

ExCo Recommendations to the CGIAR on the Restructuring of ISNAR¹

Grant Scobie, Chair ISNAR Restructuring Team (IRT), was not able to attend the ExCo meeting because of the inclement weather conditions in Washington, D.C. Francisco Reifschneider gave a brief overview of the IRT's activities and ExCo members were shown G. Scobie's slide presentation summarizing the points in the IRT Report.

Moïse Mensah, ISNAR Board Chair and IRT member, was invited to comment. He stated that ISNAR is in agreement with the IRT recommendations and eager to complete the transition as soon as possible. ISNAR's main concern is having a governance arrangement that preserves the programmatic identity of ISNAR. The Board accepts the recommended alliance with IFPRI. In addition to generating programmatic synergies, this alliance could lead to significant potential savings (to the tune of US\$2.0 m per year).

Mensah noted that ISNAR has discussed headquarters (HQ) issues with relevant authorities in Africa. ISNAR believes a HQ in South Africa (Pretoria) is the best option, but remains receptive to other locations, e.g., Addis Ababa. He stressed the importance of IRT's Recommendation 5 (urging Members to provide continued support to the ISNAR program). He concluded his remarks by thanking the IRT Chair G. Scobie on behalf of the ISNAR Board.

The Director General (DG) of IFPRI, Joachim von Braun, was invited to comment on the IRT report and IFPRI's reactions to it. Von Braun noted that IFPRI is in favor of the proposed alliance and is prepared to nurture such an alliance. He stressed, however, given different interpretations of the term "alliance," this alliance should be seen as forming a bond between two parties that are members of the same "family," rather than an association being formed among two sovereign entities. Under the proposed alliance, ISNAR would cease to exist as a single sovereign entity and all legal responsibilities would fall under IFPRI. He also stressed the need for all legal matters to be thoroughly examined in order to ensure that the arrangements satisfy all legal requirements. IFPRI can initiate informal discussions with ISNAR immediately, but would not take formal steps until the CGIAR acts on the IRT's proposals.

Discussion:

- Members expressed agreement with the IRT recommendations and stressed the importance of a successful transition as many inside and outside the System would be watching the restructuring with interest.
- John Vercoe stated that the issue of why support for ISNAR dwindled to the point where the current situation arose should be explored to avoid a repeat in other Centers. He also stressed the importance of real and effective decentralization of the Center and the need for significant activities to take place in the field, especially in Sub-Saharan Africa (SSA).

¹ Excerpt from Fifth Meeting of the CGIAR Executive Council (September 19, 2003) Summary Record of Proceedings, October 10, 2003.

- Adel El-Beltagy noted that the services performed by ISNAR are very important not only for SSA, but also for CWANA and Asia, and it is very important that these functions continue.
- Hayato Nakajima highlighted the fact that several CGIAR offices are already located in SSA countries. Therefore, it is important that ISNAR's activities are truly streamlined. He did not see the value of a separate HQ for ISNAR, but rather a branch office of IFPRI or better to share an existing branch office in SSA.
- Kevin Cleaver expressed concern about the closing costs of ISNAR (estimated at US\$4 million), and moving the HQ to Addis Ababa or Pretoria, which would increase the cost. In light of the shortage of unrestricted funds in the System, the FC discussed what funding source could be used to finance the move. It would be prudent to look more closely at these issues and the reality of the costs involved, by considering options such as not having a HQ, but utilizing an existing branch office, or an absorption of ISNAR into IFPRI.
- Njabulo Nduli noted that, in view of the proposed structural changes and the new ISNAR mandate which has changed significantly from the original, South Africa is withdrawing the offer to host the institution.
- Several members supported the points made by earlier speakers on the nature of the alliance to be formed, the costs associated with the transition, and the need for a separate HQ in SSA.
- Franklin Moore asked for clarification of the next steps in the process. Francisco Reifschneider responded that the IRT report would be transmitted to the CGIAR, with ExCo's recommendations, for discussion at AGM03. ISNAR and IFPRI would be asked to address the issues raised at ExCo5 (i.e., financial issues, including the advantages and disadvantages of a HQ in Pretoria or Addis Ababa, etc.) at the AGM.
- Peter Matlon stated that the foundations welcome strongly the recommendations of the IRT. It underlines a rare case where the System has made a difficult choice but represents a model of change and has broader implications in terms of whether similar approaches could be applied elsewhere in the System. He identified with Japan's comments that the number of CGIAR Center offices in SSA does not portray efficiency, when viewed from a System perspective. Matlon supported the notion of alliance as within a "family" and noted that having a separate HQ for the ISNAR program does not fit well with that notion. He reiterated the need for clarity on fiscal governance issues and suggested that ExCo should clearly state, with a single voice, what type of alliance is being recommended.
- Franklin Moore noted that the restructuring of ISNAR is part of a much larger issue in terms of how CGIAR activities are structured in SSA. It also ties with the recommended move of ICRISAT's HQ to SSA. These should not be looked at in isolation. Both should be addressed with a Systemwide perspective. Other members expressed support for his comments, which complemented earlier comments from Japan.
- Klaus Winkel echoed that ISNAR and ICRISAT restructuring issues should not be looked at in isolation. There is need for a strategic framework and master plan within which these issues can be considered.

- Other members expressed agreement with the need to look at the broader Systemwide strategic issues, but stated that the urgency of the ISNAR situation demands action now—one that should not wait for the completion of a lengthy strategic study. Several members saw a need for a task force to examine the broader System structure issues, in addition to the transition team for ISNAR.
- Joachim von Braun stressed that the recommended restructuring is, fundamentally, about trusting the two Boards. The transition is not easy, because two different organizational cultures would need to be brought together. There are advantages to keeping the ISNAR program in a team for some period (e.g., three years). IFPRI has no hidden decisions on location. This is a business decision and should be handled in a business-like manner. Moise Mensah echoed von Braun’s points, particularly about the need to trust the two boards.

Conclusions and recommendations to the CGIAR:

- *ExCo endorsed the recommendations in the final report of the IRT (dated September 5, 2003).*
- *The recommended alliance is important as it can serve as a model for the System going forward.*
- *The recommended transition should proceed as quickly as possible. IFPRI and ISNAR should report to the CGIAR at AGM03 about progress, taking into consideration ExCo’s concerns on finance, governance, and the HQ of the program.*
- *ISNAR should report to the CGIAR at AGM03 specifically on financial implications of the restructuring and on location.*
- *As it applies to the ISNAR-IFPRI case, the term “alliance” refers to forming a bond between two parties that are members of the same “family,” with the result that one of the parties would cease to remain as a sovereign entity.*
- *On an issue triggered by the ISNAR case, ExCo recommends to the CGIAR the creation of a task force to conduct a broader study on rationalization of CGIAR operations across the System (starting with Africa).*