

Summary of ExCo 15 Discussion and Recommendations to the CGIAR on CGIAR Change Management Process ¹

Integrated CGIAR Reform Proposal

Change Steering Team (CST) Chair, Rodney Cooke and Co-Chair, Jonathan Wadsworth, presented the team's report, the "Integrated CGIAR Reform Proposal" to ExCo. The presentation gave a brief background on the change management initiative and the process to date, including the development of the earlier agreed CGIAR Vision and CGIAR Strategic Objectives which have guided the activities of the change management process:

CGIAR Vision: To reduce poverty and hunger, improve human health and nutrition, and enhance ecosystem resilience through high quality international agricultural research, partnership and leadership.

CGIAR Strategic Objectives:

Food for People

Create and accelerate sustainable increases in the productivity and production of healthy food by and for the poor

Environment for People

Conserve, enhance and sustainably use natural resources and biodiversity to improve the livelihoods of the poor in response to climate change and other factors

Policies for People

Promote policy and institutional change that will stimulate agricultural growth and equity to benefit the poor, especially rural women and other disadvantaged groups

R. Cooke emphasized the window of opportunity available to the CGIAR at this time to make decisions and implement real change. The recommendations of the CST are focused on revitalizing aspects of the System that will enable greater impact. The CST identified nine foundation pieces that will enable delivery of the Strategic Objectives. They are as follows:

1. Create a "Fund" that provides multi-year financing
2. Principally "program financing" with window for "institutional financing"
3. Create a "Consortium" of Centers that is a legal entity with Board & CEO
4. Performance contracting
5. Programs to be defined based on agreed Strategic Framework

¹ Excerpt from Fifteenth Meeting of the CGIAR Executive Council (October 1 – 2, 2008) Summary Record of Proceedings, October 27, 2008.

6. Effective Partnerships and Positioning
7. Independent Science and Partnership Council (ISPC)
8. Independent Evaluation Arrangement at System level
9. Recast Key Founding Principles

The proposal builds on and enlarges these foundation pieces. The CST Chair and Co-chair explained the system architecture of the proposed model, including the Fund and fund allocation process, accountability map and performance contracting, the Consortium and the roles and functions of its components, strategy and results framework development, enabling partnerships and the Conference on Agricultural Research for Development (CARD), scientific advice, and monitoring and evaluation aspects of the model.

They concluded the presentation of the proposed model by noting how key founding principles of the CGIAR have been re-casted and how existing bodies in the System will change. The discussion that followed centered on the main aspects of the proposed model: Consortium, Fund, Independent Science and Partnership Council, CARD, and the possibility of adding a competitive funding element. (Note: ExCo discussed the various elements and features of the proposed model first. It was followed by a presentation and discussion on the proposed transition arrangements.)

Discussion:

Consortium:

- General support for the proposal and the direction of the change management process was expressed.
- Support was expressed for creation of a legal entity in the form of a Consortium of Centers and the responsibility of ensuring success being placed on Centers.
- A key test of the reforms will be how it impacts on the work of scientists in Centers, especially in terms of reduced reporting burdens. There is a concern that splitting program and management reviews may not be the most efficient manner of doing this. Would the work of the Consortium and ISPC in this area not be seen as a duplication from a Center perspective?
- The model suggests that some Center responsibilities, e.g. governance by the board and support services, will be transferred to the Consortium. However, if Centers remain as independent legal entities, how will this be done and what are the legal implications?
- Accountability and the linkages between the Consortium board and Center boards are still a concern, e.g. on matters of responsibility concerning hiring and firing of Center Directors General (DGs), clustering and merging of Centers, etc. Particularly in terms of structural changes, the process should involve other stakeholders to determine criteria on how it should be done.
- A question was also raised on who would pay for the establishment and operation of the Consortium. Will all activities contribute toward the cost of the Consortium?

- The Alliance clarified that legal experts have been consulted on how powers can be transferred to the Consortium, and has been assured that it could be done in a way that would not cause legal problems. It has yet to be decided what powers to transfer. Although the Consortium may not have complete authority over Centers, a key power that it will be vested with is the ability to grant or deny funding.
- R. Cooke clarified that Center boards would still be responsible for hiring of a Center DG. In terms of clustering and merger of Centers, the Consortium will have responsibility for overall success or failure, but partners will be involved at each step along the way. There is also a window for institutional funding in the Fund which will give donors a way to withhold funding if the structural changes are deemed inadequate.
- Kathy Sierra will have special meetings with donors on October 3rd and November 10th to discuss financial support for the proposed model.

Fund:

- Concern was expressed about the structure of the Fund Council and if it sends the right message in terms of harmonization and alignment if most donors are excluded from the Fund Council. There should be a way for donors who do not sit on the Fund Council to participate as observers to ensure inclusiveness, for example.
- Representation on the Fund Council should be balanced and include strengthened voices of partners, donors from the South, and those of small donors. Rotation of membership in a region may help ensure that there is a diversity of voices heard.
- Concern was expressed over the Funders Summit being held only every two years and whether such infrequent meetings would be adequate in terms of oversight and engagement.
- It was suggested that an overarching governance structure is needed between the Fund and the Consortium, and that the relationship between the two would not substitute for overall governance of the CGIAR System. Another view was also expressed that performance contracts between the Fund and the Consortium would ensure mutual accountability, and therefore such a structure would not be necessary. The strategy and results framework will also provide a high level linkage between the Fund and the Consortium.
- A strategic financial perspective for the Fund, fulfilled by a CFO, should be considered. This person could provide technical advice to the Fund on financial guidelines, strategic investments, etc., and also advise finance directors at Centers and the Consortium.
- The Fund should be seen as a primary channel of funding and to the extent possible used by donors, rather than bilateral channeling of funds to individual Centers.
- Support was expressed for the Fund being hosted at the World Bank.
- The Funders Summit needs to take place around a discussion on a coherent set of programs. Dialogue between the Fund and the Consortium will be an important aspect of this. How will such a dialogue be facilitated?

- In addition to streamlining within the CGIAR and among donors, the CGIAR also needs to be very much a part of the multilateral system so that it does not work in isolation. How will these links be established?
- On the role of the CGIAR Chair (and CGIAR Secretariat) and co-sponsors in the new CGIAR, it was clarified that these details will have to be worked out as the process moves forward and during the transition phase.
- The CST Chair and Co-chair clarified some of the issues raised. They noted that in the beginning the Fund Council may have to meet more often, but eventually would likely meet two times per year similar to the current ExCo. Although the Funders Summit is scheduled to meet every two years, funders would receive an annual report as well. The suggestion on finance expertise and possibly hiring a CFO was well taken. However, whether that person should be involved on the Fund or Consortium side is not clear. Going forward, channeling bilaterally donated funds through the Consortium CEO as a kind of filter should be considered.
- The issue of adding a competitive element to funding was also raised. It is discussed in the context of the CARD and partnerships below.

Independent Science and Partnership Council:

- Concern was expressed on combining the science and partnerships functions together in the proposed ISPC. Some ExCo members think that these key functions should be separate. Donors may not see the body as truly independent and therefore be unable to fully rely on evaluation of programs carried out by ISPC.
- The CST clarified that the two functions were brought together because an essential element of scientific advice is the network of knowledge both upstream and downstream that is necessary to formulate the advice and it cuts across the entire partnership spectrum. Bringing the two functions together in one body is an efficient way to do this.
- Concern was also expressed about ISPC giving both technical advice and evaluating programs, thereby jeopardizing its independence. As an advisory body, ISPC should not undertake line management responsibilities.
- A view was also expressed concerning the potential for creating contentious relationships and a lack of trust by having the ISPC review/evaluate proposed programs. It would be more efficient if advice is given when programs are being developed and presented jointly to the Fund. However, others felt the extra assurance of an ISPC review is necessary. Independent technical advice has always been important in the CGIAR.

Conference on Agricultural Research for Development:

- The CARD is seen as a global forum for dialogue and exchange of information and ideas, rather than an institution with decision making mandate. It will bring together stakeholders and partners and is important for strategy formulation. However, the product of the conference should be made clear in the proposal. CARD can be an essential element in bringing the Fund and the Consortium together.

- The conference must give partners a real opportunity to help set the policy agenda for the CGIAR and give guidance on the strategy and results framework.
- It must also play a role in linking the CGIAR to the outside world and other multilateral institutions.
- The CARD will be held every two years. The Funders Summit could possibly held in conjunction or back-to-back with the CARD. It could provide guidance on planning at the strategic level.
- The CST should explore the foregoing element further to ensure the CARD plays a substantive role and is not merely a discussion forum. The issue of a chair for the conference should also be considered.

Competitive funding element:

- It was also suggested that a competitive element for research be added to help foster a dynamic research system, including room for “blue sky” and highly innovative research. This could be done through a special funding window reserved for such research, or through earmarking a certain amount in each mega-program where a competitive element would be included and accessible to those from outside the Centers. The amount would differ according to the type of program.
- Some ExCo members feel that opening a separate window for competition may cause distortions of the System’s focus and strategic research agenda. It would be better to open a certain percentage of funding in each mega-program to competition.
- Engaging partners strategically and more effectively in reaching the System’s objectives is the ultimate goal. Even though CPs have been criticized by some Centers and the Independent Review Panel, they have been successful at opening the System and bringing in very successful partnerships. They should be looked at as an example of best practices when trying to engage further and identify the best partners and access the best science to help achieve objectives.
- Most Centers already have experience working with effective partners. This experience and those of the CPs should not be lost. CST should work on this issue further and consult with the Alliance to identify best practices and build a competitive element into the model.

Transition Strategy

Following discussion of the CST proposal, R. Cooke and J. Wadsworth presented a transition strategy. They first presented several risks regarding funding that need to be managed during the transition:

- Disruption of ongoing programs due to transfer of funds from Centers and CPs to the Fund,
- Premature termination of ongoing programs which do not align with new programmatic areas,
- Low levels of unrestricted Center funding inadequate to adjust to new programmatic and managerial directions,

- Existing donor contracts do not allow full cost recovery as redefined by the Consortium, and
- Loss of scientific talent due to funding uncertainties.

The transition strategy includes steps to be taken for establishment of the Consortium and Fund in the following timeframes:

- October – December 2008
- January – June 2009
- July – October 2009
- October 2009 and beyond

Key CGIAR decisions are necessary at AGM08 in order for the Change Management process to move forward. However, key activities will take place during the period between ExCo 15 and AGM08 as well, including donor meetings with the CGIAR Chair (on October 3rd and November 10th), revision of the CST proposal for presentation at AGM08, and drafting terms of reference (TOR) for designing the Consortium and the Fund.

It is expected that ExCo will meet again in May and October 2009 as the decision making body overseeing the transition and it would report out at the business meeting at AGM09.

In order to drive the process, it is envisioned that a Transition Management Team, acting in a more executive nature, be put in place to give direction and manage the transition process. Expert advice would be commissioned to help design and flesh out necessary details to implement the changes.

Discussion:

- Transition will be crucial for implementation and should move as fast as possible. One ExCo member felt that some of the activities could be done faster in order to take advantage of the window of opportunity available now, especially in the context of the food crisis.
- ExCo should not lose sight of the fact that one of the most important remaining challenges is winning approval of the proposal at AGM08. This should not be taken for granted and sufficient preparation is needed.
- Concern was raised about moving too fast with development of TORs for design of the Fund and Consortium. However, most felt that it was necessary to have as many building blocks in place as possible before AGM08.
- Questions were raised on such issues as transition costs, management of the transition and setting up of the Fund. The role of current board members and existing bodies (e.g. CGIAR Secretariat) was also raised.
- The first CARD is planned for June 2009 in the transition strategy. It may be too soon to undertake such a conference, especially so close to the CGIAR meeting in December 2009. Perhaps the June 2009 meeting could be a pilot. It was pointed out that the December 2009 meeting is likely to be a smaller business-oriented meeting as well.

- There was agreement that the CGIAR meeting in Maputo (AGM08) could be regarded as the last AGM. The proposed configuration of meetings in 2009 should be described in the transition strategy.
- The Alliance should work with Center DGs to disseminate information on the change process widely in order to inform staff.
- Continuous stakeholder engagement needs to continue from now until AGM08 to get buy-in throughout the System.
- Promotional materials that explain the changes, what is being eliminated, potential costs and savings, etc. should be developed to help market the proposal.
- ExCo members need to act as advocates for the proposal and help win approval at AGM08 in order to avoid an impasse.
- We should not lose the social capital and knowledge of the CST and WGs built over the past several months. CST should retain some leadership within the transition team. However, execution is crucial so the team will have to be more executive and directional in nature; the broad consultative nature of the change process to date should be narrowed so that implementation can take place at a swifter pace.

Conclusions and ExCo Recommendations to the CGIAR:

- *ExCo thanked the Change Steering Team (CST) and everyone involved in the Change Management Process for their hard work and dedication to bringing the proposal to ExCo.*
- *ExCo agreed in principle to the direction of the Change Management Process and the “foundation pieces” for a reformed CGIAR identified by the CST, and sees alignment with the broad recommendations of the Independent Review panel (e.g., separate doers from funders, establishment of a legally structured Consortium of Centers that is accountable for the delivery of high quality results and a Fund to support the research of the Consortium and its partners and hold it accountable, development of strategy and results frameworks and a program performance contract scheme that can serve as linkages between the Consortium and the Fund, establishment of independent program evaluation at the System level, building relevant and effective partnerships into all levels of research that brings the best science and advice, and a biennial conference organized by GFAR and the Consortium that creates an enabling environment).*
- *ExCo identified several issues in the proposal that need further work and revision, including amendments to (1) the Fund: revision in principles of membership, e.g. voices from South, membership rotation in the Fund Council, openness to all donors in the Fund Council and Funders Summit as observers; (2) the biennial conference, i.e. the CARD, should be positioned as an international forum and part of the architecture of the multilateral agricultural community to provide guidance to the strategy and results framework of the Consortium with no decision making mandate; (3) Consortium: clarifications are needed in terms of the role of the CEO, accountability and reporting line of the Consortium vis-à-vis the Funders Summit, its link to the Centers, and legalities; (4) Independent Science and Partnership Council: partnership should be included, but it needs to be articulated more clearly. There is also concern about the role of ISPC taking*

on an evaluation function that may cause conflict of interest as the ISPC should not evaluate the same organization on programs that it advises; (5) a competitive element should be built into the model in the mega-programs.

- *With the above caveats, ExCo tasked the CST to address key outstanding issues, with stakeholder involvement, and submit a revised proposal by November 1, 2008, for presentation at AGM08. In addition, a separate set of promotional materials (two-page brochure, presentation, and/or video) should be developed as a companion piece to help market the proposal.*
- *ExCo also agreed that it has to move into an advocacy role to help present the proposal to policymakers in order to win approval at AGM08.*
- *The transition strategy should address future meetings (e.g. Funders Summit, CARD) in the reformed CGIAR.*
- *A small transition management team will be established as suggested for implementation. The transition management team will be chaired by Kathy Sierra. Jonathan Wadsworth will also serve on the team and Rodney Cooke will be the convener of CST to help maintain continuity.*