

## **Summary of ExCo 15 Discussion and Recommendations to the CGIAR on Medium-Term Plans and 2009 Financing Plan<sup>1</sup>**

R. Rabbinge presented the overview of the SC commentary on Center and Challenge Program MTPs for 2009-2011; Shey Tata (CGIAR Secretariat) followed with presentation of the 2009 Financing Plan.

The SC is tasked to enhance and promote the quality, relevance and impact of science in the CGIAR. Its independent assessment and advice on the MTPs of the Centers and CPs is the CGIAR's principal mechanism for the assessment of the relevance of research. The SC reviews the plans for the following: programmatic content and relevance; significant program changes, usually following EPMRs and changes in strategic plans; opportunities, synergies among Centers and CPs to improve efficiency; and clarity in planning.

The MTPs were submitted this year by Centers using an online software application, EasyMTP, developed by the ICT-KM program in collaboration with the Centers. EasyMTP is linked to a central database (CGMAP) which is being developed.

He reported that there is a broad range of quality among the current MTPs. Some Centers have produced very realistic plans that show a very clear view of their niche/comparative advantage. Others appear to use the MTPs as their main research management tool while others see them simply as a SC requirement for the purpose of research monitoring. Many of the MTPs are far too long (one Center submitted over 350 pages). He suggested that the MTPs could be presented in 20-25 pages.

The SC's review used the same approach that it started last year. MTPs that met certain requirements of quality and completeness did not require a detailed review every year. Last year, the SC identified seven MTPs meeting this standard (CIFOR, CIMMYT, IFPRI, ILRI, IRRI, Generation CP and HarvestPlus CP). This year, four others were added to this list: ICARDA, IWMI, WorldFish Center, and SSA-CP), and hence will not require detailed reviews next year. The remaining MTPs are considered to require in-depth review due to anticipated changes from EPMR or strategic planning or due to deficiencies in the MTP (Africa Rice, Bioversity, CIAT, CIP, ICRISAT, IITA, World Agroforestry, and CPWF). The SC continues to dialogue to help Centers and CPs to upgrade their MTPs.

In SC's view, there has been a positive change in the focus of the research as seen in the current MTPs.

With respect to following through on EPMR recommendations, all the Centers and CPs that have been reviewed during the past two years have reported in their MTPs the progress in implementing recommendations endorsed by the CGIAR. Assessment of the progress reports is given in the commentary on the individual Center/CP.

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

S. Tata presented a summary of the investment proposals and financing plan of the 2009 CGIAR agenda, prepared this year in collaboration with ICRISAT for the second year.

He first presented the evolving context in which the plans were developed by Centers and CPs in order to assess the risks and opportunities for the realization of the 2009 CGIAR Financing Plan. Internally, the CGIAR is undergoing transformational reforms that are expected to affect its research orientation, the way it will be financed (through a central fund), and the way resources will be allocated (programmatically using performance contracts). Externally, the System faces the food price crisis, the ongoing international financial crisis, and the perennial challenge of exchange movements. Clearly, although Centers and CPs could not take these developments onboard during the preparation of their MTPs, these developments will affect the amount of financial resources that will ultimately be available to finance the System in 2009. What is not clear and cannot be projected with certainty is the direction and magnitude of the impact of these factors.

The proposed research agenda for 2009 requires an investment of US\$576 million, which includes the CPs. This represents an increase of \$70 million (14 percent) over the actual 2007 level. The financing of the proposed research agenda is expected to be provided from \$521 million in investor grants, \$20 million from Center income, and \$35 million from other sources and Center reserves (other sources refer to funding still under negotiation that cannot yet be attributed to specific investors). The projected level of investor grants would represent an increase of \$26 million (five percent) over the actual 2007 level. About one-half of the budget (50 percent) will be spent on research programs for Sub-Saharan Africa.

S. Tata also presented a mechanistic simulation of the proposed \$1 billion CGIAR by 2013, illustrating a possible scenario of 70 percent of these funds being in the central Fund and only 30 percent outside the Fund.

***Discussion:***

- R. Rabbinge was commended for the clear and comprehensive SC commentaries on the MTPs. The continued improvement of the Center and CP MTPs, which would allow the SC to move in the future to review of strategic plans was welcomed.
- It was recognized that alignment of the research agenda with the System Priorities was still in progress, and requires more time before it will be fully aligned. There was appreciation about the realization of the EasyMTP application as a tool for submitting the MTPs this year.
- Appreciation was expressed about the improved quality of the submission from SSA-CP, and concern about the lack of improvement in those from ICRISAT and IITA, especially since these two Centers focus their work on Africa. As well, the increased complementarity and less duplication at the System level, and devolution of certain activities to NARS were commended.

- A question was raised on whether the System Priorities-based analysis of MTP also considers the international public goods (IPG) nature of networks and knowledge platform.
- There were also some concerns about the low percentage of resources going into new research areas.
- The clarity and analysis of risk and opportunities in the financial presentation was commended.
- The impact of the volatility in the currency markets, the ongoing financial crisis, and the policy environment on the projected 2009 contributions was noted.
- The growing size of non-member funding (representing \$60 million) needs to be taken into account by the System as it carries out strategic planning.
- The significant reduction in the investment at IWMI and CPWF was noted.
- A question was raised about the financial health of CIAT (the only Center currently red flagged on a financial indicator) and CIMMYT. S. Tata indicated that with additional contributions towards CIAT since the extraordinary meeting in February 2008, and the improvement in the exchange rate on the Colombian peso, the financial situation in the Center was beginning to improve. With respect to CIMMYT, he indicated that although the Center was no longer red flagged, its finances would be closely monitored as it was a borderline case. It was expected that with the improved prospects of no significant cuts in unrestricted contribution from USA, this would have a positive impact on the Center, which receives one of the highest unrestricted levels of support from the USA.

***Conclusion and ExCo Recommendation to the CGIAR:***

- *ExCo recommended CGIAR approval of the 2009 financing plan.*
- *ExCo commended the Alliance and SC on the progress made in MTPs, but noted the areas of concern raised by SC (e.g. role of IPGs)*
- *CGIAR should think about how to bring non-members (representing \$60 million in financing) into the System.*