

Consultation on Lessons from the Mega Programme ‘mock ups’ (Prepared for ExCo 16)

Genesis and objectives of the ‘mock-ups’

After the Alliance held a workshop-consultation on the Strategy and Results framework (SRF) and on the concept of mega-programme (MP)¹, it decided to ask a team of the Alliance Deputy Directors General to design three MP ‘mock ups’². Whilst the first portfolio of Mega-Programmes (MPs) can only be identified when there is an agreed SRF and after an appropriate process of consultation with members and partners, there is much to be learned from designing very early on ‘mock ups’ of what a MP may look like. The main objective in developing these MP ‘mock-ups’ was to explore how MP might operate in increasing the effectiveness and efficiency of the Consortium research agenda.

The three MP ‘mock ups’ are models which investigate what MPs might be, what they might aim to do, how they might operate and what their business model might look like³. Each ‘mock up’ represents a different type of possible MP – thematic (on improving the resilience of agricultural systems), commodity based/sectoral (on roots and tubers) and ecoregional (on policies in sub-Saharan Africa). Preparing these ‘mock ups’ allowed us to compare these different types of MPs in terms of their governance, programmatic and management options and requirements. The mock-ups were also prepared to a) assist those charged with developing the new Fund by providing some concrete examples of the different dimensions of a MP and b) help develop a model format for the high level summary and justification for a MP investment. Finally, the mock-ups and the lessons we draw from them will serve to inform the ‘Strategy’ team working on the SRF in its design of the first portfolio of MPs. We welcome feedback from ExCo on the extent to which these various objectives have been met.

An initial set of criteria was developed for assessing the different types of MPs. These are: expected development impact of the MP, potential of the MP to attract new strategic partnerships, potential that the work will generate new science and innovation, ease of implementation of the work (transaction costs, running and administrative costs, efficiency), attractiveness of the topic to investors and stakeholders, capacity of the MP to respond to new emerging circumstances and added value (coherence, synergies, focus), in particular in contributing to the overall MP portfolio and interactions with the other MPs in the portfolio.

The three different types of mock-ups fared differently across these criteria, indicating that trade-offs will have to be analysed among these criteria when a decision is made on the composition of the first MP portfolio. For instance, measuring impact is more complex in a thematic MP than a commodity based MP as the CGIAR has a track record of success in measuring impact on crop productivity improvements. Partnerships are probably easier to build in a regional MP because of existing institutional and collaborative arrangements at that scale (e.g., sub-regional organizations). A thematic MP offers major opportunities for

¹ The Executive Summary and the full report of this Workshop-consultation are available on the Alliance website.....

² ‘Mock up’ team composition: John McDermott (Chair), Hartmann, Charles Crissman, Yemi Katerere, David Molden, Jonathan Crouch, Jean-Marcel Ribaut, David Governey, Albin Hubscher.

³ Terms of reference for the mock up team and the full MP mock up reports were sent to all donors and are available on the Alliance website <http://alliance.cgxchange.org/mega-program-mock-up-team>

innovative frontier and integrative science but is likely to be more difficult to implement than a commodity based or regional MP.

Lessons on programmatic issues

The design of the three mock-ups led to a number of common conclusions regarding the programmatic content of the MPs, in spite of their different topics.

1. Increased research effectiveness

The team designing the 'mock ups' achieved a real sense of excitement as it became obvious that the MPs offered real opportunities to improve research effectiveness at the system level. The bringing together of a critical mass of research activities across disciplines and institutional boundaries to tackle critical, high priority and global development challenges is indeed something which the CGIAR System has not accomplished on such a scale up until now. In the Roots and Tuber MP mock up, for instance, it became clear that a MP would enable scientists who are currently working on different crops to jointly address issues that are common to roots and tubers, such as designing new methods for providing improved and disease free planting material or the tackling of post-harvest and marketing issues to help move farmers from subsistence farming to income generating production. The realisation that bringing together the scientists who specialise in roots and tuber issues would lead to much improved impacts on food security and income for the poor, relative to current research efforts, contributed to the real sense of excitement.

2. Greater outcomes and impacts

The three examples also showed how greater impacts could be achieved through a number of mechanisms which the MP can provide. It was difficult to develop the mock ups in the absence of partners and this highlighted the value and the essentiality of partnerships and integration with partners in all the MPs. The mechanisms which an MP will facilitate include first of all *new research partnerships* based on the principle of dynamic comparative advantage, for instance through public-private partnerships arrangements. Second, MPs will be a means for better *aligning research with development investments* and actions, thereby benefitting many actors in the international research for development landscape. The mere scale of an MP and its partnerships spanning the research-development sector will make this alignment possible. Thirdly, all mock ups had a role in *capacity development, both at the individual and institutional levels*; it was noted that this had to be aligned with what other actors specializing in capacity building are offering but that this was a key mechanism for greater impact. Finally, determining the pathways for outcomes and impact proved difficult as it requires additional data and analysis for pathway specification in order to produce credible estimates of impact indicators. The three models nevertheless showed that the MPs can be a means to *draw lessons at the global scale*, where the CGIAR has a very clear niche, and that these global lessons can then be adapted and tailored to regional and national research needs for greater impact. For instance, in the resilience mock up, new global ecosystem service approaches could be adapted and implemented in the 'hot spots' identified by the MP.

Lessons on governance and management

In the process of designing the three mock-ups some conclusions were drawn regarding what would appear to be an effective governance and management model and what will have to be put in place for a successful transition from the current situation to the establishment and implementation of the full portfolio of MPs.

1. A comparison of different governance and management models

Four different options for managing and governing the MP mock-ups were devised and analysed.

- Option 1: The Consortium establishes a contract with (and allocates funds to) the Lead Centre of a MP and this Lead Centre represents an association of partners (internal and external)
- Option 2: The Consortium establishes a contract with all the Centres and partners in a MP
- Option 3: The Consortium establishes a contract with the Lead Centre of a MP and this Lead Centre represents a non-incorporated joint venture of all the partners in the MP
- Option 4: The Consortium establishes a contract with a MP itself, as the MP is a legal entity

Table 1 presents the results of an analysis of each of these four options conducted by the mock-up team. It contrasts these alternatives against a range of governance and management dimensions, including for instance expected transaction costs, performance evaluation and audit procedures. Although one can easily envisage blended solutions among the various models for some dimensions in this table, this represents the team's best effort to summarize the contrasts among the four alternatives.

Face to face discussion among Alliance members led to the conclusion that, on balance, Model 1 is preferred, owing to its greater administrative efficiency and effectiveness. This efficiency will of course, be further enhanced with the establishment of shared services under the auspices of the Consortium. The Alliance also concluded that models 3 and 4 were the least attractive alternatives.

2. Transition issues

The team examined transition issues related to funding. They concluded that during the transition period when MPs are being established and the Fund starts operating, three types of funding mechanisms would be necessary to ensure that MPs can be implemented as effectively as possible. First, research funded through Centres' allocations and fully coordinated with the business plan of a MP, essentially aligning existing funding with the MP plan, will be needed. Second, research funded through the allocations managed by the Consortium and targeted at joint research efforts, including additional new funding for gaps and needed joint actions, will be key to provide the 'engine' of the MP establishment. Finally, development investments obtained by partners and fully aligned to research investments and actions though the MP plan will be essential to provide support for the development partners. The Consortium Board will need to work with the Fund Council and Centres leadership to align these different sources of funds.

Table 1: Analysis of Management/Governance Options

	OPTIONS			
	1. Consortium establishes a contract with a Lead Center. Lead Center contracts all other Centers and partners	2. Consortium establishes contracts with all Centers and partners	3. Consortium establishes a contract with a Lead Center. Lead Center forms a non-Incorporated Joint Venture	4. Consortium establishes a contract with a Mega Program (which is a legal entity)
Additional details	Lead Center will manage contracts and allocate funds to other Centers and partners Association of partners handles the scientific/programmatic activity	Consortium needs to establish major functions such as legal, contract management, finance and accounting, HR, IT	Joint venture partners will jointly sign contracts, agree on budgets and on funds assigned to partners	Establish legal entity for a MP
Advantage	Less bureaucratic Easy to administer and manage Lower transactional costs than any of the other options	Streamlined MP approach under a single legal entity Allows greater flexibility strategic changes and fund management across MP's Corporate services handled more efficiently Pooled reserves	Liability is with more than one Center Avoids unilateral decision making by one Lead Center	Not apparent
Disadvantage	Liability is with only one Center Funds to the Lead Center are restricted therefore reserves cannot be generated at Center level Trust issues amongst partnering Centers	How to handle transition period? Most costly option during transition period Geographic separation between MP management and operational center Current strong relationships between donors and Centers might be compromised How create reserves at Centers?	Gets cumbersome with more than 3-4 joint venture partners Funds to the Lead Center are restricted therefore reserves can not be generated at the Center level	Additional legal entity with its related costs (Board, Audit, Finance, Incorporation, Annual filing etc.)
Transaction costs	Higher transaction cost compared to operating without MP's	Initially higher than current but with expectations for significant efficiency gains over time if the system agrees to reform	Higher transaction cost than option 1	Very high

Table 1: Analysis of Management/Governance Options

	OPTIONS			
	1. Consortium establishes a contract with a Lead Center. Lead Center contracts all other Centers and partners	2. Consortium establishes contracts with all Centers and partners	3. Consortium establishes a contract with a Lead Center. Lead Center forms a non-Incorporated Joint Venture	4. Consortium establishes a contract with a Mega Program (which is a legal entity)
Experience with Model	System Wide and Ecoregional Programs Generation Challenge Program	Private sector	Harvest Plus Challenge Program	Start up approach but without the economic benefit, therefore unlikely to work Risk limitation approach to Consortium
Management	Decisions on scientific direction, work plan, milestones, fund allocation etc. Management team is proposed by the association of partners and endorsed by the Consortium	Shift of management from Centers to Consortium	Decisions on scientific direction, work plan, milestones, fund allocation etc. Management team is proposed by the joint venture partners and endorsed by the Consortium	Independent
Governance	Fiduciary governance with Lead Center Scientific oversight via Independent Program Advisory Committee proposed by the association of partners	Shift of governance from Centers to Consortium	Fiduciary governance with Lead Center Scientific oversight via Independent Program Advisory Committee proposed by the joint venture partners	Consortium or Independent
Funding	From a) Consortium and b) non CG members No bilateral funding	Funding from Consortium Consortium should implement a non-CGIAR member resource mobilization activity	From a) Consortium and b) non CG members No bilateral funding	Consortium and other donor including private sector

Table 1: Analysis of Management/Governance Options

	OPTIONS			
	1. Consortium establishes a contract with a Lead Center. Lead Center contracts all other Centers and partners	2. Consortium establishes contracts with all Centers and partners	3. Consortium establishes a contract with a Lead Center. Lead Center forms a non-Incorporated Joint Venture	4. Consortium establishes a contract with a Mega Program (which is a legal entity)
Performance Evaluation	Contracts, HR and Financial, Legal with Lead Center Scientific performance with Consortium (Evaluation Unit)	Consortium	Contracts, HR and Financial, Legal with Lead Center Scientific performance with Consortium (Evaluation Unit)	Independent
Audit	Financial transactions are audited in Lead Center	Financial transactions are audited at the Consortium level	Financial transactions are audited through supplementary statements of the Lead Center	Independent audit of each MP entity

Some challenges ahead

The further development of MPs must await the development of the SRF, partner consultations and the decision on the composition of the first portfolio of MPs. Each MP will have to be integrated in this portfolio in a manner which adds value to the overall portfolio, and the portfolio will need to include not only critical research but research support services as well. The exercise in developing 'mock ups' showed that there will need to be tradeoffs between breadth and focus in the portfolio and within each MP. Similarly, additional negotiation and analysis will be required in order to determine what activities are done by which parties.

Transition investments to develop new finance and administrative approaches and competencies will be critical during the transition phase, as will improved tools and methods for understanding and quantifying impact pathways for environmental and policy research. A phasing plan to introduce larger and more complex arrangements will be needed, to cover many of the aspects mentioned above and to continue allowing the Centres and the System to respond to opportunities and challenges during the transition period.

The greater complexity associated with the larger size of a MP by comparison with what the Centres manage today is an obvious challenge in itself. Associated with this greater complexity is the issue of the research coordination which will be needed within each MP, especially so since research-development partnership arrangements will characterize each MP.