- IP management capacity is important to partnerships, exchange of germplasm
- Some Centers have made progress building in-house IP capacity
- But majority lack dedicated staff, deal with IP on ad hoc basis
- Few Center scientists understand international IP laws
- Most Centers do not have IP budgets, spend \$10,000-\$15,000 a year, mostly on CAS-IP

Finding 4

**Gender and diversity in not
adequately integrated into
Centers' research mandates and
outreach**

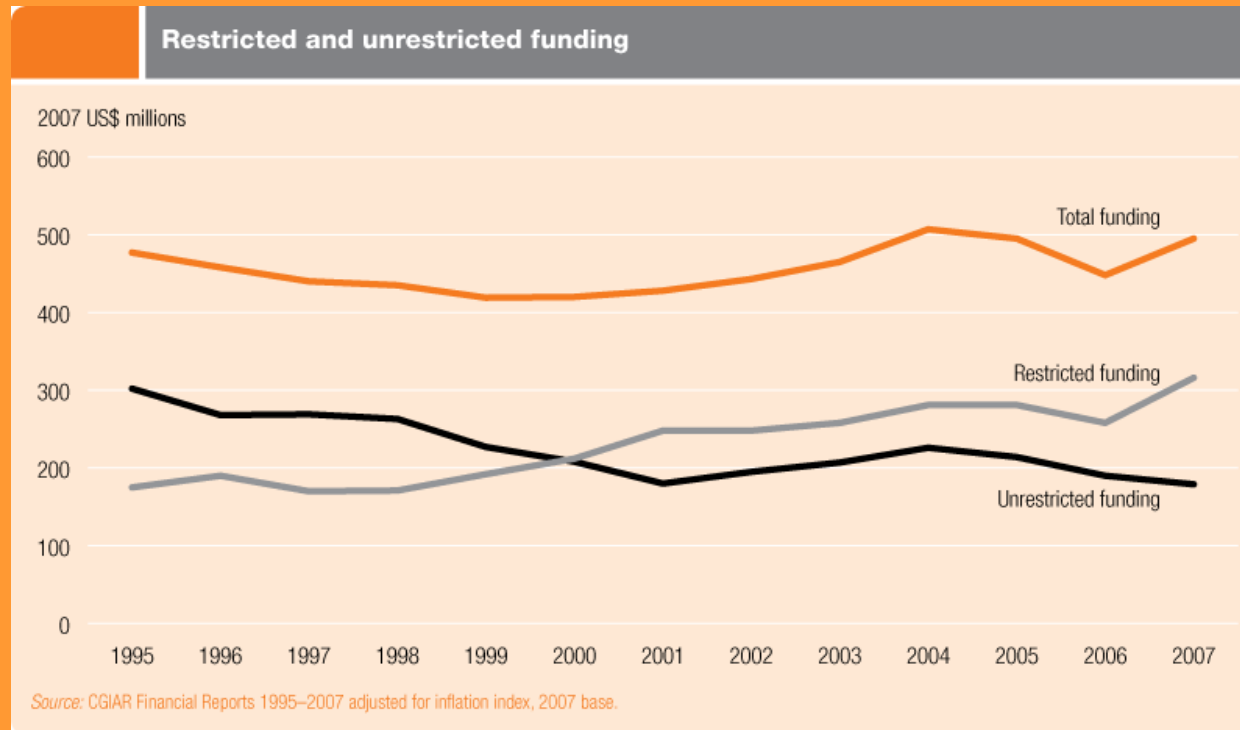
From advocacy to accountability

- Good efforts by Centers on gender in research
- The gender and diversity program has made progress
- Yet, CGIAR System has not adequately integrated gender and diversity
- CGIAR System and Centers need to:
 - Identify unintentional adverse impacts of research, outreach, and employment
 - Move from advocacy to accountability by creating incentives in the results frameworks for action in gender and diversity
 - Adopt complementary measures to address differences in gender and diversity

Finding 5

**The Centers are in
a quiet financial crisis**

Funding has been flat for more than a decade



- Between 1995 and 2007, total funding increased only \$18 million, an average annual growth rate of <1% (actual 0.3%)
- Restricted funding levels increased from 37% to 64%

Restricted funding: costs and burdens

- Proliferation of small, restricted grants increased administrative cost and reporting burdens
- Financial instability and deficits are positively correlated with increases in restricted funding
- Funding has become more piecemeal as small, nonstrategic, restricted grants have proliferated
- As unrestricted funding declined, business practices related to indirect costs needs to change to avoid “free riding” by donors
- Full cost recovery also requires a change in business practices for both donors and Centers

Challenge Programs pose complex problems

- Challenge Programs are complex ventures involving
 - Multiple partnerships
 - Unique legal entities and governance structures
 - Varying levels of control by Centers and boards
 - Inherent conflicts of interest for Centers
- Each Challenge Program has a major donor, which presents potential funding risks
- Challenge Programs require aggregate financial reporting, not the current fragmented, Center-based approach
- Funding for Challenge Programs is not incremental for some major donors

Financial management and oversight

Positive cash flow trends

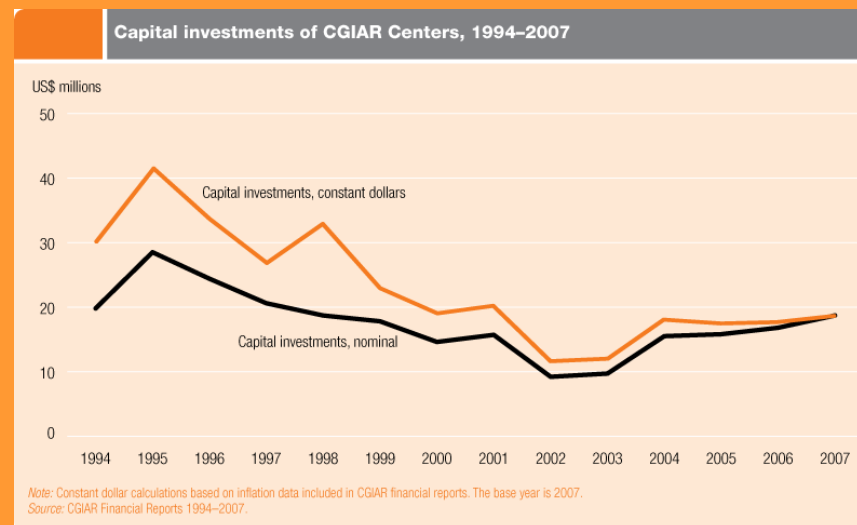
- Although positions varied widely, most Centers had favorable cash flow positions at year end 2007

Must increase reserves

- Chronic under-reserved positions for some Centers, with no clear plan of action to mitigate risk

Must reassess capital needs

- Centers are undercapitalized; investment declining
- Annual expenditures based on past levels and do not adequately address future capital investment needs



Finding 6

**Dysfunctional governance and
management constrain the
System's potential**

Governance problems are well known

- Dispersed governance: no effective locus for systemwide decisions
- No single entry point, no CGIAR systemwide voice
- High transaction costs throughout the System
- Inability to mobilize quickly to respond to opportunities
- No use of modern results- and strategy-based management approaches
- World Bank in difficult position of perceived or actual conflict of interest

Many prior ineffective attempts at governance reform

Lessons learned

- Evolutionary approach does not work
- Principles of donor sovereignty, Center independence, and consensus decisionmaking need updating
- Sound governance requires clearly assigned responsibilities, accountabilities, and effective authorities
- Incentives required for change to occur
- Main problems are structural, and structures must be in place before other improvements

Renewing the CGIAR System

Rebalanced partnership: guiding principles

- Provide single entry-point to the System
- Differentiate governance and management
- Empower decisionmaking bodies to take binding decisions
- Establish formal foundations for governance arrangements
- Ensure adequate and predictable financing
- Apply Paris Declaration principles
- Establish fully independent evaluation function
- Maintain high standards of excellence in research
- Take into account political viability

Recommendations

Rebalance the CGIAR partnership

- Key comparative advantage of CGIAR System is the special relationship of Centers, donors, and partners
- But each party must recognize the other's legitimate interests and spheres of work
- Therefore, there is a need to:
 - Establish clear authorities
 - Create efficient decisionmaking structures
 - Avoid overlap and duplication
 - Prevent structural conflicts of interest (confusion of management and oversight)

The rebalancing solution

- Fund + Consortium + Bridges (hardware)
 - Dual structure with common institutions
 - Consortium owned jointly by the Centers
 - CGIAR Fund formed and managed mostly by donors
 - Common institutions for scientific advice, independent evaluation
- Clear authorities for decisionmaking and strategic results framework (software)
- To achieve:
 - Development-based outcomes
 - Greater flexibility and trust
 - New balance among unrestricted resources, programmatic coherence, and strategically targeted grants
 - Programs that integrate CGI, NRM, and policy initiatives
 - Improved operational coherence

Establish a Consortium of CGIAR Centers

- Owned by the Centers
- Funded to undertake its network functions
- Assigned decisionmaking authorities, fiduciary and due diligence accountabilities
 - Take binding decisions on matters delegated by the Centers
 - Allow for new and expanded membership and configuration
 - Administer CGIAR Fund-supported programs
 - Address head-on consolidations and cost-effectiveness
 - Initiate joint strategy and results framework
- Tasked to
 - Improve financial management and financial reporting
 - Simplify Challenge Program to focus on Center-led consortia
 - Establish common services
 - Develop joint strategy to protect intellectual property

Establish CGIAR Fund (CFAR)

- Pooled, replenishment-type Fund, leading to strategic allocations (major new resource mobilization instrument)
- Governing Council made up of contributing members (mainly shareholders' board)
- Multiyear financing mechanism
 - Monterrey principles; ensure accountability and standards of due diligence
- Key functions
 - Receive, hold, commit, and allocate financial resources
 - Conduct multiyear financing discussions, with results- based reporting, milestones, and benchmarks
 - Work with Consortium Board to ensure transparency and full cost recovery of financing agreements outside Fund
 - Approve transfers from the Fund to the Consortium

Ensure institutional bridges

Hardware

- Science Advisory Board
 - Provide scientific and technical advice on strategies and programs
 - Mobilize science and technology for agricultural development
 - Should not conduct monitoring and evaluation
- Independent Evaluation Unit
 - Conduct overall system evaluations
 - Manage external evaluations of CGIAR activities

Software

- Joint strategy and results framework
- Triennial General Meeting

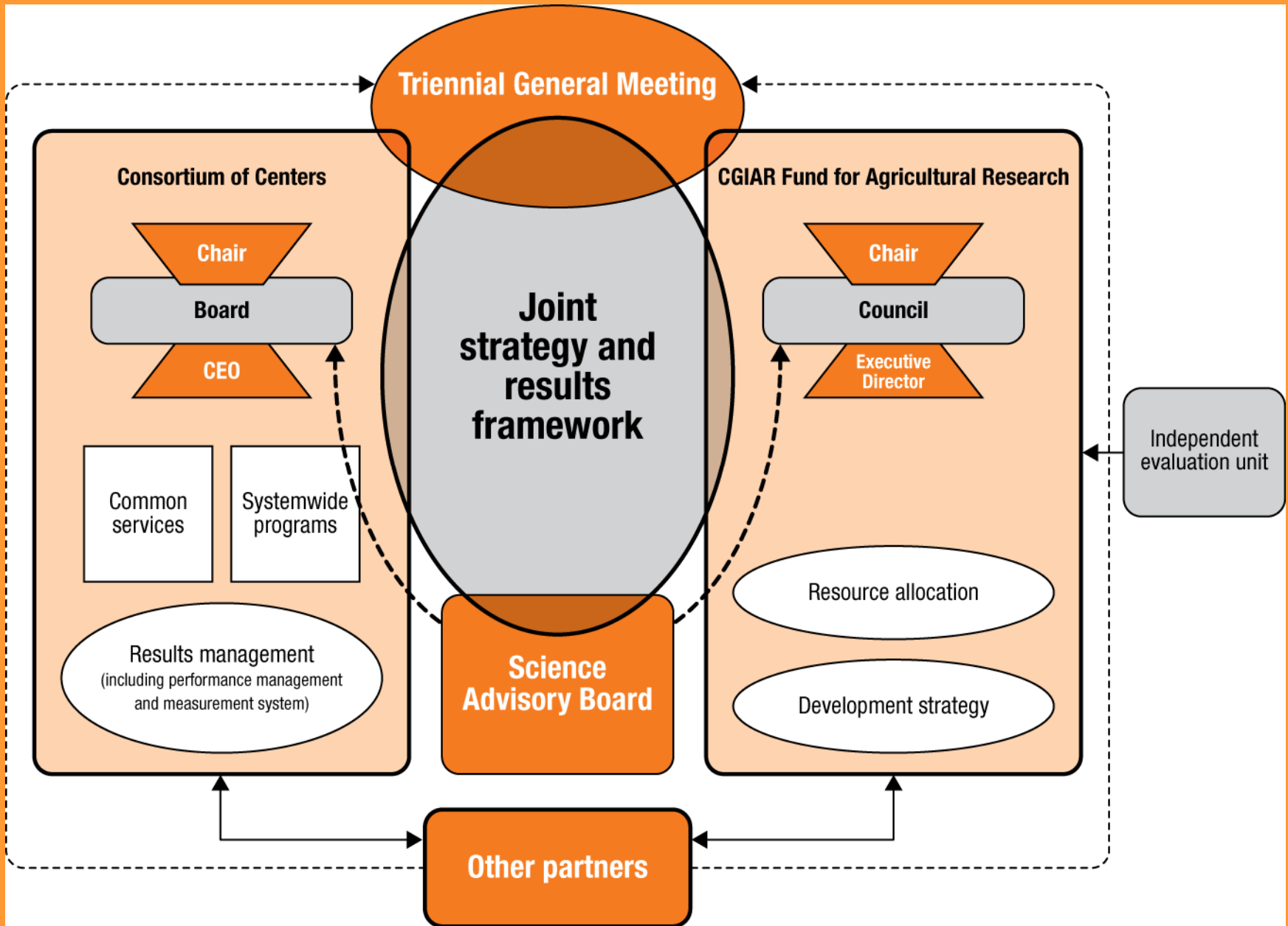
Deliver IPGs through partnerships

- Partnerships essential to delivering results
- CGIAR System need to improve partnerships with NARS, NGOs, ARIs, and private sector
- Approaches to partnerships:
 - Establish separate financing facility for unanticipated partnership imperatives
 - Facilitate high-level dialogue with Chatham House rules among representatives of CSOs, the private sector, representatives of Centers and the Consortium
 - Clarify accountability for core component and responsibility for complementary component of IPG delivery systems
 - Continue to apply new policy for building partnerships with NGOs

Gender and diversity: from advocacy to accountability

- IFPRI with PRGA to develop a gender policy with results framework for first Consortium Strategy
- AWARD to be expanded, with support from donors, from Africa to all continents and to all Group 2
- Mega-program on gender to reap productivity gains and increase well-being of families.

Balanced Partnership Model



What next?

The Compact - Centers

Centers make valuable gains, but must

- Cede important decisionmaking powers to the Consortium
- Take more responsibility, individually and collectively, for financial risk management
- Pay fees to cover a major part of Consortium costs

Gains for the Centers

- Donors increase their commitments because of greater trust in the effectiveness of the Centers
- Center-to-Center and other partnerships enhanced
- Improved joint services for Centers
- Programs delivered effectively to satisfy stakeholders

The Compact - Donors

Donors make valuable gains, but must

- Make major new financial commitments
- Be willing to fund Consortium to deliver network services
- Pool a major portion of funds for strategic allocations, subject to agreed criteria
- Abstain from micro-managing Centers

Gains for donors

- More effective network of Centers, with better results from donor investments
- Less detailed involvement in Center management frees resources for analysis and strategy

The Compact - transition arrangements

Before the Inaugural Conference

- Agree on fast-track transformation arrangements to establish new structures
- Center Boards pass enabling resolutions
- Donors agree to participate in CFAR (including indicative inaugural contribution)

Inaugural Conference