


Review of the CGIAR System Office

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1. Introduction

The System Office Steering Committee commissioned this review to assess whether the SO, as a virtual structure, helped to increase coordination, capture synergies and increase overall performance of central service units that support the Centers and the CGIAR System as a whole. It does not include assessment of the performance of individual units.

2. The System Office

The SO is still relatively new. It was formally constituted by a decision of the CGIAR in 2001. The CGIAR Charter in 2004 outlined the role and responsibilities of the SO. Its mission was defined at “to serve and facilitate the function of the CGIAR System as a well integrated and responsive learning system implementing a compelling vision, mission and strategy.”¹ It specified that the SO is a virtual office and is not a physical consolidation. While each unit will continue to be accountable in a fiduciary and performance sense to its own governing authority, each unit will also be responsible in a “broad sense to the ExCo, this accountability being coordinated through the CGIAR Director”².

It also indicated that the SO would be guided by a Steering Committee consisting of the CGIAR Director, the Science Council Chair and the Alliance Executive (AE) Chair of the previous year. The CGIAR Director plays an unusual role as a member of the SO Steering Committee, and head of the CG Secretariat which is a component of the SO and a partner, sponsor and client of the SO.

Some of the constituent units had been in place for some time with the CGIAR Secretariat and the Science Council (or its predecessor, TAC) being in existence since 1975. The G & D began originally as a project from 1991 to 1998 when it was decided to create a stand alone unit.

There were 10 units at the time of the creation of the SO and there have been two units withdrawn and one added since then.

¹ CGIAR Reform Program, 2001

² The CGIAR Charter, 2004

Table I SO units.

SO Unit	Established	
CGIAR Secretariat	1975	Serves as the hub of the CGIAR System with a significant integration and facilitation role to ensure that collective action by many independent but interdependent components is directed to the CGIAR mission, implements communication with the CG System and with its partners.
Science Council Secretariat	1975	Provides the SC with technical and administrative support by preparing strategic studies and documents, preparing external reviews, organizing SC meetings, backstopping the activities of four SC panels and implementing SC decisions.
Alliance Office (formerly CDC Executive Secretary)	1998	Provide high-level strategic and operational support to CGIAR Centers. Conceived as an integral part of the CGIAR System Office, this unit serves to ensure the alignment of the Centers' work with the wider CGIAR activities and objectives, and to inform the collective work of the System Office with the Centers' views and expertise.
Gender & Diversity	1999	Provide and facilitate expert advice and enhance the exchange of knowledge and experiences.
Internal Audit	2000	Provide a cost-effective internal audit service to improve operations and strengthen internal controls in participating Centers.
CAS-Intellectual Property	2000	Provide and facilitate expert advice and enhance the exchange of knowledge and experiences in IP Management and Technology Transfer.
Chief Information Officer	2002	Helps to plan and coordinate information technology, information and knowledge management within the CG System.
SAS-Human Resources	2003	Assists participating centers in defining needs, developing and implementing sound people policies through strategic approaches, monitoring the impact and success of human resources policy and practice.
Media Unit	2006	Develop and implement a media strategy that secures positive coverage of joint Center research achievements and impacts of collective work in mainstream print and broadcast media outlets.
AIARC	withdrawn	
Future Harvest Foundation	terminated	

There is considerable variation in the size and character of the SO units. They range from the CGIAR Secretariat with a budget of \$4.15 million to small units with just a few staff and budgets of \$300,000.

Some individuals expressed concern that the non-research component of the CGIAR has been increasing and that the units in the SO are part of the reason for this. Judging

from the evidence in Table II, this does not appear to be the case. The share of the SO has dropped slowly from a level of 2.6 percent in 2003 to 2.1 percent in 2006. The overall budget of the SO has increased by 17 percent during this six year period but the overall resources of the CGIAR have grown at a faster pace.

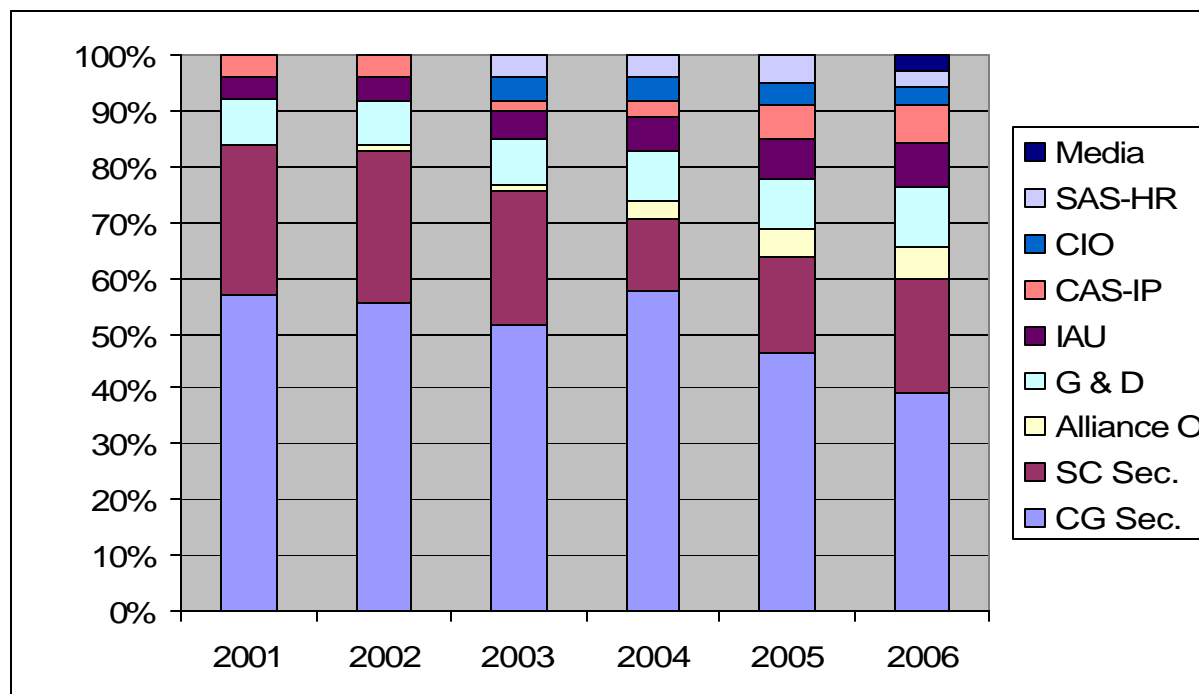
Table II SO Share of CGIAR Budgets

(\$ millions)

Year	2001	2002	2003	2004	2005	2006
# of SO Offices	7	8	10	9	8	9
CG Sec	3.9	3.9	3.9	3.95	4.18	4.15
SC Sec	1.7	1.0	1.9	0.97	1.5	2.16
Alliance Office		0.1	0.1	0.22	0.43	0.6
CAS-IP	0.2	0.3	0.2	0.22	0.53	0.73
CIO			0.3	0.30	0.33	0.3
G & D	0.5	0.5	0.6	0.55	0.77	1.13
IAU	0.3	0.3	0.4	0.32	0.66	0.80
SAS-HR			0.3	0.3	0.42	0.3
FHF	1.3	1.1	0.6	0.22		
AIARC	0.9	0.9	0.9			
Media Unit						0.28
Total SO Budget	8.9	9.1	9.41	7.21	8.78	10.43
Total CGIAR Budget	345	357	381	437	450	489
SO Share of Total CGIAR Budget	2.6%	2.5%	2.5%	1.6%	2.0%	2.1%

The relative size of the SO units is shown in Table III. The three units (the CG and the Science Council Secretariats and the FHAO) that serve the three pillars of the CGIAR³ represent 67 percent of the total budget in 2006. The share of these three units has dropped from the level of 85 percent in 2003 to 67 in 2006. The other units have more than doubled their relative share over the same period.

³ The three pillars are defined in the CGIAR charter as 1) the Consultative Group, its Executive Council, and partners; (2) the Science Council that helps to maintain a high quality of science in the CGIAR System; (3) independent international agricultural research Centers supported by the CGIAR, and Center Committees.

Table III Relative Financial Size of SO Units⁴

The CG Secretariat and the SC Secretariat are funded by the CGIAR Members. The other SO units are funded primarily by the Centers and the CG Secretariat although 16 percent was provided from external sources in 2006. There are two methods by which the Centers fund the SO units. Four units (G&D, CIO, CAS-IP and the Alliance Office) are funded from a common budget pot provided by the Centers and three units are funded by individual centers that directly subscribe to individual service units. The G & D unit receives about 80% of its funds from external sources.

Two of the last three units created have been funded by individual Center subscription. Some DGs expressed a preference for creating units on a fee for service basis since they feel they can ensure that they are getting only the services that they want, while others believe that the Centers need to develop common services to which all Centers should contribute.

This difference appears to be based on the degree to which a unit can provide a direct specific benefit versus those that provide a CGIAR public good that all Centers can access as they wish. There is not a distinct split between these two functions since all the units have some elements of one or the other. Fee based units do provide some benefits that all the Centers can access while the public goods units also provide specific services to individual Centers. Thus units such as the G & D unit or the CAS-IP provide direct services to individual Centers and the direct service units also provide

⁴ This table does not include the FHF or the AIARC which were removed from the SO in 2003 and 2004 respectively. Including these two units would show a slower reduction in the share of the three CGIAR pillars.

guidelines and other information that is useful to other parts of the CG system than the funding centers. Table IV provides a rough classification of the SO units according to this typology.

Table IV Typology of SO Units

CGIAR Pillar Support Services	Funding Sources
CG Secretariat SC Secretariat Alliance Office	World Bank CGIAR Members All Center levy
Primarily Public Goods Service Units	
G & D CIO CAS-IP	All Center levy and CG Sec (plus external funding) All Center levy and CG Sec All Center levy
Primarily Direct Service Units	
IAU SAS-HR Media	Participating Centers and CG Sec Participating Centers and CG Sec Participating Centers and CG Sec

The externalities provided by the direct service units are one reason why the CG Secretariat funding to these units can be justified. It compensates to some extent for external benefits not captured by the funding centers as well as paying for some benefits that the CG Secretariat enjoys from these units.

Finding 1. The creation of the SO has improved transparency and accountability of the SO units. The activities of the units have been categorized into four functions and plans and annual reports are summarized and consolidated in one document and web location.

It appears that part of the motivation for creating the SO was to reduce duplication and a lack of transparency on what the units were doing. The Business Case prepared in 2003 identified four functional areas where the SO units would operate:

- Strategic Planning and Development;
- Monitoring and Evaluation;
- Communications and Resource Management; and
- Management Services

It made a good case for what was an amorphous concept grouping together disparate units that seemed to have little in common. Classifying most of the SO unit activities in four functions may have been a little forced in some cases but it has had the virtue of seeing who is responsible in each area and facilitated development of joint activities. It

may have also had the effect of encouraging the SO units to keep focused on these core functional responsibilities and reducing mission creep.

All the units describe their activities in a common workplan (IOP) under each of these four functional objectives. They also produce an annual report that describes their achievements in each of the functions. This has helped to bring clarity to the descriptions of the work of each unit and allowed for easier assessment. The IOP, annual reports and unit activities are now reported in one place on the CGIAR website although there is still some room for consolidation and ease of cross reference with some of the SO units⁵. The alternative of having each unit report separately even with a common format would make it more difficult to monitor and assess the overall scope and relative emphasis of the units in different areas.

However the limited use of performance measures makes it difficult to judge the achievements and effectiveness of the SO. The SO units only identify planned outputs in their IOP and report on outputs in the SO annual reports.

3. Effectiveness

The effectiveness of the SO depends on it creating benefits that are greater than the units could achieve working independently. Thus the question is whether the whole is greater than the sum of the parts

The ultimate effect of the SO in improving performance of the CGIAR is indirect as its effectiveness depends on the extent to which it improves the effectiveness of the SO units. In turn, their effectiveness depends on the extent to which the CGIAR system uses the outputs of the SO units. Thus in the case of the IAU, the effectiveness of the SO depends on the benefits that the IAU derives from the SO in improving its performance and the extent to which the Centers and other parts of the system adopt better audit and financial management procedures and become more efficient in financial management.

3.1 Stakeholder Views

The CGIAR Center DGs and the unit heads are the two stakeholder groups who seem to be in the best position to judge the effectiveness of the SO. The Center DGs have been involved in governance and oversight of individual units and the unit heads are able to assess how the SO has contributed to their work. All unit heads and a sample of DGs were interviewed for their assessment. Some additional individuals such as ex-DGs, the Alliance Board Chair and the person who prepared the original SO Business Plan were also consulted. (See Appendix III for a list of those consulted.)

Most DGs rated the SO as a useful initiative. Only one person interviewed felt that the SO might be contributing to “butter churning with information up and down the system” and that it might be adding another layer of bureaucracy. Some commented that the original expectations were not that high when the SO was created. It was seen as having some positive value in terms of optics by providing transparency and reducing

⁵ Some of the SO units do not have links to the System Office site explaining the System Office and the different SO units in the CGIAR.

the feeling that there were floating bits and pieces of the CGIAR. However it was seen as having gone well beyond this to achieve other benefits. The SO has created value and contributed to better performance. No one indicated that there was any duplication of services already performed at the Center level.

Some suggested in fact that the SO was still too modest in size and that the Centers could benefit from a much greater sharing of common services to the Centers.

The SO unit heads generally felt very strongly that the SO has contributed to their effectiveness. They referred to the benefits they achieved in having more knowledge about the CGIAR, sharing experiences that improved their performance and accessing expertise that they didn't have. These benefits are reviewed more fully in the subsequent section on capacity building.

Only the Science Council Secretariat felt that the benefits to them from participating in the SO were limited because of their specific mandate. It has however significantly increased its cooperation with the CGIAR Secretariat and now, to some extent, with the IAU and the CAS-IP.

3.2 Results Achieved

Finding 2: The real costs of maintaining the SO are minimal

One of the positive features of the SO is that the transaction costs created by the SO are minimal (after starts up costs of common reporting were covered). They are largely related to the time and costs of SO unit heads in communication and attending an annual SO meeting, the part time coordination costs in the CG Secretariat and to additional governance costs. Annual SO Steering Committee meetings have been arranged to coincide with other CG meetings so that SO governance costs have been minimal.

The SO unit heads have to prepare contributions to the IOP and to an annual report. They also have to attend one annual meeting of the SO. However these costs would largely be incurred anyway if the SO did not exist. The individual units would still have to produce reports and each unit head would still have to travel and find time to interact with other units at some point to address areas of common interest. Having all the unit heads together in one location allows them to meet many more of their colleagues than they could if they had to arrange bilateral meetings. The provision of support services by the CG Secretariat might be somewhat reduced if the SO did not exist but the CG Director has responsibilities for SO units oversight that would still require part-time support from the Secretariat.

Finding 3: While still modest, the SO is effective in providing value to the CGIAR with a high benefit to cost ratio

There is limited evidence on which to make a definitive judgment on the SO's effectiveness but it seems clear that the SO has made a positive contribution. The benefits achieved by the SO can be found both in improved quality of unit outputs, in some reduced costs and in the capability of the individual SO units.

While the purpose of this review is to assess only the effects of the System Office and not the effectiveness of individual units, there are positive indications that the SO units are providing value. None of the Centers have withdrawn support from any units that they support through individual fees and the Centers have created new units and, in some cases, increased their support for existing units. A major milestone that was achieved in the last few months was the subscription of the last CG Center to the IAU, so that one fee paying unit has now achieved complete coverage of all the CG Centers. Nearly all the Center DGs consulted indicated that the SO units were a cost effective way for the Center to access expertise that would have cost them more to develop in-house or to get from external consultants.

Three of the units have carried out some form of evaluation since the SO was created. In each case, these reviews identified positive achievements in providing value to their users. The only evaluation that addresses the issue of the SO itself is the evaluation of the G & D unit where the evaluators concluded that:

“The institutional set up of the G & D program, which functions as an autonomous unit within a cluster of units of the Systems Office is crucial to its strong and healthy performance. The System Office can be- and has been so far- very instrumental in assisting and guiding the G & D program in guarding its boundaries and sticking to its mandate.”⁶

Within the SO, the number of collaborative activities has increased, usually based on cooperation between two or three units. The benefits tend to come from small improvements in a large number of cases so the overall effect is difficult to quantify. The IOPs document two or three cases of such collaboration for each of the units. The SO workshops held once a year also indicate the rate of change in collaborative activities. The first two workshops in 2002 and 2003 didn't list specific planned activities but the last two in 2004 and 2005 identified planned cooperative activities in three of the four functional areas of their work. The number of collaborative activities identified was 20 in 2004 and 23 respectively in 2005. Monitoring and evaluation was the only function analyzed in both years. The number of units that cooperated on each collaborative activity increased from an average of 2.45 to 3.6 in these two years. These figures confirm the views expressed by the SO units that cooperation is increasing and becoming more ambitious.

This collaboration often involves one unit offering its expertise to another unit. The unit is able to benefit from expertise it doesn't possess and from individuals who are already familiar with the CGIAR. If the units had to contract such expertise from outside, the overall costs to the SO would be much higher as it would take time to identify and to brief a consultant on the unique features of the CGIAR system.

Collaboration takes different forms such as joint and complementary activities as well as sharing methodologies and tools that reduce costs or increase effectiveness. Since each unit reports annually in the SO annual report on several examples of collaborative

⁶ Castillo, Gelia and Fogelberg, Teresa. External Review of the CGIAR Gender & Diversity Program 1999 – 2003. 2004. p. 66

activities, they needn't be repeated here. However it may be useful to note in Table V examples of the different kinds of collaboration that the SO units have had.

Table V: Types of SO Collaboration

Type of Activity	Activity
Joint Activity	<ul style="list-style-type: none"> • CIO, CAS-IP and the IAU provided a joint advisory service for Centers implementing the Global Public Goods Assets Rehabilitation Project. • The CG and Science Council Secretariats are jointly working on the evaluation process for the Centers. The IAU provides assessment of some data for this process. • The CGIAR and the SC Secretariats created a joint research assistant position in 2006 with a two-year appointment
Complementary Activities	<ul style="list-style-type: none"> • SAS-HR, G & D, and the CGIAR Secretariat all provide specialized training courses. The CGIAR Secretariat consulted the other two units to ensure that its training course for senior Center managers did not overlap with other ongoing courses. • The IAU has plans to cross-reference its overview Good Practice Note on human resource management to the more detailed SAS-HR good practice notes on particular HR topics.
Tools and Methods	<ul style="list-style-type: none"> • E-conferencing: The G & D unit developed a large e-conference which it estimated cost about \$20,000 to fully develop. It has used this e-conferencing capability to host an ICT-KM e-conference saving ICT-KM from having to pay the development costs again. • Mapping Outcomes; The CIO organized a workshop on outcome mapping and invited other SO units to attend. The IAU and G & D have both incorporated some of this approach in their own workplans.

In view of the fact that the CG and SC Secretariats represent over 50 percent of the overall SO budget, the improvement in collaboration between the two Secretariats in recent years is significant. They held a joint planning meeting in early 2006 to re-enforce this with agreement to work more closely on the EPMP and the MTP process, CGIAR

System priorities and joint communication outputs. Specific targets and joint activities were decided in each area and they also agreed to appoint a joint research assistant.

The Business Case developed for the System Office in 2003 identified three goals for the SO: increasing efficiency, reducing costs and increasing funding. There is strong evidence that the SO is contributing to achieving each of the first two goals.

The evidence on whether it is contributing to generating additional funds would require a much more detailed analysis than is possible in this review. There is no readily available information that would allow for any judgment on this objective. The CG Secretariat is identified as the main SO actor in the function for communication and resource generation. The Marketing Group which includes all the Centers and the CGIAR Secretariat is not a part of the SO so its work in influencing existing and potential donors is outside the SO orbit.

Finding 4: While most SO unit activities serve Center needs, there are areas where SO units are providing value to other parts of the CGIAR system

The CGIAR and the Science Council Secretariats naturally have a major part of their work directed to other parts of the CGIAR than the Centers but other units have also assisted other parts of the CGIAR. Some examples of SO unit support to other parts of the CGIAR system can be cited. The G & D unit supports the development of gender development in the NARs through direct support from external donors. The CAS-IP, CIO and the Alliance Office have assisted the Challenge and Ecoregional Programs. CAS-IP also provides support to the Genetic Resources Policy Committee.

The IAU receives an average of \$35,000 each year, equivalent to the contribution from most centers, for audit and advisory services for the CGIAR Secretariat on system wide studies or for system wide projects such as the Global Public Goods Assets Rehabilitation project. The CIO, CAS-IP and the IAU developed a joint advisory service for this project. The IAU also recently participated with the CGIAR Secretariat in reviewing the readiness of FARA to manage the SSA CP.

4. Potential to Perform

4.1 Developing Capability

Finding 5: The SO has increased the capability of the SO units, particularly the smaller units

The SO provides units with an opportunity to keep up to date on changes in the CGIAR system. The SO units need to be sure that their activities take account of the changes in the way that the CGIAR system operates. This was noted in the external assessment of the IAU which signaled one of the risk factors for the IAU is

“inadequate linkage of Center audits with system-level developments... the CGIAR System is not only complex but also dynamic and there must be sufficient professional capacity within the unit to effectively monitor Center and

System level development and assess the various other review activities underway in the System”⁷

One SO unit head said that “unit to unit discussions are useful but the bigger picture through the SO is very valuable.”

The SO also increases their knowledge by allowing them to share ideas on new approaches and ways to deal with their different clients. One SO unit head characterized SO meetings as “learning as we go”

The SO units exhibit complementary competencies and they can tap expertise they don’t possess to improve the quality of their own activities. An example is a Good Practice Note produced by the IAU which draws on the expertise of the CIO in preparing the document. The document then has higher credibility with IT professionals in the Centers.

Finding 6: The SO has created synergies between the units through sharing expertise and approaches and through better information and knowledge of the CGIAR.

These factors that allow them to increase their capability are the factors that have contributed to synergies in the SO.

The units, particularly the smaller units, appreciate the opportunity to share ideas and work in a collegial manner with their colleagues in other units. There is a sense of belonging and peer credibility from contributing to SO activities.

The requirement for units to document examples each year in the IOP of collaboration has also provided some pressure for units to demonstrate collaborative work. As there was some indication from unit heads that not all units are as receptive to collaboration, some additional incentives should be created. The job description of all unit heads could identify collaboration in the SO as an important requirement and the willingness to collaborate should become a part of the annual performance appraisal of the units.

4.2 Strategic Planning

Finding 7: Collaboration in the SO is at the operational level. The SO has not developed strategic objectives for the SO or for individual functions.

The SO has a bottom up approach to collaboration in the SO. Partnership costs have often been shown to be high where they bring together separate organizations with very different focus and agendas to work out a common approach. Part of the reason that the SO has low transaction costs is that it has not set broad goals and developed a program for common action. SO collaboration is more operationally than strategically driven.

The SO units define their own workplans separately and are focused on meeting the objectives laid out in these workplans. The SO units were perceived as being demand driven, in some cases drawing on input from advisory committees that bring together

⁷ Quality Assessment, The Institute of Internal Auditors November, 2004. p. 7

the key stakeholders who are usually most concerned to address stakeholders' needs in the particular niche of the SO unit.

The annual SO workshops are a relatively short meeting so a lot of the collaboration discussion takes place bilaterally. These usually involve assistance to another unit in fulfilling its workplan. Thus the focus is more on what each unit wants to do through a bottom up approach to collaboration

The SO Business Case suggested there was a need for a more strategic approach than the SO has followed to date. Some of those interviewed echoed this view and felt that the SO should become more strategic and develop a strategic plan.

However it would be difficult under present conditions to prepare an overall strategic plan for the SO. It would require a much more elaborate process of consultation to make a plan demand driven. The SO units are often small and there are many areas where there is limited potential to contribute to a broader strategy. Some are ongoing service activities that couldn't easily be changed such as the three pillar secretariats that support obligations to their stakeholders.

At the same time, the SO should be encouraged to stretch itself now that it is maturing as a forum and consider how it could achieve a higher level of collaboration and benefit to CGIAR stakeholders. Rather than trying to develop an overall strategy, the SO might consider identifying some areas where it could take a more strategic approach. This would be in keeping with the evolutionary approach favored by the CGIAR,

One approach would be to identify the strategic needs of the CGIAR System in each of the four SO functions that determine the boundaries of the SO's activities. The SO could look at key development goals and desirable outcomes in each of these functions and develop a coordinated approach to addressing these needs. The SO units classify many activities in these different functions which are not amenable to fitting into a broad development goal and they would continue to be treated separately. Not every unit has a significant contribution to make to each function so developing a strategic objective or objectives for each function might be tasked to only a few units. Definition of the objectives for the M & E function seems to be most advanced so this might be a good function to proceed with first.

This approach of addressing strategic objectives would make it easier to see gaps in coverage that the existing units couldn't meet and where the CGIAR might consider adding capability. It could identify the relative importance of different needs and which units are most appropriate to address them. It would make it easier for the funding agencies to determine whether one unit should get more resources than another. It would allow management to more easily assess the overall impact of the SO and allow for easier performance measurement against broader CGIAR goals.

This might require SO units to make some modifications in their own three year workplans. There are a number of units that do not have three year business plans at present, in some cases because the units are new or a new unit head is being recruited. Only the IAU, the G & D, and the CIO have three year business plans. The Science Council Secretariat also has the equivalent of a two year plan through the two year workplan presented by the Science Council to ExCo for approval. If the SO decides to pursue strategic objectives for the different functions or other areas, then it might be

advisable to wait until these strategic objectives are developed so that they can incorporate some of this in their own plans.

Finding 8: Incorporating the Marketing Group into the SO would help it address the Communication and resource mobilization function.

It would be difficult for the SO to adequately address issues related to the Communications and Resource Mobilization function since a key CG group is not part of the SO. The CDMT and the CGIAR Charter both identified improved communications as one of key objectives of the SO. Communications and resource mobilization was selected as one of the four functions on which the SO would concentrate. The Media unit has just been created to serve the seven Centers but it will address one particular communication niche. The Alliance and the CGIAR Secretariat have created a Marketing Group which brings together staff from each of the Centers and the CGIAR Secretariat. The Marketing Group has the primary responsibility for communications activities in the CGIAR. The Alliance Executive has decided to assess the Marketing Group in the same process as it does the SO units. Given the importance of the Marketing Group to the SO functional objective in communication and resource mobilization, a strong case can be made for including the Marketing Group in the SO.

In addition to functional objectives, the SO could also look at a key CGIAR development issue such as training. The SO's mission and functions statement indicated that one of the SO's responsibilities is the organization of training programs to fill system wide needs. All units might have some involvement in developing a broader strategy since they are all concerned to build strong capacity in their respective fields. Three units have already been involved in setting up formal training courses and other units have been involved in developing capability in the Centers. The SO should assess whether the different approaches they are pursuing represent in total the kind of capacity development that the CGIAR system needs. The SAS-HR might be given the lead responsibility to identify how the SO could develop a more integrated and comprehensive program.

Adopting such a strategic approach would take time and the SO would have to be careful not to pursue too elaborate an approach in the early stages. There is a need to strike a balance between the opportunity to increase impact by a more comprehensive approach to key development issues in the CGIAR and the costs of trying to force a fit among units with very different mandates.

4.3 Evaluation

Finding 9: Although there have been several unit evaluations, there is no SO policy for periodic evaluations of SO units.

Since the creation of the SO, the IAU and the G & D units have had independent external evaluations while the CIO commissioned its own evaluation. . The Chair of the Alliance IP Subcommittee carried out a "CAS-IP Customer Service Survey" among the Centers in 2003 and provided the results to the Center Directors General. The IAU is required to have an independent external assessment at least every five years to maintain IIA standards. The CG Secretariat has been specifically evaluated some years

ago. More recently it requested an independent assessment of its financial management.

The CGIAR has a high level of evaluation relative to many other international organizations. The SO Business Plan suggested that the SO should be nimble and able to add or drop units as conditions change. In addition to the benefits that an evaluation can provide for unit management, it can also help identify when it is appropriate to make any changes. Given this situation, it would seem appropriate that the SO should be subject to the same principle of periodic independent evaluations that is applied to all the Centers.

It would be useful if the TORs for individual SO unit evaluations could include analysis that will provide the evidence needed to assess overall SO effectiveness for any future evaluation of the SO.

A decision to evaluate one of the three pillar support services, the Alliance Office, the CG Secretariat and the SC Secretariat would have to be made by their own governing authority but the SO should establish an evaluation schedule for the other SO units. As the Centers are subject to an evaluation every five years, the SO Steering Committee might consider using the same time frame for evaluation of SO units and the SO itself.

Developing performance indicators may be one way to eventually reduce the demand for evaluation information from other stakeholders.

4.3.1 Performance Measurement

The SO has planned to but not yet developed an adequate performance measurement system. Three units (CIO, IAU and G & D) have defined outcomes and the G & D has developed measures of diversity and gender in the Centers.

The CGIAR Performance Measurement study noted some lessons about performance measurement that have been borne out by other studies. Performance measurement must be developed by those involved. There are no tailor made measures that can be used in organizations, particularly one with the unusual characteristics of the CGIAR and the SO. Developing effective performance measures is an iterative and time consuming process and requires buy in and ownership by the users.

The SO will have to decide on the emphasis it will give to developing performance measurement at the individual unit level or at the overall SO contribution to the four functional SO categories.

Since many of the SO units are very small, any performance indicators developed at the unit level should be light and limited in number. As a first step, those units that have not already developed a medium term or business plan should develop a plan that will identify the key goals and outcomes that each unit aims to achieve. Then it will be possible to consider what indicators are appropriate, feasible and least demanding to provide.

If the emphasis is placed on developing outcomes and indicators for the four SO functions, the definition of goals and desirable outcomes for specific strategic activities will have to precede the development of indicators. Under present conditions, it would

not be helpful to identify outcomes for all the specific and often small activities that units contribute in the different functions.

There are risks in developing indicators at the unit level rather than for the SO. While indicators are probably easier to measure at the unit level since most SO units have well defined objectives and outcomes, it could lead to a proliferation of indicators and detract from efforts to encourage a more cohesive SO response to CGIAR needs.

On balance, it would seem that the SO would achieve more powerful indicators if it develops a common framework and performance measurement of strategic objectives at the functional level of the SO although these will take longer to develop.

The SO might also consider whether it could develop some indicators that assess the effectiveness of the SO. Performance measurement for the SO might bear some similarities to those developed for networks. An example for the SO of outcomes and indicators is given in Appendix II.

4 . 4 Working Conditions

One of the issues that have not been addressed is how to allow for professional development of the SO units. The units are often small and highly dependent on the performance of the unit heads. Unit heads have demanding work schedules with frequent travel in most cases. Thus they have little time to devote to their own professional development.

The SO Steering Committee should address this and also look at whether the working conditions for the different units are equitable, recognizing different Center employment practices.

4 . 5 Minimizing Costs

The SO is a lean operation now so there doesn't appear to be many areas where costs could be reduced. Two issues were noted by those interviewed.

One concerned the cost largely to Center staff from having to fill out surveys for different groups. The SO needs to keep in mind that the real cost of the SO includes the time and resources provided by other parts of the CGIAR. The SO units should monitor the use of surveys that they produce and look for ways to reduce information demands. There might be cases where survey information needs could be combined or data from one survey used to satisfy another units information needs.

The second issue raised by some of the SO units was the cost of different reporting and financial information needs by their host Centers, the SO and the various governing bodies. The head of the IAU thought that financial information was gradually becoming easier as the financial information system in the Centers is refined. The Alliance Office has produced new financial and reporting templates for the SO units that are financed by levy and are overseen by the AE and the CGIAR Director. This same template will also be used in the SO Annual Report.

5. Governance

Governance issues need to be addressed at the level of the individual units and at the overall SO level with governance at the system level being the most important issue to address. The CGIAR Charter provides limited detail on governance.

5.1 System Office Units

There is considerable variation in the way that different units are governed. The CGIAR Secretariat, the Science Council Secretariat and the Alliance Office have well defined responsibilities to the CGIAR Chair, the Science Council Chair and the Alliance respectively. The reporting authority of the CGIAR Director and the Director of the Science Council Secretariat are spelled out in the CGIAR charter.

The CGIAR Director is jointly responsible for governance with the host DG for the four units where the CG Secretariat provides funding except for the G & D unit. Two other units (the Alliance Office and CAS-IP) report only to the Alliance Executive. The IAU has a different oversight with a Sponsors Board.

In addition, the CAS-IP, the CIO and the G & D units have an Advisory Committee that play a role in guiding the units and their workplans.

Finding 10: Advisory Committees play an important role in building professional communities in the CGIAR and in advising the SO units but cannot play a role in governance of SO units.

The Advisory Groups bring together a wide array of interested stakeholders in their area of work. The G & D unit also has donor representatives on the Committee in recognition of the support external donors are providing to the G & D. The CAS-IP has two Center DGs as members of its Advisory Group.

The SO units feel that these committees help to identify Center needs and provide advice and new ideas. They also help build connections with their key stakeholders and contribute to professional networking. The creation of these advisory groups has been a positive achievement in the SO in developing this greater community of professionals and the Advisory Committees should continue to cast their net as widely as possible.

The evaluation of the G & D unit recommended that the Advisory Board be changed to a governing board but this recommendation was not accepted. Advisory Committees that represent a wide range of stakeholders at different levels of responsibility do not seem to be appropriate vehicles for governance

The IAU is a special case where the Board of Sponsors is composed of management representatives of all contributing Centers plus the CGIAR Secretariat. The co-chairs of the IAU are drawn from the host Center and the CGIAR Secretariat. This Board reviews and authorizes the workplan of the IAU and prepares the performance appraisal of the Unit head in consultation with the host DG and the CGIAR Director.

There are good reasons why an exception should be made for the IAU Sponsors Board. The audit work performed by the IAU is carried out under well defined standards set by the IIA. The members of the IAU Sponsor Board are appointed by management from the sponsoring Centers and the CG Secretariat so there is a delegated level of authority

on the Sponsor Board. In addition, the IAU has to have its workplan for each Center approved by each of the Center Boards so there are numerous levels of assessment and approval already built into the workplan of the IAU. The IAU's governance is already onerous and multi-level. The evaluation of the IAU did not identify any difficulties with governance and there is no reason to change what appears to be working well.

5.1.1 Stakeholder Views

There were a variety of views expressed by those consulted on what would be appropriate governance of the SO units. One expressed the view that the real issue was finding a champion for the units work in the Centers and that governance issues were much less important. Some suggested that all funding Centers and the CGIAR Director should be involved in governing each of the units.

The SO unit heads indicated that they would like to have more interaction with the Center DGs since they saw them as key champions. Some felt that that the level of interaction was not as strong now as it was in their formative period and some units had difficulty in getting DGs to respond to requests for comments on their workplans.

One main area of disagreement was whether the host DG or another Center DG should be responsible for unit oversight. It was felt that the units will inevitably favour their host center because of proximity and that also making the SO unit responsible to the host DG would make this problem worse. It was pointed out that the Center DGs are responsible for supervising many staff located around the world so there is no reason why a DG could not supervise a unit located in another location. The only evidence pointing to the issue of host center emphasis was a table in the G & D evaluation which showed that the host center was one of the top recipients of G & D activities with the Centers.

Others felt that the host DG was in the best position to monitor the performance of the SO unit and that this was the least costly option. The Alliance Executive has decided that the host DG will be responsible for monitoring and supervision of the SO units. Given that there is no compelling argument for one position or the other, there seems no reason to recommend any change in Center management responsibility.

The SO units and the DGs were generally positive about the value of having the CG Director involved in unit oversight. The CGIAR Director is seen as having stimulated the development of SO units and used supplemental funding to allow new units to be created. The Director is able to monitor the work of one unit in relation to the overall evolution of the SO and trends in the CGIAR system.

Finding 11: The combination of the host DG and the CGIAR Director provide a good balance and a minimal level of supervision and assessment for jointly funded units.

The Alliance Executive decided in 2005 to create an AE Sub-Committee on SO Liaison and Coordination composed of the host DGs of the SO units. This Subcommittee is chaired by the outgoing AE Chair (a position that rotates annually). This year, for the first time, the Subcommittee will meet with the SO Unit Heads during the annual SO

workshop to review their workplans and annual budget proposals and prepare a consolidated set of budget options for approval by the Alliance.

This new arrangement will create some benefits. It will cut out one stage in the approval process whereby the SO units presented their budgets and workplans to a Committee of the Deputy Directors General. It will give a wider number of DGs an opportunity to interact with the SO unit heads and to make more informed judgments on relative resource allocation to the units. The SO units welcome the opportunity for more interaction with the DGs.

Finding 12: Governance and management costs could be reduced if multi-year funding could be provided to SO units.

One option that might be considered is providing multi-year program assessment and funding to the SO units. The three fee based SO units are already essentially on a three year budget with participating Centers committing funds for a three year period.

Less frequent assessment of units could shift the focus from operational workplans to assessing and approving a longer term strategic direction and budget for the SO units. It is difficult to see the overall direction of the units from annual workplans. Some units may give major emphasis to one activity one year and another component the next year so the annual workplan may not give a good sense of the relative importance of the units work over time on each activity. The G & D 2006 workplan presents a graph showing how the balance of its work will shift significantly over a three year period.

On an annual basis the amount of funds that might be shifted would not appear to be significant. The overall contribution by the Centers to those units funded from a common pot is \$ 1.4 million in 2006, which includes a contingency fund of 100,000. An adjustment or re-alignment of some ten percent in these unit's budgets represents less than 1/4000 of the overall CGIAR budget.

If the AE Sub-Committee decided to provide multi-year funding, it could look more broadly at what each unit can achieve and the relative merits of each for the Centers. It could spend more time in reviewing three year business plans and budgets while spending less time overall if the SO units were assessed in depth only every three years. The Sub-Committee could decide to review only a few units each year. The units would still meet annually in the SO workshop, prepare annual workplans and budgets, and individual units would still have annual assessment as they do now.

5.2 The System Office Steering Committee

Finding 13: The SO Steering Committee has no terms of reference. It has functioned very informally and has played a marginal role in SO oversight and governance.

The SO Business Case proposed that a strong governance mechanism be created to guide development of the SO. An SO Steering Committee composed of the CGIAR Director, a Center DG who was the retiring Chair of the AE and the Chair of the Science Council was created to steer the SO into existence. The Business Plan recommended that the Steering Committee be expanded with several more members, likely drawn from Center DGs.

No decision was taken to create a stronger governing body and the SO Steering Committee has been maintained with only the three initial members. No terms of reference were ever developed for this committee and it has operated very informally. The CGIAR Director has taken the lead in addressing some SO issues and the Committee has met annually usually at the time of the SO workshops with most decisions or information being handled by telephone or email exchanges. There have been no minutes issued on the Steering Committees deliberations.

While the governance of the SO should not require a high level of management time, there are issues that the SO Steering Committee should address. The SO units may have different funding arrangements but there should be some consistency in oversight and assessment.

The mandate of the Steering Committee and its terms of reference should be formally defined. It could include:

1. the role of the SO and strategy for its evolution;
2. ensuring adequate oversight of the SO units;
3. allocation of resources according to different CGIAR and Center needs;
4. the degree of collaboration and the effectiveness of the SO
5. periodic evaluation of the SO units and the SO;
6. Creation, termination or modification in SO unit mandates; and
7. working conditions for SO unit staff.

While the practice of having informal exchange on many issues that come up between meetings is helpful in reaching speedy decisions, agendas should be prepared for formal meetings and minutes issued on the Committees deliberations in order to promote transparency and adequate information to all relevant stakeholders.

The CG Director and the Science Council Chair have both indicated that they think the present composition of the SO Steering Committee is inadequate. The Science Council Chair also feels that there is little merit in his participation, given the focus of the SO on more operational issues. The participation of a Center DG who rotates annually does not provide a consistent or strong enough input from the Centers point of view

The intention of the AE Sub-committee to meet annually with the SO units offers an opportunity to expand the SO Steering Committee to also include these DGs as members of the Steering Committee. This would create a SO Steering committee with representation from all DGs that host the SO units. These DGs are likely to be most knowledgeable about the activities of the various SO units and would provide continuity of Center representation on the Steering Committee.

There may not be a strong need for the presence of the Science Council Chair on the Steering Committee but his or her participation provides the Steering Committee with representation from all three pillars of the CGIAR.

5.3 The Lifecycle of SO Units

The SO Business Plan indicated that the SO would maintain a flexible approach with units being added or terminated over time. One unit has been terminated, one unit has been withdrawn and one unit has been added so it appears that the SO has been dynamic in its composition.

While the reasoning behind the creation of each unit was not investigated, it appears that the more recent units were created by decision of Center DGs and in most cases, with the involvement of the CGIAR Director to address a perceived need. There was one comment that suggested some units were originally not demand driven but that that all were now focused on responding to demand.

The newer units were created to add capability in areas that were emerging issues of importance or where the Centers felt they lacked in-house capability. They were not created to reduce ongoing costs by outsourcing services from the Centers to a central service. The IAU is a partial exception where some Centers have chosen to have the IAU perform services that they would have otherwise had to do internally and they provide the IAU with additional contributions.

The Media unit established this year is the most recent example of a new SO unit. Four DGs originally decided that they needed stronger media support services and that creating a media unit would be more cost effective than trying to build up their internal capability in each center. This idea was discussed with the CGIAR Director who agreed that this was a useful approach and offered to provide support. Three other centers also joined this unit when they heard about it.

The process for deciding on creating an SO unit has been largely done informally. There is no process for wider consultation or the development of a business case to assess the advantages and disadvantages of creating an SO unit. This review has already suggested that admission of a new SO unit should be part of the terms of reference of the SO Steering Committee.

Finding 14: The practice of creating SO units with support from only a number of Centers has a number of advantages. It allows for quick establishment, testing on a small scale and for others to buy in if benefits become evident.

Some units have been created with support from only a number of the Centers and the CGIAR Secretariat. This has advantages in being able to reach agreement quickly on creating a unit by Centers who see a need so that it is clearly demand driven on the part of those supporting the unit. Not all centers can be expected to have the same needs. These smaller collaborative units allow for experimentation and testing of the value of a new unit without making it system wide. The contribution from the CG Secretariat helps to compensate for the external benefits that non-contributing Centers or other parts of the CGIAR may derive from such a unit.

5.3.1 Selection Criteria

It would be useful to establish some general criteria for when an activity could become part of the SO. Centers are experimenting with collaborative activities that would not

likely be part of the SO, at least under certain conditions. The SO could establish criteria such as the following:

- All Centers should be able to participate in the SO unit, at least over time.
- A minimum of three Centers should support the SO unit.
- The SO unit should provide a service that has benefit for non-participating Centers or a system benefit.

To maintain the flexibility of the SO and to ensure that units do not continue if the need for them declines relative to other needs, the SO should also have a mechanism to phase down or merge units.

The SO could consider adding a sunset clause into the plans for new units whereby the units would be phased down after a certain period unless there is a formal evaluation and/or management decision that the unit will be continued for another phase. Having a sunset clause helps to ensure that there is a trigger point at which a management decision has to be made. It also helps divorce assessment of the unit's value to the system from individual performance. A unit may have excellent leadership and performance but be working on issues of declining importance to the CGIAR. A sunset evaluation should be done well before a unit leader's contract ends so that staff has some assurance that any decision will not immediately affect their own employment.

Finding 15: There are no opportunities for merging units in the short term. The G & D and the SAS-HR share sufficient areas of interest that they would benefit from developing a formal protocol that clearly identifies their respective areas of focus and those areas where they will work together on an ongoing basis .

The units are so different that there would be no benefit from merging individual units at present.

The most obvious area of common interests is between the G & D unit and the SAS-HR unit. The SAS-HR is in the process of being renewed with a new unit head and it will take some time for the unit to become fully operational again. The G & D has developed a very active program with a wide interpretation of its role in promoting a receptive culture for gender and diversity in the Centers. It has taken on some additional neglected areas such as an HIV/AIDS program for the Centers. The G & D evaluation pointed to a number of areas where it thought that there were complementarities with the SAS-HR unit and it recommended that the G & D unit and the SAS-HR develop an MOU to define a division of tasks and a protocol of collaboration.

6. Future Directions

There are several possible future directions that the SO might take. It could continue to evolve with many of the present features it has now. There could be some modest growth in the number of units or growth in some of the existing units without necessitating any major change. The CGIAR system is complex and dramatic changes are not easy or maybe necessary.

Another possibility could be the development of larger central corporate services which, of course, could be located anywhere, including one of the Centers. Most of the SO

units have been created to provide additional expertise to the Centers rather than replacing existing Center services. If the Centers decided to outsource major components of their administrative services, then it would have major implications for the SO, including a possible major merger of service units.

This issue has been debated elsewhere and several of those interviewed felt that centralizing is not consistent with the present view of the CGIAR system. The CGIAR is not a corporation and therefore it doesn't make sense to create a central corporate services office.

However there are some changes that seem to be increasing the potential for more outsourcing of central services. There are bilateral discussions between Centers on sharing some services in common. If these experiments show that outsourcing services leads to significant cost savings and less demands on management for administration, then these smaller experiments might grow.

The SO might still look at some merging if there is a continual increase in the number of units. There could be a point at some stage when the benefits of a major merger of SO units might begin to outweigh the costs.

The CDMT report noted the advantages of merging such as:

- reduced overlaps in responsibilities and unattended gaps;
- lower administrative, overhead and transaction costs;
- greater ability to shift resources from low to high priority areas over time; and
- reduced governance costs.

A major merger would probably not include all units in the SO. If the objective of merging units would be primarily to provide better service to the Centers, then the CGIAR and Science Council Secretariats might continue as separate entities to service the other pillars of the CGIAR system.

One disadvantage of a major merger of units would probably be concentration of at least some of the units in one location. For a variety of reasons, the concentration of SO units has been increasing in Rome. The Science Council Secretariat is in Rome as part of a long standing arrangement with one of the co-sponsors. The CAS-IP moved to IPGRI HQs in Rome after ISNAR as a Center closed its HQs in The Hague. The Alliance Office will be located in Rome, affiliated with a co-sponsor. For personal reasons, the head of the G & D and the CIO have relocated to Rome although the G & D unit still has its headquarters in ICRAF. The result is that five of the nine SO unit heads are now located in Rome. This concentration seems to have occurred by happenstance.

There were divergent views among those consulted for this review about the appropriateness of this concentration in Rome. Some felt that the SO units are not location specific and they can do their work from any location. Rome is a more convenient location for travel than many of the other centers.

Others felt that one of the advantages of having separate SO units is that they can be located in different centers where they benefit from interaction with other center staff and remain cognizant of the centers culture and operating styles. The CGIAR has a strong focus on addressing agricultural needs in the south and it was seen as

appropriate for the SO units to generally be located in the centers in the south. It was also pointed out that the cost of placing SO units in Rome is higher than elsewhere. This would appear to be the case. The average cost of living index calculated by the World Bank for the capital cities in those countries where there are centers is 103 compared to 175 in Rome⁸. While the CGIAR does not calculate salaries on the basis of the World Bank cost of living index, it does identify the relative costs of living in different countries that the CGIAR must reflect in some manner. It may be that savings in communication and travel would compensate for much of the higher cost of living in Rome.

At the same time, most recognized that the effectiveness of the SO units is very dependent on the quality and commitment of the SO unit heads so it is important to try to keep these unit leaders even if it means they are not located in the centers in the south. The unit heads can be located again at their original center when there is any turnover of staff.

Finding 16: There would be no advantage from a major merger of SO units unless there is a very significant growth in the size of the SO.

Making changes to the present situation would require considerable re-adjustment with an investment of time and perhaps loss of some of the existing unit heads. A new office would have to be created and staffed and no unit at present is in a position to take on a lead management role without major changes

The units are sufficiently specialized that there would be minimal opportunity to move professional staff from one activity to another. One of the challenges in a merged office would arise from handling differentiated services for those units that operate on a fee basis from participating centers. Separate workplans and budgets would still have to be created for these activities that are targeted only to certain subscribing centers.

In addition, there are certainly some advantages in having separate units. The unit heads feel highly motivated as that they are in sole charge of their programs, they have considerable autonomy of action and they remain highly focused on a specific niche.

⁸ The cost of living index is calculated for expatriate costs based on the cost of living in New York which has a base of 100.

7. Conclusions and Recommendations

The creation of the SO has allowed for more transparency and accountability as all activities of the units are reported in a common IOP, budget and annual report placed on the CGIAR website.

The units in the SO are different in size and functions and clients so there is not an easy fit across all units. The SO has operated with a light level of interaction. Collaboration has taken place at the operational level with most collaboration being undertaken to assist the units in more effectively fulfilling their own workplans

The effectiveness of the SO depends on its improving the capability and the outcomes achieved by the individual SO units. The effectiveness of individual units was not part of this review but it should be noted that those interviewed and the findings of three evaluations of individual SO units provide evidence that the SO units are generally seen as providing benefits to the Centers and other stakeholders.

The SO has proven to be a cost effective mechanism although the overall benefits may not be large. The benefits from specific collaborative activities are often small but the overall effect of the growing number of collaborative activities and the improvement in capacity of the SO units provides a benefit that is considerably larger than the marginal real costs of the SO. This review identified SO benefits in three areas: joint activities, complimentary activities and shared tools and methodology.

The SO has increased the SO units' potential to perform. It has created synergies through benefits of improved knowledge, a collegial forum and access to additional expertise and methods. Most importantly for the smaller units, it has improved their knowledge of changing conditions in the CGIAR. The requirement to document some collaborative activities is also an incentive to units to engage in collaborative activities.

The recommendations in this report propose relatively modest refinements to improve overall governance and performance of the SO in the expectation that no major changes in the number and types of units are created in the near term. If the Centers were to decide to outsource central services or the number of SO units was significantly increased, serious consideration should be given to creating a much larger single unit focused on Center services. The relative costs in management and governance of keeping separate units would increase as the SO grows until there could be a tipping point when the disadvantages would outweigh the advantages of keeping many separate units. The SO is nowhere near this point now.

The SO units have demanding workplans and there are limits to the degree of collaboration they can develop. Their mandates are too dissimilar to justify creating a common strategy and workplans. However, with the positive experience in developing largely bilateral and trilateral cooperation between units, the SO should stretch itself to take a more strategic approach as a group.

A number of units have prepared three year business strategies and it is recommended that all units do so to facilitate discussion on broader strategic collaboration and to improve the ability of those responsible for oversight to assess the units. The annual

workplans may emphasize different parts of their mandate each year so that the workplans are good at identifying what the units will do but not necessarily where they are going.

The SO should identify strategic objectives for each of its functions that it will address. Only a subset of units would be active in any one functional area and many activities now listed under each function would not be included. The joint planning by the CG and the SC Secretariats on refining the CGIAR's system approach to M & E in conjunction with the IAU provides the best example to date addressing certain strategic objectives in one functional area.

Some changes to oversight of the units and the SO are recommended. There are variations in the oversight arrangements for the units. The arrangement whereby the host DG and the CGIAR Director provide oversight in jointly funded units is a light and appropriate minimum level of oversight on an ongoing basis.

Major changes in governance are required at the SO level. If the SO is to develop a more strategic approach at the functional level, it will need more robust direction to manage this change. The SO Steering Committee has not functioned with much impact, nor been very active as a group to date. The SC Chair has limited knowledge and interest in the SO, and the Center DG representative rotates annually. The CGIAR Director has handled many ongoing issues by informal consultation with the other members and through annual meetings. The SO Steering Committee needs stronger and more consistent representation from the Centers. This review recommends that the SO Steering Committee define terms of reference and operate on a more formal basis with an agenda and minutes distributed to all relevant stakeholders to keep everyone informed on developments in the SO.

This review makes the following recommendations.

SO Steering Committee

1. The SO Steering Committee should be enlarged with membership of the CGIAR Director, the Science Council Chair and the members of the AE Sub-committee on SO Liaison and Coordination. The Steering Committee could review with the SC Chair, after it has sufficient experience with a more robust mandate, whether the SC Chair would need to continue as a member.
2. The Steering Committee should establish terms of reference which would include:
 - the role of the SO and strategy for its evolution;
 - ensuring adequate oversight of the SO units;
 - allocation of resources according to different CGIAR and Center needs;
 - the level of collaboration and effectiveness of the SO
 - periodic evaluation of the SO units and the SO;
 - Creation, termination or modification of unit mandates; and
 - working conditions for SO unit staff.

3. The Steering Committee should establish the principle that all SO units under its authority will be subject to periodically commissioned external evaluations.
4. The Steering Committee should periodically assess the working conditions of SO units to look at staff development requirements and to promote equitable treatment of SO units while recognizing different host Center conditions.
5. The SO benefits from the inclusion of units which serve only a number of Centers. With more partial units expected to be created, the Steering Committee should establish criteria for acceptance into the SO such as:
 - o All Centers should be able to participate in the SO unit, at least over time;
 - o A minimum of three Centers should support the SO unit; and
 - o The SO unit should provide a system benefit.
6. New units should contain a sunset clause with renewal depending on a positive assessment of its continuing relevance.
7. The Steering Committee should meet annually at the time of the SO workshops and provide ongoing information to other stakeholders on its deliberations and decisions.

Unit Governance

8. The CG Director and the host DG should share ongoing supervision and assessment of the units where the CG Secretariat is a co-funder. The CG Director should assume co-responsibility for the G& D unit with the host Center DG.
9. The terms of reference of the SO Advisory Committees should be modified, where necessary, to ensure that Advisory Groups do not have any responsibility for approving unit budgets or workplans.

SO functioning

10. The SO should keep its transaction costs, which are now limited, as light as possible, including information demands and other transaction costs in the Centers
11. The AE, and the CG Secretariat where it is a co-funder, should consider whether funding to SO units could be provided on a three year basis as is done for the fee units. Adjustments to the units' budgets and workplans could still be done annually but oversight and unit costs could be reduced.
12. While the SO should not produce a common strategic plan, it should develop a more strategic approach. The SO should identify the strategic goals it aims to achieve in each of its four functional areas. This would involve only a subset of the SO units in each function. Many of the existing activities that are classified as falling within each function would not be covered.
13. Performance indicators should be developed once the SO has identified strategic objectives and outcomes for each of the four SO functions.

Modifying the SO

14. The Marketing Group should be incorporated into the SO to enable it to address the Communications and resource mobilization function

15. There is no reason to consider a major merger of SO units or specific mergers of individual units.
16. The G & D and the SAS-HR units should negotiate a formal protocol that identifies their separate spheres of activity and those areas where they will work jointly.
17. If there is a major expansion in the size of the SO, the Steering Committee should commission a closer assessment of the merits of creating a merger of service units.

Appendix I Summary of Findings

Finding 1. The creation of the SO has improved transparency and accountability of the SO units. The activities of the units have been categorized into four functions and plans and annual reports are summarized and consolidated in one document and web location.

Finding 2: The real costs of maintaining the SO are minimal

Finding 3: While still modest, the SO is effective in providing value to the CGIAR with a high benefit to cost ratio

Finding 4: While most SO unit activities serve Center needs, there are areas where SO units are providing value to other parts of the CGIAR system

Finding 5: The SO has increased the capability of the SO units, particularly the smaller units

Finding 6: The SO has created synergies between the units through sharing expertise and approaches and through better information and knowledge of the CGIAR.

Finding 7: Collaboration in the SO is at the operational level. The SO has not developed strategic objectives for the SO or for individual functions.

Finding 8: Incorporating the Marketing Group into the SO would help it address the Communication and resource mobilization function

Finding 9: Although there have been several unit evaluations, there is no SO policy for periodic evaluations of SO units.

Finding 10: Advisory Committees play an important role in building professional communities in the CGIAR and in advising the SO units but cannot play a role in governance of SO units.

Finding 11: The combination of the host DG and the CGIAR Director provides a good balance and a minimal level of supervision and assessment for jointly funded units.

Finding 12: The SO Steering Committee has no terms of reference. It has functioned very informally and has played a marginal role in SO oversight and governance.

Finding 13: Governance and management costs could be reduced if multi-year funding could be provided to SO units.

Finding 14: The practice of creating SO units with support from only a number of Centers has a number of advantages. It allows for quick establishment, testing on a small scale and for others to buy in if benefits become evident.

Finding 15: There are no opportunities for merging units in the short term. The G & D and the SAS-HR share sufficient areas of interest that they would benefit from

developing a formal protocol that clearly identifies their respective areas of focus and those areas where they will work together on an ongoing basis .

Finding 16: There would be no advantages from a major merger of SO units unless there is a very significant growth in the size of the SO.

Appendix II Performance Measurement of the SO

The following table is presented for illustrative purposes only. The SO would have to make its own determination of the objectives that the SO is trying to achieve and what would be the most feasible and appropriate indicators. Performance measurement for SO units would look at their impact on the Centers and other stakeholders but assessment of the SO would look at how the SO improves the ability of the SO units to perform. This example shows that the SO would have to be very selective in choosing from a wide range of outcomes and indicators.

System Office		
Objective	Outcomes	Indicators
Results		
Effectiveness	1. Organizational excellence in the CGIAR is developed by improving SO unit outcomes through collaboration	<ul style="list-style-type: none"> • number and quality of collaborative or complementary activities
Efficiency	2. Unit output costs are reduced through sharing information, expertise and tools	<ul style="list-style-type: none"> • reduced overlap in unit activities • reduced information demands from other stakeholders • expertise contributed by SO units to other units
Transparency and Accountability	3. Transparency and accountability are achieved through readily accessible information on overall SO activities and performance	<ul style="list-style-type: none"> • knowledge by key stakeholders of SO unit roles and contribution • common web site • SO SC decisions available to all
Potential to Perform		
Network Management	4. There is a high level of cooperation and collaboration between SO units.	<ul style="list-style-type: none"> • Advance notice of planned activities where collaboration potential or overlap. • Identification of new opportunities for collaboration

Knowledge Management	5. SO units have a good knowledge of CGIAR System requirements	<ul style="list-style-type: none">• Shared information on CGIAR System environment and issues
Governance	8. Adequate Oversight of SO performance and decisions made to maintain or improve SO performance.	<ul style="list-style-type: none">• Regular meetings of Governing bodies identify and address all relevant issues.

Appendix III Individuals Consulted

Ernest Corea	CGIAR Secretariat Consultant
William Dar	Director General, ICRISAT
Namita Datta	Governance Advisor, CGIAR Secretariat
Fionna Douglas	Communications Advisor, CGIAR Secretariat
Ruben Echeverria	Executive Director, Science Council Secretariat
John Fitzsimon	Director, Internal Auditing Unit
Emile Frison	Director General, IPGRI
Dennis Garrity	Director General, ICRAF
Jim Godfrey	Chair Future Harvest Alliance and Chair of CIP
David Governey	Director of Finance and Administration IFPRI
Klaus von Grebmer	Director of Communication, IFPRI
Josephine Hernandez	CGIAR Secretariat Support to CBC
Maria Iskandarani	Technical Specialist, SO, CGIAR Secretariat
Anne-Marie Izac	Chief Alliance Officer, Alliance Office
Manual Lantin	Science Advisor, CGIAR Secretariat
Gordon McNeil	Consultant for CGIAR Centers
Selcuk Ozgdiz	Management Advisor, CGIAR Secretariat
Kerri Wright Platais	Sr. Program Officer, Alliance Office
Enrica Pocari	Chief Information Officer, CIO

Francisco Reifschneider	Director, CGIAR Secretariat
Frank Rijsberman	Director General, IWMI
Caryl Jones Swahn	CGIAR Secretariat
Shey Tata	Lead Financial Specialist, CGIAR Secretariat
Joachim Von Braun	Director General, IFPRI
Joachim Voss	Director General, CIAT
Vicki Wilde	Program Leader, Gender and Diversity Program
Robert Zeigler	Director General, IRRI
Stephen Hall	Director General, WorldFish Center
Per Pinstrup- Andersen	Chair, Science Council
Geoffrey Hawtin	Former Director General, IGPRI
Meryl Williams	Former Director General, Worldfish and former head of FHAO
Per Pinstrup-Andersen	Chair, Science Council
Hubert Zandstra	Former Director General, CIP
Victoria Henson-Apollonio	Manager, CGIAR CAS-IP

Appendix IV Terms of Reference For a Short Term Consultancy

Background

One of the pillars of reform of the Consultative Group for International Agricultural Research (CGIAR) has been the creation of the CGIAR System Office (SO), a virtual structure to increase coordination, capture synergies and increase overall performance of central service units that support the Centers and the CGIAR System as a whole.

The current SO units are:

- Central Advisory Service for Intellectual Property (CAS -IP);
- CGIAR Secretariat;
- Chief Information Office (CIO);
- Future Harvest Alliance Office (FHAO);
- Gender and Diversity Program (G&D);
- Internal Audit Unit (IAU);
- Science Council (SC) Secretariat.
- Strategic Advisory Service on Human Resources (SAS -HR);

The stated objective of the SO is 1) to provide existing services of its 8 member units with greater cohesion and improved performance; 2) to pursue opportunities to enhance the SO's performance. The SO is a virtual organization that depends on the staff and resources of its member units. It is accountable to ExCo and its individual units are still accountable to their respective governing authorities, i.e.,

- CGIAR Secretariat (accountable) to the Chairman of the CGIAR;
- SC Secretariat to the Science Council;
- G&D, CAS-IP to their own Advisory Committees and their supervising Center DG;
- IAU to its Board of Sponsors (CGIAR Centers and CGIAR Secretariat);
- FHAO to the Chair of the Alliance Executive (AE);
- CIO to the CGIAR Director and the DG of the hosting Centre (IPGRI presently).

The Assessment

The objective is to assess whether the SO, as a virtual structure, in fact helped to increase coordination, capture synergies and increase overall performance of central service units that support the Centers and the CGIAR System as a whole.

The Assessment will be commissioned by the System Office Steering Committee.

In the CGIAR System Office Business Case of 10 May 2002 it was suggested that performance of the SO should be measured upon a balanced scorecard that tracks both output and input measures:

- **Output measures** (i.e. improved effectiveness, reduced costs, increased funding);
- **Input measures** (i.e. drivers of the desired outcome: 1. operational measures - these relate to how well the System Office is performing against key operational goals; and 2. relationship measures - How increasingly well are SO and other units in the System are working in alliance).

Both measures have not been comprehensively assessed since the establishment of the SO, and therefore should be examined by the assessment. Additional measures could be explored.

Scope of work

The planned review should be composed of:

I. An institutional assessment of the System Office, including

1. qualitative assessment of (i) how the SO is contributing to greater coherence in the CGIAR System and the identification of opportunities for the System to operate more efficiently and (ii) the SO collaboration with other units in the system
2. an assessment of where and how the SO helped to accomplish significant cost reduction for the System's operations
3. review of the mechanisms that have been used for establishing new SO units (i.e. demand-driven, forward looking)
4. evaluation of the governance structure of the individual SO units and the SO as a whole
5. the identification of opportunities, limitations and comparative advantages of differentiating services in separate units.
6. an assessment of the incentive structure and constraints to more effective collaboration among the SO units.
7. Identify, to the extent feasible, the key factors contributing to synergies and complementarities now realized by the SO units working together

II. Development of baseline measures to help assess SO improvements and benefits over the next 3-5 years, including

- the identification of the key parameters (and indicators) for measuring effectiveness and efficiency with respect to the major functions of the SO (for each unit and collectively).

Recruitment of expert and preparation of assessment report

A management expert should be hired to conduct the review. It is estimated that this task will take up to 30 working days. Knowledge about the CGIAR would be of advantage.

A draft report should be first shared with SO units for correction of factual errors and then submitted to the SO Steering Committee. The report and a response by the Steering Committee should be then submitted to ExCo.

Tentative time table (Subsequently changed by delayed beginning of consultant contract)

March '06	Search and recruitment of suitable Consultant
April – May	Assessment work (including interviews of unit heads and users of SO services; possibly visit to a Center hosting one or more SO unit(s))
May 30	Draft report available (for correction of factual errors)
June 30	Final report submitted to System Office Steering Committee
July 30	Response by Steering Committee
August 06	Report (including response) submitted to ExCo