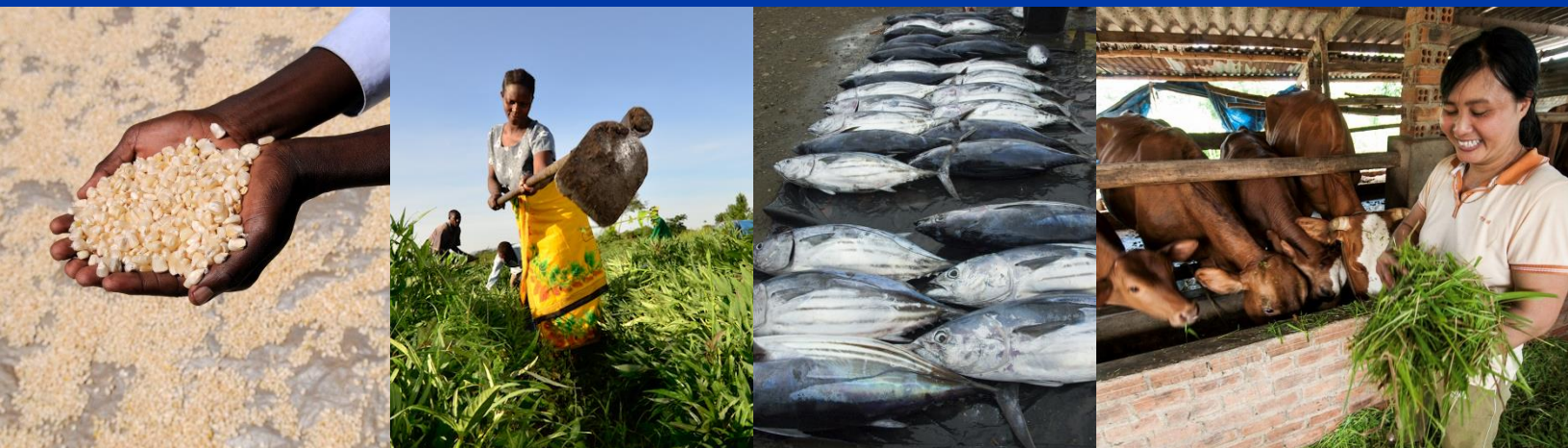


Final Report

from the

Mid-Term Review Panel

of the CGIAR Reform



Science for a food secure future

Acknowledgements

The Panel extends its appreciation to the numerous CGIAR stakeholders that provided valuable insights and guidance during the course of the Panel deliberations. Particular acknowledgement is due to Rachel Kyte, Chair of the CGIAR Fund Council; Carlos Pérez del Castillo, Chair of the CGIAR Consortium Board; Jonathan Wadsworth, Executive Secretary of the CGIAR Fund Council and Head of the Fund Office; Frank Rijsberman, CEO of the CGIAR Consortium; the Reference Group; and the numerous staff of the Fund Office that supported the work of the Panel.

Disclaimer

The opinions expressed in this report are those of the MTR Review Panel and do not necessarily reflect the opinions of CGIAR staff, entities, or stakeholders.

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- Akinwumi Adesina, Minister of Agriculture and Rural Development, Nigeria
- Warren Evans, Panel Member-Secretary and former Environment Director, World Bank
- Bronwyn Harch, former Chief of Division for Computational Informatics, CSIRO, and now Prof., Queensland University of Technology, Australia
- Jane Karuku, former President, Alliance for a Green Revolution in Africa (AGRA)
- Bindu Lohani, Vice-President, Sustainable Development and Knowledge Management, Asian Development Bank
- Howard-Yana Shapiro, Chief Agricultural Officer, Mars, Incorporated
- Idah Sithole-Niang, Professor, Department of Biochemistry, University of Zimbabwe
- Izabella Monica Vieira Teixeira, Minister of Environment, Brazil

Executive Summary

CGIAR (formerly known as the Consultative Group on International Agricultural Research) envisions a world where rural poverty is eliminated, all people are food-secure, and even the poorest enjoy good nutrition and health. CGIAR is resolved to work to realize this vision by functioning as a unified global system and working with partners to facilitate more productive and sustainable agriculture through international public goods research. In 2008, CGIAR donors and other stakeholders agreed to embark on a change process to improve the engagement between stakeholders in international agricultural research for development – donors, researchers and beneficiaries – and to refocus CGIAR on the major global development challenges. The broad objectives were to integrate the work of the research centers, enhance collaboration with partners, ensure effective governance, and improve efficiency in providing and using resources.

The key features of the reform are: (i) the implementation of results-oriented research focused on issues of high relevance to achieving development impact; (ii) the creation of a research environment that attracts the best scientists; (iii) clarified accountabilities with distinct roles for “doers” and “funders”; (iv) strengthened culture of partnership both within CGIAR and between CGIAR and external entities; and (v) reduced bureaucracy to achieve greater cost effectiveness. The initiation of the reform included a decision to undertake an independent evaluation of the progress in three years. In mid-2013, the CGIAR Fund Council commissioned an independent review of CGIAR reform to assess progress and make recommendations for course correction. The Mid-Term Review Panel began its works in January 2014 and focused on the following:

1. The appropriateness of CGIAR’s current goals and strategies in supporting the fundamental purpose of agricultural research to deliver the development solutions needed to create a world free of hunger.
2. CGIAR’s effectiveness in generating and delivering solutions for reducing rural poverty, improving food and nutrition security, and advancing the livelihoods of users of its research while protecting vital natural resources.
3. The efficiency and effectiveness of CGIAR’s architecture/structure, operations, and mechanisms for managing and funding research programs and building capacity, including its internal systems and issues related to risk management, governance, and accountability.
4. The extent and quality of partnerships within the CGIAR network and with external collaborators and stakeholders.
5. The structure of the CGIAR Fund, including the challenges of increasing the proportion of commitments that are in the form of pooled funding (i.e., contributions to Windows 1 and 2), the prospects for firm multi-year pledges, and the roles of Window 3 and bilateral funding.
6. Measures needed for CGIAR to continue to play its critical role in global public goods research and national capacity building and maintain its relevance in a rapidly changing global environment of ODA, more complex and crowded global research architecture, evolving roles of public and private research investment, and competing demands on donor funding.

Recommendations

Following a comprehensive review of available information, analysis of specifically-commissioned studies on particular issues, and extensive interviews with CGIAR representatives and outside partners, the Mid-Term Review Panel prepared a Consultation Draft Final Report. A number of preliminary comments, in particular from the Consortium Board and Directors General of the Centers, were issued prior to the development of the Consultation Draft, largely based on discussions between the Panel and the Reference Group at the second meeting of the Panel in London in July 2014. These

discussions and comments were duly considered in the development of the Consultation Draft. Many of the rather critical initial comments from the Consortium Board have now been superseded by the joint response and comments from the Consortium and Centers on the Panel's nine Recommendations presented in the Draft. Several donors and other stakeholders also provided comments and suggestions regarding the Panel's draft findings and recommendations (see Supplementary Appendix). The Panel has taken these inputs into consideration in this report, particularly in order to improve clarity of conclusions and recommendations. The Panel proposes the following key recommendations.

1. Develop a clear CGIAR Vision and Mission

A clear and focused vision and mission should be developed to guide the decisions on priority research objectives, facilitate the development of strategic approaches to reaching those objectives, and provide adequately detailed expectations of results. The Panel recommends that the vision for CGIAR be oriented towards agricultural research required to meet immediate and long-term nutrition needs and achieve equitable food security by 2030. Likewise, the Panel recommends that the CGIAR mission should include how it will achieve these short and long term societal challenges through its mission statement – through its strengths as a global network; a network that harnesses other relevant capabilities from organizations.

2. Prioritize to achieve maximum impact with the least cost

A CGIAR task force should undertake a systematic process of prioritization, with the objective of providing a menu of options for CGIAR and its partners to determine how they can maximize impacts with the least costs for both upstream and downstream research. This would assist donors in identifying where they might achieve the largest benefits for the least costs in addressing the drivers of food insecurity, including productivity, water scarcity, and climate change; determining an appropriate balance of systems and breeding research, for example; and further strengthening gene bank management; as

well as identifying potential high risk-high reward research areas. The Panel identified the following five major research challenges with potential for very high payback. The list is by no means definitive- but this level of prioritization is needed to sharpen focus and impact.

1. **Nutrition.** All CGIAR food crop and livestock research should include nutritional improvement as an embedded objective, with a specific focus on reducing stunting and related impacts based on local needs and conditions.
2. **Degraded Lands.** Research should focus on increasing sustainable agricultural productivity or healthy agro-ecosystems for the world's agricultural degraded arable land.
3. **Reduce Food systems waste.** Research should focus on reducing food system waste by considering the food value chain, as well as opportunities to use waste for other co-benefits related to sustainability and profitability – enhancing soil condition, energy generation, etc.
4. **Resilience.** Recognizing that the poorest smallholder farmers are generally the most vulnerable and least resilient to shocks, agricultural research needs to be targeted to keep pace with the growing global, regional and local impacts of climate change, water shortages and other shocks.
5. **Big data.** Investing in open data architectures, high performance computing and visualization facilities and big data analytics capabilities is of direct relevance to CGIAR's outcomes and its aspiration to be a global leader of networks. CGIAR is well positioned to develop a **global agri-informatics network** focused on “evidence based management of agro-ecosystems” by partnering with like-minded regional and global networks and organizations to leverage existing infrastructure and capabilities, improve the access and utility of agri-related data and save significant resources.

3. Strategy and Results Framework (SRF)

The Fund Council and Consortium Board should establish clear criteria by which they determine whether the SRF under preparation

meets their needs. It must primarily enable prioritization of outcomes being sought and consequently the research and partnerships required to deliver against these. This will enhance stakeholder confidence in that the limited financial resources are being used for the greatest impact, and that those resources are sufficient for achieving the research goals. In this regard, it is timely to consider piloting, within the next round of CGIAR Research Program (CRP) proposals, a more open and competitive platform to allow a non-Center to lead on a proposal if it is uniquely qualified to do so, and piloting a performance-based financing mechanism.

The preparation of the SRF must have sufficient stakeholder participation to ensure joint ownership of the final product. The process should take as much time as is required to get it right. The call for the second round of CGIAR Research Program proposals should only be issued after the Fund Council is fully satisfied with the SRF, including an assurance from CGIAR stakeholders that there is broad support.

4. Governance structure

The Panel strongly recommends that a single CGIAR Board be established to replace the Fund Council and the Consortium Board and be supported by one Administrative Unit, replacing the Fund Office and Consortium Office, with the aim of eliminating current governance ambiguities, strengthening the ability of CGIAR to deliver its mission of research and development impact, and accelerating and scaling up solution-driven public-private collaborative partnerships. A number of comments on the Consultation Draft have urged caution, a slower pace, and minor changes as being preferable to the major governance change that we have proposed. We believe that those comments seriously underestimate the urgency of the need for such change and the significant problems that were identified in the evidence that the Panel was able to review.

The proposed Board would need to adequately and effectively represent key stakeholders, with clarity on the rationale for inclusion of stakeholders and the expectations of them.

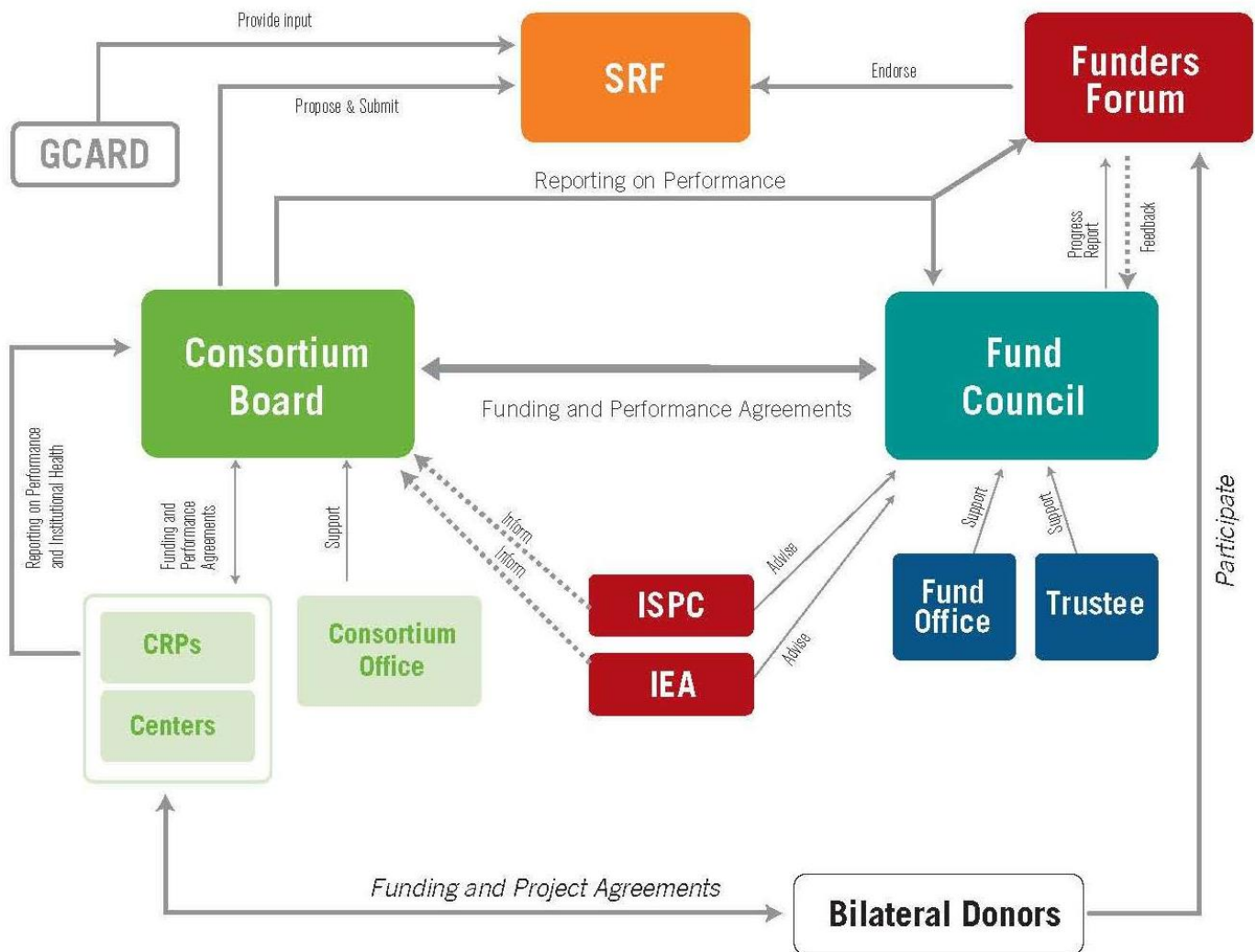
Consideration should be given to the size of the Board - limiting the number of members to ensure that it is manageable. This will inevitably lead to a constituency-based board. The Panel believes that the key stakeholders requiring representation on the CGIAR Board are the donors, CGIAR Centers, NARs, agricultural private sector representatives, civil society development organizations, and recipient countries. The ISPC Chair, who is essentially the chief scientist of CGIAR, should be an ex-officio member of the Board.

Based on legal advice provided to the Panel, it understands that the proposed Board could operate with or without its own legal identity.

The Board should focus on high-level, strategic issues, articulating accountabilities but allowing each Center and CRP to manage the on-the-ground work of CGIAR, and the Board's administrative unit to focus on day-to-day management issues, such as administrative efficiencies, regulatory compliance, and reporting. High-level issues for the Board are likely to include establishing the overall strategy and principles that govern funding decisions; governance decisions, such as appointing the Board and Board Committee leadership; establishing policies for fiduciary and risk management and other key policy elements of governance; management oversight; stakeholder participation; and review and approval of funding proposals.

The Panel considers that, in order to avoid perceived or real conflicts of interest, the Board Chair should represent the mission of the CGIAR partnership and therefore should not represent a constituency. Further, it considers that the Board Chair should have sufficient time to commit to that role to effectively lead the Board, which in addition to chairing Board meetings, could include serving as the principle spokesperson, advocate, and fundraiser for CGIAR and leading the Board's inter-sessional work.

The Board should establish a donor council, which would advise and serve the Board, and provide views of the broader CGIAR donor base (e.g., regarding operations, fundraising, etc.). The CGIAR Centers should establish an



Source: Selçuk Özgediz, *The CGIAR at 40: Institutional Evolution of the World's Premier Agricultural Research Network*, 2012, pg. 88.

Diagram 1: How CGIAR Works

advisory committee to advise the Board on new advances in research, and new or emerging challenges and risks requiring urgent action by CGIAR. The design of the Board should be undertaken in parallel with the completion of the SRF and preparation of the second round of CRP proposals. The new governance structure should be in place prior to final selection of the next round of CRPs.

5. Optimize the strengths of partners

There is considerable room for expanding existing and establishing new partnerships globally. To avoid transaction costs, risks, and

other inefficiencies and engage partners as equal stakeholders so that joint decisions can be taken on when and how to partner, the Panel recommends that the Fund Council seek the assistance of donors (e.g., World Bank) and key organizations engaged in research with global reach (e.g. EMBRAPA, CSIRO, and private sector representing inputs and the food and beverage industry) to assist CGIAR in developing guidelines for identifying, establishing, managing and reviewing partnerships. The guidelines should be clearly tailored to meet the strategic objectives and results delineated in the SRF.

6. Scale up partnerships capable of tackling mega-challenges

Once the new SRF is adopted (outcomes as the focus) and the next round of CRP proposals (multi-disciplinary research required as a focus) are approved, CGIAR should assess the extent to which its own research programs and those of other leading institutions and companies are sufficient to address priority food security and nutrition challenges, with a view to identifying major gaps that require new global partnerships, special-purpose, internationally-coordinated, and long-term mega-programs designed to solve the problems, rather than put dents in them. CGIAR is likely to play a key role in identifying what future partnerships are needed to tackle the world's food security mega-challenges and propose a commensurate framework for action.

CGIAR Centers and other potential partner organizations need to be adaptive in how they work with partners so as to assure their long-term relevance as coalition partners. They will need to engage in both leadership and non-leadership (or supporting) roles, taking on responsibilities that are best suited to CGIAR's strengths and comparative advantages. CGIAR can play a leadership role by bringing top-level global leaders together to tackle challenges (beyond the reach of individual partners) in a collaborative manner.

7. Scale up financing

The Panel was asked to review the current challenges of rationalizing funding through the three Windows of the CGIAR Fund and the additional bilateral funding to individual Centers. The Fund Council has not been able to resolve issues related to such rationalization, probably because each contributor is "sovereign" and has its own priorities. There is no evidence for the Panel to consider that this situation is likely to change. The Panel considers that, while the balance between Windows 1 and 2 and the contributions channeled through Window 3 and other bilateral funding may not be ideal for maximizing the focus on CRPs, the Fund Council and other CGIAR partners should be primarily focused on maximizing the total amount of funding available for high-quality,

high-priority research. In this regard, CGIAR would benefit from an agreement on relatively tight criteria that define what counts, and what does not count, as CRP funding. The reality, however, is that the Fund Council and other donors have doubled the total funding to CGIAR over the past five years.

Several donors indicated to the Panel that continued funding is conditional on performance and highlighted the difficulty of securing long-term, predictable commitments to fund CGIAR Research Programs, as well as the uncertainties around maintaining, let alone significantly increasing, funding. The Panel considers that there is additional potential for more innovation in funding and recommends that the Fund Council should organize a special session in early 2015 to discuss innovative financing options. Some potential approaches include development impact bonds, a capital formation investment fund, the Green Bond concept, public-private strategies, and pursuing high risk-high reward impact investors.

8. Optimize political impact

CGIAR (not just individual Centers) should establish specific objectives of and procedures for engaging in relevant global and regional policy formulations, negotiations and actions. CGIAR has tremendous knowledge and could contribute to and influence international and regional policy debates on many highly emotive issues, such as climate change, food security, food safety, water management, fisheries management, and the Sustainable Development Goals, among many others.

9. Optimize knowledge impact

The responsibilities of the Independent Science and Partnership Council (ISPC) should be elevated to empower it to be proactive in terms of providing strategic guidance, foresight analyses, and assessing and reporting on quality of research results across the system. The review and reporting functions should be at least as rigorous as was previously provided by the pre-reform Science Council. Currently, the ISPC does not have a role in monitoring research quality once the research is funded; this function is

left to the Independent Evaluation Arrangement (IEA). It is critically important to ensure that high-quality research review and advice is consistently provided by qualified researchers. The Panel considers that the role the IEA is playing in reviewing the governance of CRPs is appropriate, but that the review of the quality of research should be under the oversight of the ISPC. At a minimum the Fund Council and Consortium Board (and later the CGIAR Board) should establish independent research panels comprising world-class research leaders to advise on particular issues, as required, under the overall guidance of the ISPC Chair. A detailed proposal for the new functions of the ISPC or its replacement should be prepared

immediately by a task force established by the Fund Council.

Further, regarding knowledge impact, the CGIAR should strengthen its structured knowledge sharing by replacing the Funders Forum (which would no longer be required if a single multi-stakeholder Board is established) with a partnership forum that brings partners together to share lessons and knowledge. Numerous successful examples of such institutionalized fora have demonstrated improvements in efficiency and effectiveness in knowledge sharing, as well as in facilitating dialogue among partners that might otherwise not have a periodic opportunity to compare lessons.

1. Introduction

1.1 The CGIAR System Post-2009 Reform

Established in 1971, CGIAR (formerly known as the Consultative Group on International Agricultural Research) is a global agricultural research partnership that seeks to achieve food security and advance research and technology for the benefit of farmers and other poor smallholders in developing countries. In 2008/2009, key CGIAR stakeholders agreed on and initiated a substantive reform process to refocus its strategy and streamline operations, so as to avoid fragmentation of research and funding and strengthen the ability of partners to support the development of a global food system that meets the needs of all, particularly the poor. The donors' broad objectives were to integrate the work of the research centers, enhance collaboration with partners, ensure effective governance and improve efficiency in providing and using resources.

As part of the reform, CGIAR developed a system-wide Strategy and Results Framework (SRF),¹ which sets out common goals, objectives and priorities, and shifted from an institutional to programmatic approach to research centered on large, cross-cutting CGIAR Research Programs (CRPs). There are currently 16 CRPs – including a program of long-term support for the CGIAR genebanks, most of which have been operational for only two to three years. The CRPs are intended to be guided by and generate results in accordance with the SRF and are driven by their potential impact on four critical development outcomes: reduced rural poverty, increased food security, improved human health and nutrition, and sustainably managed natural resources. In the initial stages of the reform process it was not possible to fully align decision-making on CRPs with the SRF since they were developed in parallel.

The foundation of the CGIAR system continues

¹ <http://www.cgiar.org/our-research/>

to be its 15 independent, non-profit research Centers,² each of which operates under the authority of its own Board. Under the new arrangements of the reform, the CGIAR Consortium³ was established as an international organization to integrate research across the Centers, minimize duplication of effort, and streamline funding. The Consortium is made of the CGIAR Consortium Board, the CEO of the CGIAR Consortium, who heads the Consortium Office, and the 15 Centers that are members of the CGIAR Consortium. The Consortium Office, located in Montpellier, France, is responsible for the day-to-day functions of the Consortium.

In December 2010, the CGIAR Fund⁴ was launched as a multi-donor trust fund to finance research carried out by the 15 Centers in collaboration with hundreds of partners worldwide through the CRPs. The Fund aims to provide reliable and predictable multiyear funding to enable research planning over the long term, resource allocation based on agreed priorities and the timely disbursement of funds. The CGIAR Fund is administered by the World Bank, as Trustee, and governed by the Fund Council, a representative body of Fund donors and other stakeholders. The Fund Office, located at World Bank headquarters in Washington, D.C., supports the Fund Council and its Chair in the conduct of its business and meetings. The Head of the Fund Office also serves as the Executive Secretary of the CGIAR Fund Council.

Two independent bodies were established to support the work of CGIAR. The Independent Science and Partnership Council (ISPC),⁵ a standing panel of scientists, provides expert advice to Fund donors and aims to strengthen the quality, relevance, and impact of CGIAR

² <http://www.cgiar.org/cgiar-consortium/research-centers/>

³ <http://www.cgiar.org/cgiar-consortium/>

⁴ <http://www.cgiar.org/who-we-are/cgiar-fund/>

⁵ <http://www.sciencecouncil.cgiar.org>

science and research. The Independent Evaluation Arrangement (IEA)⁶ commissions and manages evaluations of CGIAR Research Programs and institutions, which are conducted by independent teams.

1.2 The CGIAR Mid-term Review (MTR)

The approval of the document “A Revitalized CGIAR—A New Way Forward: The Integrated Reform Proposal” at the CGIAR Annual General Meeting in 2008 included a decision to undertake an independent evaluation of the reforms of the new CGIAR in three years. This was reaffirmed in subsequent discussions during the transition period, with CGIAR donors and stakeholders being assured that a review of the reform would be undertaken about 18-24 months after initiation of the CGIAR Trust Fund in late 2010.

The governing and structural elements of the reformed CGIAR, as described above, are now in place. Two biennial events, the CGIAR Funders Forum and the Global Conference on Agricultural Research for Development (GCARD), were held in 2010 and 2012, and the new CGIAR research portfolio of 15 CRPs is being implemented. Given the significant reform activity to date, the Fund Council commissioned the review of reform in mid-2013.⁷

1.3 MTR Review Panel

A Chair and individual panel members were selected and appointed by the Chair of the CGIAR Fund Council based on their ability to independently, and without bias, consider the challenging and often controversial questions which must be addressed. These issues related to the progress of the CGIAR reform process and its impact, and whether CGIAR is well positioned to lead the international agricultural research community in tackling the interlinked, mega-challenges of food, energy, and water security, climate change, and degrading natural resources, biodiversity and ecosystem services. The MTR Panel

members together represent a diverse set of nationalities and expertise, and all of them have extensive experience relevant to the Panel’s mandate. (See Appendix 1 for brief CVs of the nine MTR Panel members.) The Panel was supported on a part-time, demand-driven basis by the Fund Office.

1.4 The Reference Group

A joint Fund Council-Consortium Reference Group assisted the MTR Panel in accessing information, gaining in-depth understanding of the internal workings of CGIAR, and fielding specific queries as they arose. The Reference Group includes Frank Rijsberman (Consortium CEO), Mohamed Ait Kadi (Consortium Board Member), Fawzi Al-Sultan (IFPRI Board Chair), Ruben Echeverria (Director General, CIAT), Nick Austin (Australia/Fund Council), Carmen Thoenneisen (Switzerland/Fund Council), Andrew Spezowka (Canada/Fund Council), and Maxine Garvey (Fund Office).

⁶ <http://iea.cgiar.org>

⁷ The Terms of Reference of the MTR Panel can be found at: <http://bit.ly/1rWQxam>

2. Scope and Methodology of the MTR Review

2.1 Priority Questions

Conclusions and recommendations presented in this report are intended to address a number of questions posed to the Panel relating to the ability of CGIAR to be efficient and cost-effective and to produce results that are useful to small-scale farmers in developing countries and other poor smallholders and beneficiaries of international collaborative research.

The Panel review primarily focused on the following:

1. The appropriateness of CGIAR's current goals and strategies in supporting the fundamental purpose of agricultural research to deliver the development solutions needed to create a world free of hunger.
2. CGIAR's effectiveness in generating and delivering solutions for reducing rural poverty, improving food and nutrition security, and advancing the livelihoods of users of its research while protecting vital natural resources.
3. The efficiency and effectiveness of CGIAR's architecture/structure, operations, and mechanisms for managing and funding research programs and building capacity, including its internal systems and issues related to risk management, governance, and accountability.
4. The extent and quality of partnerships within the CGIAR network and with external collaborators and stakeholders.
5. The structure of the CGIAR Fund, including the challenges of increasing the proportion of commitments that are in the form of pooled funding (i.e., contributions to Windows 1 and 2), the prospects for firm multi-year pledges, and the roles of Window 3 and bilateral funding.
6. Measures needed for CGIAR to continue to play its critical role in global public goods research and national capacity building and maintain its relevance in a rapidly changing global environment of ODA, more complex and crowded global research architecture, evolving roles of

public and private research investment, and competing demands on donor funding.

The Panel addressed the following specific questions relating to CGIAR's effectiveness and efficiency:

Research

- Does the research commissioning process and incentives comply with best practices globally?
- What should CGIAR be doing to improve the way research is managed and integrated across its Centers?
- Is CGIAR effectively building diversity, including gender, into its research programs?
- Does CGIAR have the appropriate balance of research for development and a focus on delivery for end-users?
- How can CGIAR better deliver its research to the field and what model(s) should it employ to do so?

Partners

- Does CGIAR engage with the appropriate partners to deliver high-quality research and impact?
- What CGIAR incentives weaken or strengthen partnerships?
- How can CGIAR enhance its accessibility to and collaboration with partners?
- How can CGIAR best engage with national agricultural research systems?

Funding

- Is the structure of CGIAR's entire funding system appropriate for the purpose, or does it create perverse incentives for free-riding or other sub-optimal practices?
- What are the implications of misalignment among all funding sources (i.e., contributions to the Fund and other support to CGIAR) for the governance and management of the system?
- Is the concept of fully pooled funding a realizable goal, or will Window 3 and bilateral funding increasingly dominate?

- What mechanisms can enhance donor participation in pooled funding?
- Does CGIAR have a clear understanding of the total funding needed to meet its goals?

Structure and governance

- Has the separation between funders and researchers led to a more efficient and effective CGIAR?
- Are the roles of the various CGIAR entities (e.g., the Fund Council, IEA, ISPC, and the Consortium) distinct, clear, and well aligned to ensure accountability?
- Are the current governance arrangements consistent with best practices?
- Have the reforms increased overall costs and, if so, is that increase justified by better, more relevant research resulting in greater impact?

2.2 Methodology for the Review

The Panel drew on as many sources of evidence as was possible during the course of its work, with the primary source of information being interviews with individuals representing various CGIAR entities and a survey of associated stakeholders (e.g. donors, research partners, industry). The sources of evidence included:

- Reviews of relevant literature.
- Interviews with members of the Fund Council, Fund Office staff (including the Head), the Consortium Board Chair, the Consortium CEO, all 15 Center Directors General, a number of Center staff, and some of the Center Board chairs.
- Special background studies and meetings.
- Survey of peers using a modified version of the 2012 GlobeScan stakeholders' perception survey.⁸
- Review of extent to which ISPC recommendations are followed.

⁸ Some Panel members approached peer organizations requesting them to complete the 2012 GlobeScan stakeholders' perception survey (see: <http://bit.ly/10Q3p9t>). A summary of a modified version of this survey is provided at <http://bit.ly/1nZUa19>. Please note that this is an indicative survey of the views of peers. It is not intended to be comprehensive; the GlobeScan survey serves that purpose.

- Two meetings with the Reference Group.
- Joint meetings with most of the CRP directors, including discussions with a group of CRP leaders⁹ at which all 16 of the CGIAR Research Programs, including the genebanks initiative, were represented.
- Discussions with associated stakeholders mainly included research organizations, including universities and industry engaged in CGIAR research activities.

2.3 Interviews and discussions

Panel members engaged with key stakeholders in order to understand the many diverse views on what is working, what is not working, and what needs to be done to strengthen CGIAR. It became clear at an early stage that a special effort was needed to seek inputs from each CGIAR Center and their Boards, as well as CRP leaders, in addition to staff and members of all other CGIAR entities.

Panel members' discussions with each of the 15 CGIAR Centers,¹⁰ the Consortium Board Chair, and the Consortium CEO were structured around the following questions:

Centers' relationships with other CGIAR system entities

- What have been the effects and benefits of the CGIAR reforms, particularly with regard to relations with the Fund Office, Fund Council, Consortium Office, and Consortium Board?
- How is the relationship between the Director General/Center management and the Center Board?
- How does the Director General's obligations to the Center Board compare to his/her obligation to the Consortium Board?

⁹ Warren Evans and Howard Shapiro met with them on the sides of the May 2014 Consortium meeting in Montpellier.

¹⁰ Warren Evans and Howard Shapiro had separate meetings with the Directors General (DGs) of IWMI, ICRISAT, WorldFish, CIFOR, ICRAF, ICARDA, and CIP. Warren Evans had separate meetings with the DGs and senior staff of IRRI, CIMMYT, Bioversity, and IFPRI, as well as Skype or telephone meetings with DGs and senior staff of CIAT, IITA, ILRI, and AfricaRice.



Diagram 2: Map of 15 CGIAR Centers

- How important is it to the Center to be part of CGIAR?
- Does being part of CGIAR enhance the Center's reputation and ability to attract funding and key partners?

Research and funding

- What are the short- and medium-term versus long-term challenges of designing research programs?
- What is the Center role in strengthening the NARs (National Agricultural Research Systems)?
- Do scientists feel encouraged to take risks in research?
- Do Centers have the ability to attract top scientists?
- What are the possibilities for more innovative financing for agricultural research?
- What are the greatest transaction costs across the system and where could savings be achieved without compromising CGIAR's "new" mission?

Panel members' discussions with Fund Council members¹¹ were structured around the following questions:

General assessment

- What are the key achievements of the reform efforts?
- What expectations have not been met to your satisfaction?
- Should the Fund Council play a more proactive role in strategic planning, such as guiding the development of the new SRF?
- Has separating the doers from the funders achieved the expected results, particularly with regard to potential benefits, the relationships between the Fund Office/Council and Consortium Office/Board, and the role and position of the Centers?

¹¹ Fund Council members that provided verbal or written responses to questions from the Panel include representatives from Australia, Bill and Melinda Gates Foundation, Canada, European Union, Netherlands, Norway, Sweden, Switzerland, United Kingdom, and United States of America.

Funding and pooled resources

- Have individual donors changed their behavior since reforms, particularly with regard to pooled funding and channeling contributions through Windows 1 and 2, versus cherry-picking which Centers and projects or programs to support?
- Is there potential for collective pressure to improve harmonization?
- How does your agency decide what funding will go through Windows 1 or 2 and what support will be provided through an essentially bilateral arrangement?
- Given donors' responsibilities to taxpayers and the public at large, what is the potential for more innovative use of ODA and ODA-like contributions to support agricultural research through CGIAR?

What is the role of the Fund Council on the following issues?

- Centers have expressed concern regarding the growing demand of donors for short-term results when dealing with long-term research challenges, compounded by frequent changes in the rules of the game, raising the issues of how donors view short- or medium-term versus long-term challenges in designing programs.
- CGIAR's role in strengthening NARs versus focusing on longer-term international public goods.
- Minimizing transaction costs across the system.
- Encouraging risk-taking and "blue sky" research where there exists high potential for breakthroughs and big rewards.

2.4 Additional meetings and sources of information

The Panel met twice to discuss the evidence, draw conclusions, and formulate recommendations. The first meeting was held in Berlin in January 2014 and the second meeting took place in London in July 2014.¹²

A number of Panel members also participated in Fund Council and Consortium meetings.

Prior to the formation of the MTR Panel, the Consortium Office had carried out a review of CGIAR governance and the Fund Council had commissioned an external consultant to conduct a more comprehensive governance review, recommendations from which were shared with the Panel. In addition, the IEA completed a governance review of CRPs during the course of the Panel's review, which informed its work. Around the time when the Panel began its work, three other important analyses and planning exercises were initiated or in-progress: the development of a new SRF, which has been led by the Consortium Office, a resource mobilization study, and a delivery study, both of which were carried out by consultants and managed by the Fund Office. Drafts of each of these studies have been provided to the Panel for their consideration, but none are yet final.

Special assessments were requested by the Panel and provided by the Consortium and Fund Offices, including a summary of key accomplishments over the last few years, a sample of ISPC recommendations and responses from Centers on CRPs, and an assessment of publications by Center staff. The Panel also requested that two special studies be undertaken by non-CGIAR experts: one on the potential for more financial innovation to support agricultural research, which became part of the broader resource mobilization study, and a paper on agricultural research priorities, which was supported by a workshop with several scientists and development experts in Oxford in May 2014.

¹² Following the January meeting, the MTR Panel produced an Inception Report (see here: <http://bit.ly/1rWQxam>). A summary of the July meeting can be found here: <http://bit.ly/1sdf02H>.

3. The Importance of Accelerating and Scaling-up Agricultural Research for Sustainable Development - Why Getting CGIAR Right is so Critically Important

About 70 percent of the world's poorest people rely on agriculture for their livelihoods, and most of the growing demand, about 80 percent, for increased food production up to 2030 will be in developing countries. The world is not currently equipped to meet this demand, particularly considering the increasing risks. Several scenario studies published in the last few years discuss the key drivers of global food insecurity and conclude that increased demand for food, water, and energy—each linked to the others—will result in scarcities, all worsened by climate change.¹³

The September 2014 report by the Global Commission on the Economy and Climate¹⁴ reports that by 2050 the agriculture sector will need to produce 70 percent more calories than in 2006, mainly due to population growth, rising incomes and changing diets in developing countries. Meeting this demand will be essential for sustained economic growth and food security. The Commission recommends a doubling of financing for agricultural research by 2030 for agricultural development in developing countries.

Key drivers of food insecurity are likely to include:

- **Population increase.** The current global population of 7.2 billion will increase to 8.1 billion by 2025 and to 9.6 billion by 2050. Most of the increase will occur in developing countries, rising from 5.9 billion today to 8.2 billion in 2050, with 70 percent of the population living in cities (Clay 2011). The world's 49 least developed countries are projected to double in population from 900 million in

2013 to 1.8 billion in 2050 (UNDESA 2013).

- **Increased availability of disposable income and urbanization resulting in changing consumption patterns.** There will be about 600 million new consumers living in 440 cities in emerging markets by 2025 (McKinsey 2012). This increase in per capita disposable income will increase consumption of energy and water and generate waste. Demand for food is expected to rise by 35 percent and energy by 50 percent over the next 15–20 years (NIC 2012).
- **Loss of biodiversity and ecosystem productivity and services and land degradation.** The 2104 New Climate Economy report estimates that about 25 percent of agricultural land is degraded. The Millennium Ecosystem Assessment (UNEP 2005) concluded in 2005 that about 60 percent of ecosystem services studied are degraded or being used unsustainably. In 2010, the third Global Biodiversity Outlook (CBD 2010) also concluded that biodiversity was continuing to decline. Conversion of land for agriculture continues to be the leading cause of biodiversity loss. About a third of global freshwater biodiversity has already been lost, and this is expected to continue, particularly in Africa, Latin America, and parts of Asia. By 2070, fish extinction will occur in about 30 percent of the world's rivers due to climate change and increasing water withdrawals (Pereira et al 2010).
- **Increased water insecurity.** Agriculture accounts for about 70 percent of freshwater withdrawals today, and about 30 percent (Foresight 2011) to 45 percent (NIC 2012) more water will be needed to meet 2030 food production needs (NIC 2012, Foresight 2011). By 2030, about half of the world's population will live in water-stressed areas, most notably in north and southern Africa and in south

¹³ Beddington 2009; NIC 2012; Global Commission on the Economy and Climate, 2014.

¹⁴ The Global Commission on the Economy and Climate, "Better Growth, Better Climate: The New Climate Economy Report". September 2014.

and central Asia, and about a third of all people will face water deficits greater than 50 percent of their needs. Total demand is expected to increase by about 40 percent by 2030 (NIC 2012; WRG 2009) and by 55 percent by 2050 (OECD 2012).

Perhaps the most significant threat to agriculture water supply is the depletion of aquifers due to extraction rates far exceeding recharge rates (OECD 2012). Increased efficiency is not providing sustainable improvement in water use. Since 1990, improvement was one percent across both rainfed and irrigated areas, a rate that would account only for 20 percent of the supply-demand gap in 2030. River basins in India could face the severest deficit, with the Ganga, Krishna, and Indus facing the biggest absolute gap in water supply (WRG 2009).

- **Demand for increase in agricultural productivity.**¹⁵ The 2011 Foresight study estimates that about 925 million people suffer from hunger and perhaps another billion suffer from lack of adequate minerals and vitamins. With an eight percent increase in land brought under agricultural cultivation from 1967-2007, crop yields increased by 115 percent. To satisfy the world's food needs by 2030, agricultural productivity will need to increase by about 80 percent. Current improvements in productivity are not keeping up with the increased needs. Africa already spends about \$30 to \$50 billion/year to import food and this could reach \$150 billion by 2030. Of about 11.5 billion hectares of vegetated land, 24 percent is affected by human-induced soil degradation. Meat production provides a stark example of the dramatic increases in production expected to meet future demands. Global cattle production is expected to increase by 70 percent, and sheep and goat production is expected to rise by 60 percent by 2050.
- **Climate change impacts.** Without significant reductions in greenhouse gas

emissions (GHGs), global mean surface temperature increase in 2100 will range from 3.7 to 4.8C compared to preindustrial levels (IPCC WGIII AR5 2014). The National Intelligence Council projects a 2C increase by 2050 and estimates that a 6C increase is more likely than a 3C increase by 2100 given the current and projected emission trajectories (NIC 2012). More frequent incidences of climate extremes exacerbate the vulnerability of food insecure people and reduce incentives to invest in agricultural production, particularly among smallholders who have little access to credit and insurance. Some current and projected impacts of climate change on agriculture include:

- Increased frequency of unusually hot nights since 1961 is damaging crops, with the greatest impact on rice yield and quality.
- Increased daytime heat extremes can be lethal for crops.
- Tropospheric ozone has very likely suppressed yields, with an estimated 10 percent reduction for wheat and soybean and 3-5 percent reduction for maize and rice (IPCC). That value of global crop losses in 2000 are estimated at \$14-\$28 billion, with the greatest losses in India (28 percent) and China (19 percent) (Royal Society 2009).
- In addition to temperature change, acidification, sea level rise, flood, drought, and other extreme events will impact fisheries and aquaculture, particularly in low-lying areas.
- Climate change will alter potential losses to pests and disease, suggesting a need for research on system-specific risk assessment.
- Cereals grown under elevated CO₂ conditions show a decrease in protein, with a 10 to 14 percent decrease in edible portions of wheat, rice, barley, and potato.
- Increasing heat and water stress are negatively affecting livestock.
- For tropical systems affected by moisture availability and heat extremes, it is likely that the growing

¹⁵ Projections from Foresight study on the "Future of Food and Farming," 2011, and IFPRI, "Increasing Agricultural Productivity and Enhancing Food Security in Africa," 2011.

season and overall suitability for crops will decline.

Taking into consideration key “game changers” such as climate change, threats to food, water, and energy security, the global economy, governance, and regional instability, resource scarcity could play a role in increased intrastate and interstate conflict. Fragile states are most susceptible and need

the most outside help, but even countries like China and India are vulnerable (NIC 2012). The most recent World Economic Forum Global Risks insight report, which has a 10-year outlook, sees unmanaged migration due to resource scarcities as one of the top 10 social risks, with linkages to a number of other risks, such as climate change, food shortages, and water supply crises (World Economic Forum 2013).

4. Panel Findings

4.1 The Reforms

The reform design retained four of its pre-reform principles and introduced three new principles.

The first principle carried over from the “old CGIAR” is **maintaining donor sovereignty**. However at the same time the reform sought to improve harmonization among donors in order to maximize pooled, fungible research funds. The original intent was that the CGIAR Fund would only finance agreed CRPs through two funding windows, one for unrestricted (pooled) contributions (Window 1) to be allocated to CRPs by the Fund Council and the second (Window 2) for contributions targeting specific CRPs. This objective was not achieved since several donors want or need to also be able to direct funding to Centers through the Fund, thus the establishment of a third pass-through mechanism (Window 3) was established.¹⁶

The second principle retained was the provision of **independent scientific advice**. However, the ISPC mandate is considerably reduced as compared to the earlier Technical Advisory Committee.

Center autonomy was the third retained principle. Centers continue to have autonomy and are no longer accountable to the donor group. Accountability is achieved through contractual tools. As discussed further below, a key source of concern and confusion is the continuing lack of clarity of relationship and responsibilities between the Centers and the Consortium Board and Consortium Office.

The fourth principle retained in the reformed CGIAR is the use of **consensus decision-making** for the Fund Council. Decisions by the Fund Council are made by consensus of its Members (excluding the Chair).

The 2008/2009 CGIAR reforms introduced

¹⁶ Selcuk Ozgediz. “The CGIAR at 40: Institutional Evolution of the World’s Premier Agricultural Research Network”. CGIAR Fund Office. 2013

three new principles. A key objective of the current Panel is to review how well these have or are working and how well they position the CGIAR to meet the challenges of the future. They include:

- **Separation of funders from “doers”** (the Centers and CRPs and Consortium) - this is the most fundamental shift, resulting in a two-pillared governance structure. The collective of funders as the Fund Council has an arms-length working relationship with Centers and CRPs, relying on the Consortium (Board and CEO) to represent the Centers interests at Fund Council deliberations.
- **Harmonization** - the governance changes and a change management process were expected to stimulate a culture of collective action by funders and doers and improve efficiency and effectiveness.
- **Managing for results** - funding approved by the Fund Council is based on performance agreements for specific results (outputs to outcomes to impacts). The shift from institutional (Center by Center) to programmatic funding (CRPs) provides the results orientation. The Strategy and Results Framework (SRF) is intended to provide the system-wide coherence for prioritization of research questions and delineation of expected outcomes.

The reform of the CGIAR is, according to most stakeholders consulted by the MTR Panel, a work-in-progress. This is not surprising since it was carried out without a structured change management process¹⁷.

¹⁷ Several stakeholders, particularly Fund Council representatives, and the recent analysis, “The CGIAR Reforms: Old and New Challenges” by Uma Lele, Kendra White and Sambuddha Goswami in a new yet-to-be-published book, “International Organizations and Transformation of Food and Agriculture” (working title) emphasize that implementation of the reforms is not completed and that CGIAR may be going through a necessary evolution.

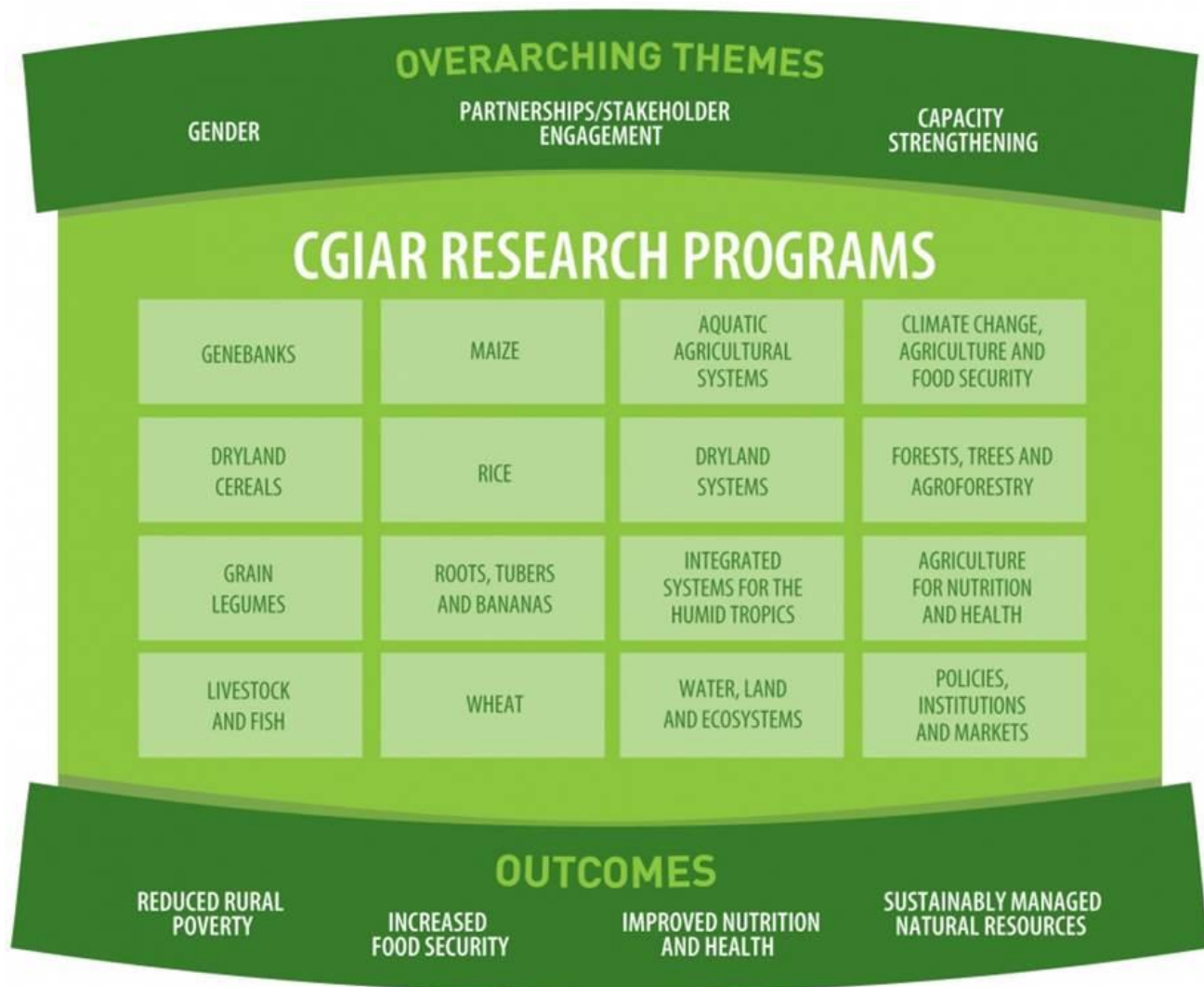


Diagram 3: CGIAR Research Programs

4.2 What We Heard – What Has Worked Well and Why?

One of the initial questions of the Panel was “what are the Centers most proud of and how do they stand relative to other agricultural research institutions?” In response the Consortium Office prepared a note, “Charting progress within CGIAR research programs,” that highlights a number of accomplishments, regarding its research, capacity building, translational research, products and genetic resources, its influence on policy decision-making, and the development of a number of partnerships with the private sector.

The following summarizes the feedback from stakeholders on the positive outcomes, such as those mentioned, of the reform process.

4.2.1 Cross-cutting research programs

The adoption of cross-cutting research programs - the CRPs – has generated some of the most important improvements in the CGIAR. The CRPs have:

- **Improved CGIAR’s focus on delivery of solutions and development impact** by strengthening the structure of research for development impact pathways, including a better focus on gender and inclusion.
- **Increased collaboration among Centers.** All of the stakeholder groups interviewed (funders, Consortium, Centers) and recent independent reviews of the CGIAR consider that one of the most important positive changes that has taken place as a result of the reforms has been the collaborative partnerships established

by Centers, with improved planning, coordination and joint work to undertake the CRPs. While the CRPs were the impetus, there has also been a tangible increase in scientific collaboration across Centers as evidenced by increased joint planning, implementation and publications. Another stimulus for the Centers to elevate collaboration has been a result of the new governance structure which largely leaves the Centers out of the decision-making process – hence increased collaboration to be proactive in addressing concerns about efficiency and effectiveness.

- Led to **improved conceptualization of how the CGIAR approaches delivery and impact**, often through greatly improved geographic alignment.
- Indirectly highlighted some of the **comparative strengths and weaknesses of the centers**, their organizational capacity, and robustness of their respective governance systems.
- **Significantly deepened CGIAR's capacity and approaches to gender equity.**
- **Broadened partnerships.** In addition to continuing the practice of partnering with developing country partner NARS, some of the CRPs have been highly successful at establishing partnerships with outside organizations that not only enhances the quality of the research but also strengthens the linkage to scaling and delivery mechanisms.

In addition, the **Genebanks** maintained by CGIAR Centers continue to be a core function of the partnership, providing a unique global public good.

4.2.2 Strategy and Results Framework

The decision to have a single, system-wide Strategy and Results Framework is certainly a positive outcome of the reforms. The fact that the first SRF was rushed in order to be able to proceed with the first round of CRPs could, in a perverse sense, generate positive results. In

spite of the largely legacy-based first round CRPs, the collaborative approach to their management has improved coherence among them. Perhaps most importantly, is that the experience up to now points to the essentiality of having a well thought through SRF – focused on desired outcomes, so that the next round of CRPs can consequently address the highest, most urgent priority research questions. This could also provide confidence that sufficient funding will be available over a long enough period of time made possible because of clearly defined impact pathways with clearly defined, measurable intermediate development outcomes. In the long-term, this will further solidify the collaboration of Centers and other partners to focus and work collaboratively on common global research objectives.

4.2.3 Resource mobilization

The establishment of the Fund Council and the structure of the Fund (Windows) have improved Resource Mobilization. The level of funding has doubled since the reform process started, at least in part as a result of the collective commitment of the donors to channel scaled-up research funding through CGIAR if the reforms take hold. While still challenging, predictability of funding has improved. Unrestricted funding and multi-year commitments appear to be increasing in volume. Some donors have been encouraged to participate because of the funding leverage for CRPs, as well as the role in governance as a Window 1 and 2 donor. Views remain mixed on the viability of the current Window 1/Window 2 and Window 3/bilateral funding system though.

4.2.4 Effective oversight

While not yet fully achieved, there are already improvements in Oversight of System-Wide Performance that should in-turn strengthen results-based management. The mandate of the Fund Council has improved the focus on fiduciary management at the CRP-level and Window performance. Monitoring for system-wide issues such as gender and capacity development is improving as well, in part to the CRP review process.

4.2.5 Operational Efficiency

The CRPs and Fund Windows serve as a platform for operational efficiency with the potential to drive further efficiencies in the system by linking supply of research expertise across the system to research needs, deploying and assembling talent to drive the emergence of research and delivery breakthroughs and address challenges such as intellectual property. The CRPs provide a good platform for further gains in operational efficiency, such as joint finance, HR-planning, procurement, monitoring and evaluation, communications, resource mobilization and outreach. The Consortium Office and Fund Office are intended to facilitate such efficiency gains. The Consortium Office and Centers have assessed, partially implemented and are considering additional opportunities for (i) shared services, (ii) rationalizing co-locating of staff across countries/regions, (iii) managing security and related risks, and (iv) harmonizing practices where appropriate and building stronger communities of practice in capacity development, communications and knowledge management, and human resources.

4.2.6 A focus on gender

At the corporate level there is an increased focus on gender equality being considered in funded project activity. While implementation across different CGIAR entities has been uneven, the corporate commitment has facilitated stronger efforts to mainstream gender equity at many levels in the commissioning of relevant research activities.

4.3 What We Heard - What Has Not Worked Well and Why?

Shortly after the MTR Panel was formed, in a meeting with some of the Panel members, Fund Council members and senior managers from across the CGIAR, a Center Director General (DG) pointed out “**where you stand often depends upon where you sit**”. This is clearly the case when it comes to views on the reform. There are varying views about what has been successful or unsuccessful, and whether it is simply a matter of requiring more time to achieve results anticipated by the reform design team.

For example, several of the positive assessments by stakeholders recorded in the previous Section 4.2 included caveats.

Similarly other stakeholders have expressed views opposite to those above. Furthermore, there are clearly grounds for argument on many of the views expressed above and below, if for no other reason than that many of the positive actions stimulated by the reforms have been uneven across the Centers and CRPs.

4.3.1 Need for an effective Strategy and Results Framework

There still is not an agreed overarching and focused CGIAR Vision, Mission or strategic guidance on critical outcomes from the SRF. The Mission reflected in the SLOs (reducing rural poverty, increasing food security, improving human health and nutrition, and ensuring the sustainable management of natural resources) is remarkably broad. It would not be too difficult to justify almost any research and development proposal as fitting this mission. Hence the lack of a high-quality Strategy and Results Framework (SRF) – focused on outcomes - is a key reason for many of the challenges facing the CGIAR partnership.

One of the consequences of not having an effective SRF is the inability to prioritize outcomes and consequently the research undertaken; ensuring that budgets are allocated and adequate for successful implementation of the highest priority research activities. Similarly it is more difficult to establish robust metrics across the portfolio (beyond the individual project) and therefore to assess value as a system. Current work on the SRF is being undertaken in parallel with the work of the MTR Panel. Some stakeholders expressed agreement with the interim Panel recommendation that the preparation of the SRF should not be rushed so that donors and Centers can be fully engaged and that there is a sufficiently scientific basis for determining priorities. Views of the Panel in this regard are discussed in Section 5.

Another example of varying views is that ISPC has registered concern that the lack of cross-

CRP linkages is compromising one of the important objectives of the reform, that of greater collaboration leading to added value in the contribution to the SLOs. The ISPC review concluded that potentially synergistic research is being undertaken by CRPs without significant exchange of knowledge and experience between CRPs.¹⁸

4.3.2 Governance ambiguities

One of the objectives of the reform process was to reduce transaction costs and improve effectiveness and efficiency by simplifying the overall governance. This has not happened. The entities in the reformed CGIAR include the Fund Council (FC) and Fund office (FO), the CB and CO, the ISPC, the IEA, and the 15 Centers each with their own respective Boards. There are also currently 16 CPRs – partnerships with their own governance structure and systems¹⁹.

The lack of clarity of relative roles and responsibilities of the Fund Council, the Consortium, the Centers, and the CRP directors has led to a number of Governance ambiguities. There are also differing interpretations of the Consortium's Constitution which defines the relationship between the Consortium Board, the Consortium Office and the Centers.

Recent reviews of the CGIAR governance and the views expressed by the Centers in their joint submission to the Panel and by some donors emphasize that (i) the “doers” - the Centers - have been too far removed from the planning and decision-making processes, (ii) the sovereignty of the Fund Council members

¹⁸ This is particularly true in areas such as value chain approaches, livestock research, systems analysis and policy. (June 2014 review of extension proposals)

¹⁹ The joint submission from the Centers states that “each CRP has a program management committee with an average size of roughly 10 members thus engaging 150 people (15 CRP X 10 members) at the management level with statutory meeting roughly four times per year. In addition, each CRP has an advisory committee/panel/board of roughly 10 people each, thus engaging about another 150 people at the advisory/governance level, meeting on average twice per year.”

makes it difficult for the Council to provide guidance and govern the partnership²⁰, and (iii) the Consortium is approaching management in a centralized corporate fashion as opposed to serving the collective of the Centers.

Interviews with Centers and their joint submission make it clear that the tension between the CO and Centers, especially in the area of governance and management of the CRPs could significantly affect the overall system performance. The joint submission from the Centers to the Panel (Appendix 2) and the submission from the Consortium (Appendix 3) each highlight that the current interpretation of the legal relationship between the Consortium Board/Consortium Office (CB/CO) and the Centers leads to ambiguities in governance. The joint Center submission expresses that “ambiguity about whether the Centers are part of the Consortium or not and the uncertainty concerning the obligations in both directions have severely impeded the building of trust and cohesion between the Centers and the CB/CO.” The Centers “envisaged that the CO would be a convener, facilitator, and advocate, providing intellectual support in areas such as the quality of CRP submissions.” However, as a result of the ambiguity above, different expectations have emerged between the Centers and the CO over its role as facilitator or regulator, with significant lack of empowerment and hence potential loss of opportunity occurring for the CGIAR.

A contrary view expressed by a few donors was that the reforms have not successfully shifted the Centers from being “independent kingdoms” and that the balance of centralization (CO) and decentralization (Centers) has yet to be found.

Several Centers expressed the view that a concerted effort of the Centers working with

²⁰ Lack of predictability in timing of receiving funds and slow decision-making on reserve policy were given as demonstrations of lack of accountability of Fund Council/Office.

the Fund Council and with support of Consortium Board for resource mobilization could dramatically improve levels of fundraising and could improve Fund Office performance and reduce transaction costs. There is concern regarding accountability of the Fund Council - from some donors as well as Centers - and a desire to see it become more active in strategic guidance and more decisive in its decision-making role. The improvements in donor coordination are not transparent to external stakeholders because the decision-making role of the Fund Council is largely that of periodically reviewing and approving the proposals for CRPs. Several CRP Directors expressed concern about the lack of transparency on CRP funding decisions and lack of clarity/definition of what Center actions count as CRP versus non-CRP. As a Council, the donors did not provide strategic direction to the SRF, though several individual donors have engaged in the process. Perhaps most telling is that after four years, while doubling the total funding for the CGIAR, the Fund Council has not been able to achieve harmonized funding at the desired level through Windows 1 and 2.

Phase 2 of the CGIAR Governance Review, carried out by Price Waterhouse Coopers (PwC) for the Fund Council, was finalized in September 2013²¹. It included a number of conclusions and recommendations that have been reviewed and responded to in detail separately by the Consortium and the Fund Council Governance Committee. The general conclusion from the review was that “overall the reform is making progress: governance initiatives advance at different speeds. However, CGIAR has yet to address core questions such as the articulation of its strategy and operational model, how it intends to engage with Centers, donors and other key stakeholders and how it can concretely use governance to advance its strategic direction and coherence.”

The PwC governance recommendations are grouped by (i) strategy, (ii) oversight, (iii) risk management, (iv) policy framework, (v) finance and operations, and (vi) fiduciary

oversight and audit. Most of the recommendations were accepted or partially accepted. Three of the recommendations that were rejected and are particularly relevant to the Panel TOR include:

- Fund Office to prepare, Governance Committee to oversee, and Fund Council to approve a revised appointment process for Fund Council members to ensure an appropriate level of seniority at the Fund Council meetings (*rejected because it is up to each donor to determine who will be on the Fund Council*).
- Legal and governance offices at Fund Council, Consortium and Center level to work more proactively together to ensure consistent governance advice to their respective governing bodies and offices about system (governance) challenges.
- Expand the Consortium delegation at the Fund Council temporarily with Center representatives in addition to the Consortium Board and Consortium Office representatives (*rejected because the Consortium is responsible for representing the Centers*).

PwC concluded that “At present, while operating in a dual board structure, one of the cornerstones of the reform process, there are insufficient mechanisms in place to ensure strategic alignment between both bodies. Good practice also generally raises the question of the appropriateness of the current dual structure. One of the main reasons for this structure was greater efficiency while at present many challenges (see below) are likely to be resolved more effectively by a single board structure:

- Reduced accountability, transparency and coherence of decision-making;
- Misallocation and duplication of roles within two boards and secretariats;
- Higher costs to maintain two boards and two secretariats; and
- Increased number of communication problems and misunderstandings and greater distance between the donors and Centers. “

²¹<http://bit.ly/1nZRHnc>

4.3.3 Ensuring quality research

One of the high-level questions posed to the MTR Panel was whether the CGIAR is effective in generating and delivering solutions for reducing rural poverty, improving food security and advancing the livelihoods of users of its research. The ability of the CGIAR to deliver is dependent on a number of factors, but the quality of the research is considered by the Panel to be of highest priority. The CGIAR's reputation is built on its research excellence and rigor.

Some external reviews have considered that the reform, which replaced the Technical and Advisory Committee (TAC) with the ISPC, somewhat diluted the ability of the internal research review process to adequately guide strategy and prioritization and assess research quality. The primary role of ISPC is to ensure scientific rigor in the CRPs. Indeed a review by the Fund Office of the responses of Centers to ISPC comments on CRP proposals shows that the ISPC advice is generally acted on (more so for the substantive recommendations and less so on recommendations regarding institutional arrangements).

But as is pointed out in the joint Center input to the Panel, “foresight studies, exploratory initiatives, novel discoveries are not now being sufficiently addressed. Research oversight is essentially focused on the CRPs; and yet research quality, new research capacities and design of research programs are essentially managed by the Centers. Centers are of the view that some of the current modalities of executing the CGIAR's agenda erode their capacity for global scientific leadership.” The Panel concurs with this view.

4.3.4 Uneven progress on efficiency

The reforms were expected to improve efficiency but by all counts there has been uneven progress on efficiency. In its submission to the Panel, one of the donors succinctly summarizes the issues as follows: the uneven progress on efficiency is a result of the “lack of system-wide coherence, coordination and improvement respecting operational, governance, and policy issues. The system operates more as a network than

a corporate enterprise. A deep dive diagnostic on the architecture of the system is needed to ensure the structure of the CGIAR is conducive to deliver its mandate. We are hearing from Centers that transaction costs from individual bilateral projects remain high, and that the efforts to participate and manage reporting to different Boards and programs through the CRPs also has a high cost on staff time. Unlike other international organizations, there are few metrics substantiating the cost savings resulting from the reforms, and how these have been managed throughout the system. There also appears to be little incentive to put such systems in place and an absence of accountability for their absence.”

Many stakeholders consider that the burden of the bureaucracy, efficiency, and transactions costs have considerably worsened since the reforms. Many also noted that the reform process has not led to an adequate agreement on accountabilities.

4.3.5 Remaining needs for gender commitments in research activities undertaken

While one of the positive outcomes of the reforms listed above is attention to gender equity in the planning and conduct of research activities, others have expressed that the reforms have not resulted in the implementation of gender commitments. At best the implementation, and capacity to implement, has been uneven across Centers and CRPs.

ISPC review of CRP extension proposals saw little evidence that CRP proposals had really incorporated gender-linked constraints in the research commissioned and concerns into the prioritization of research at the level of specific traits and problems that research should aim to address. Integration of gender equity into results and accountability frameworks is also inconsistent across the CRPs. Discussion with senior HR staff of one Center revealed data that gender balance remains a critical challenge in terms of Center employment.

4.3.6 Enabling strategic partnerships

Similar to the gender equity issue, the ability

of the CGIAR to establish strategic partnerships, has been improved as a result of the CRPs, but how CGIAR engages partners outside the system and the strategic choices it makes about linking with delivery agents remains unclear. The ISPC, while complimenting the progress made, noted that “it was difficult to interpret from the extension proposals, how much strategic thinking had gone into the selection of partners in some CRPs. The quality of partnerships was another area of concern. The CGIAR might not have a strong comparative advantage in all desired areas of research/activity but it has the potential to form effective partnerships with leading organizations that provide complementary capacities, thereby generating collaborative advantage. For most CRPs, however, the rationale for selection of research partners was not clearly stated.”

4.3.7 Communicating with one voice

Given the numerous challenges described above, it is not a surprise that several stakeholders consider that the reforms have not led to improved communications. CGIAR speaks with multiple voices and messages are often inconsistent. There is no single voice for CGIAR. Center DGs most often represent their particular Center, not CGIAR, and not surprising since they each answer to their own Board and in many cases the Center brand is more effective at generating financial support than the CGIAR brand. There is little incentive for corporate coherence or strategic messaging about the objectives of the reform by the Centers, the global challenges being addressed or the solutions being provided to the global community.

5. Conclusions

Sustained poverty reduction, human well-being and economic growth, particularly in developing countries, requires a rapid and intensive scaling-up of agricultural research. Without the support of carefully targeted agricultural research, the international community faces some major global public liabilities—the medium- and long-term risks posed by food insecurity; the loss of biodiversity and the degradation of ecosystems and the services they provide; water scarcity; and depleted or collapsed oceanic fisheries. Moreover, the rapid acceleration of urbanization will, under business as usual, drive corresponding increases in consumption and waste generation. Furthermore, if climate change goes unchecked over the next 20 years, global risk profiles move into largely uncharted territory.

Improvements in human welfare achieved over the last few decades have been substantial, but the gains are at least partially deceptive given the risks outlined above. The development and dissemination of knowledge and innovation, the cooperative management of common-pool resources, the mobilization of large-scale public and private investment in agricultural research relevant to developing countries' needs, and well-managed and networked research programs, are all important elements in mitigating global risks.

Since the initial Panel meeting in January 2014, a large volume of existing and new information has been provided to the Panel to provide the evidence needed to draw conclusions regarding CGIAR's ability to lead global agriculture research necessary to address the aforementioned challenges. Appendix 4 summarizes the Panel's views on the aforementioned questions included in the Panel TOR. The following presents our key conclusions.

5.1 CGIAR leadership in global agriculture research

CGIAR has the opportunity to provide important global leadership to address the

issues summarized above. CGIAR should be at the center of a global effort to scale-up targeted research to meet global needs. If such an organization did not already exist, then it would be necessary to establish one in order to systematically engage the broader agricultural research communities to identify and prioritize research infrastructure and research investments.

The current system-wide reporting on the results of CGIAR research - from Centers and from the CRP partnerships - does not provide a clear answer as to whether CGIAR is capable of taking such a leadership role. Questions remain regarding the key qualities that are needed to take such a leadership role, such as the CGIAR's ability to articulate a clear value proposition, prioritize the use of limited funds, avoiding centers' self-interests; undertake research meeting the highest standards; identify and undertake critically needed blue-sky research and recognizing the need to take risks and reward failure; optimize value for money by strengthening the linkages between discovery and delivery; establish collaborative partnerships that facilitate the needed scale and speed to address growing global challenges; and finding innovative financing mechanisms to double funding for targeted priority research. It is the Panel's view that CGIAR has the potential to play this global leadership role, but not as it is currently structured and managed.

The 2008/2009 reforms have generated a number of positive outcomes as described in Section 4.2, above. But the continuing and in some cases growing challenges outlined in Section 4.3 must be addressed, and soon. The Panel concludes that the five "big challenges" are:

1. Developing an SRF that effectively guides system-wide decision-making, including periodic adjustments in strategy based on effective feedback, identification of strategic partners and that provides adequate confidence to existing and current donors to enable them to increase

- overall funding for CRPs, in particular through Windows 1 and 2;
2. Removing the governance ambiguities so staff at all levels are empowered to deliver on CGIAR's vision, that stakeholders' voices are heard and count, expected efficiency gains can be realized, and the collective actions of the Centers and partners do indeed exceed the sum of the parts;
 3. Strengthening research oversight;
 4. Establishing strategic partnerships that will lead to the delivery of the agricultural research required to transform agriculture to meet nutritional requirements and a food secure future; and
 5. Innovating financing to leverage the current grant financing provided to CGIAR.

5.2 Strategy and Results Framework

The preparation of the first post-reform Strategy and Results Framework (SRF) by the Consortium Office in 2011²² provided an initial framework for CGIAR's strategic planning, management and communications in support of results-based management. The agreed system level outcomes (SLOs) included reducing rural poverty, improving food security, improving nutrition and health, and sustainable management of natural resources. The guidance for CRPs in the first SRF was recognized as being insufficient for guiding strategic decision-making on the selection of CRPs and for guiding the measurement of performance of CRPs against clear targets. The SRF was nevertheless accepted as meeting the requirement of having an SRF as a condition for providing funding for CRPs.

In 2012 an SRF Action Plan provided additional guidance on how to prioritize CRP proposals and quantitatively measure progress towards meeting SLOs by establishing a list of prioritized intermediate development outcomes (IDOs). It also added a foresight dimension to the strategic framework. This was supplemented December 2013 with an SRF Management Update 2013-2014 that further clarified an accountability

framework to assist in resource allocation for CRPs. The Update, essentially a bridging exercise between the original SRF and the second SRF to be considered for approval in 2015 (currently under preparation) also proposed targets intended to align with forthcoming post-2015 Sustainable Development Goals (SDGs), and to ensure that gender, foresight, partnership and capacity building dimensions be incorporated in CRPs as cross-cutting themes. Metrics for targets and indicators were not included.

The Consortium Office also circulated draft Guidance for the Second Call for CRPs in parallel with the SRF Update. This was needed because the CRP contracts for the first three CRPs expired in mid-2014 and the remaining CRPs will expire late 2015. The Fund Council in May 2014 endorsed the Consortium Board recommendation for extension of all of the CRPs to the end of 2016.

An initial Panel observation of the preparation process of the new SRF was that the preparatory process did not provide adequate opportunities for inputs from various stakeholders. The donors, while initially providing little guidance in terms of their collective or bilateral strategic priorities, have more recently engaged in its development. Several donors have made it clear that future funding is dependent on a high quality SRF. Participation of Centers and non-center partners has been sporadic but the opportunities are improving.

Based on a briefing on the SRF preparation at the July Panel meeting and subsequent consultations, but noting that the Panel has not had an opportunity to review the latest version of the SRF, **the Panel's conclusion is that the risk is high that the final SRF may not facilitate determination of the critical outcomes the CGIAR should be addressing, the highest priorities for research and the minimum funding required to enable each priority CRP to reach its agreed objectives. The Panel would be reassured if by this time the Fund Council had made clear the detailed criteria upon which it would judge the adequacy of the SRF.**

²²<http://bit.ly/1pRMYo>

5.3 System architecture and governance
Ambiguities in leadership, responsibilities and accountabilities are a major drawback of the reformed CGIAR. A range of ambiguities in the post-reform CGIAR governance have been described in a number of evaluations solicited by the Fund Council and Consortium Board, and independent studies. This issue has come up in most of the consultations with stakeholders and surfaced in Panel discussions with the Reference Group. Some of the sources of problems and most troubling ambiguities include:

- The objective of the reform was to separate the “doers” from the “funders” because it was felt that donors interfered too much and micro-managed their projects in the Centers; and that Centers had become too expert at lobbying donors to get projects funded that they wanted to do regardless of CGIAR priorities. This has resulted in the opposite of coordinated or harmonized stakeholder engagement. Centers do not consider themselves adequately represented in key strategic discussions and decision-making. Other key stakeholders, such as NARs and private sector partners, are not adequately represented, largely relying on the biennial GCARD process.
- The Consortium has a constitution that was commented on by funders but was never intended to be approved by them. Parts of the constitution are not in alignment with the Fund establishment documents leading to ever more ambiguity and lack of clarity regarding accountability. This contributes to ambiguities relating to leadership, partnership and fundraising roles.
- The current set up of two boards (Consortium Board and Fund Council) is not effective in delivering:
 - Strong and coordinated strategic leadership;
 - Clear accountability and ownership;
 - Transparency and coherence of overall decision-making;
 - Efficient, lean and low cost decision-making processes. (See PwC governance report).
- The two-pillar model leads to much duplication, inefficiency and unease, between the Consortium Board and Fund Council and their respective secretariats (Consortium Office and Fund Office). This has led to the constant need for back and forth communication, even for something like a mid-year request for an increase in budget by the Consortium Office for a specific area of work.
- What is the CGIAR and who comprises it? CGIAR has yet to address core questions such as the articulation of its strategy and operational model, how it intends to engage with Centers, donors and other key stakeholders and how it can concretely use governance to advance its strategic direction and coherence (PwC).
- Lack of a business plan. Currently, the Centers and the various entities in CGIAR have to deal with the development of new roles, policies and procedures without a business model and with insufficient clarity regarding strategic direction.
- There are different views on the operationalization of principles guiding the reform process and funding for CGIAR.
- There is no collective agreement on the balance of CGIAR effort to address longer-term regional and global food security issues or shorter-term national research needs including building capacity, or both. Rather, the balance is derived in an ad hoc fashion by individual donors making their own decisions – it is unplanned and therefore random.
- Fund Council decision-making is limited to approval of the CRPs when they are contracted (every 3-5 years). The Fund Council does not have a mandate to make any real funding decisions once the CRP contracts have been signed with the Consortium. Since the development of the SRF is the Consortium’s responsibility, it appears that the FC has very limited accountability or strategic responsibility.
- The “doer” partners, the Centers, are legal entities governed by their own Boards- not by the Consortium Board or FC. Centers raise about 65 percent of the total CGIAR funding as Window 3 and bilateral, largely

on the basis of the individual Center's brand and reputation. If they do not feel they are a part of the Consortium, then much of what the Consortium is doing to increase efficiency, effectiveness and harmonization is not well received or implemented.

- The status of Consortium Board in terms of relationship to Fund Council remains a source of dispute. For example, are they equal partners or is the Consortium Board subordinate?
- The authority of the Consortium CEO vis-à-vis Center DGs is not clear.
- The array of CRP governance bodies is complex and duplicative. The CRP governance review identified a total of 23 active CRP governance bodies; these varied in terms of composition, size, function and degree of independence. Some CRPs have a single governance body, while others were found to have the functional equivalent of two or more (CRP Governance Review).
- External CRP partners had limited roles at the governance level,
- There is a lack of a common understanding about roles and relative authority of CRPs at the system level, among the Fund Council, the Consortium and Centers (CRP Governance Review).
- The current reporting line, which for the most part is through the Lead Center DG, as well as the number and structure of CRP governance and management committees, limits the scope and authority of CRP leaders to manage effectively (CRP Governance Review).

The Panel found the two-pillared structure to be a part of the overall governance problem of the CGIAR. A new structure and suggested transition arrangement are presented in Section 6, Recommendations.

5.4 Research – strategic guidance and quality assurance

The Panel found ambiguities in the **institutional responsibilities for research-based strategic guidance and research quality assurance.** The recent Elsevier studies commissioned by the Consortium Office are

encouraging, as are the reports from individual Centers and CRPs on accomplishments. However, the Panel is unable to assess the overall quality and rigor behind the scientific research of CGIAR because there is no routine credible assessment being undertaken. As noted above, the Panel is concerned with the lack of research-based guidance in setting priorities for the SRF. There is no single body charged with the overall responsibility to carry out foresight research to guide strategy and prioritization and to assess the scientific quality of the research across the CGIAR. The ISPC, Consortium Office Chief Science Advisor, IEA and each Center have research quality assurance roles.

Some external reviews have considered that the reform, replacing the **Technical and Advisory Committee (TAC) and later the Science Council with the ISPC, somewhat diluted the ability of the internal research review process** – the Panel concurs with this assessment. The primary role of ISPC is to ensure research rigor in the CRPs. The Panel is not criticizing the ISPC - it seems to have carried out its designated functions. But its authority is limited to the extent that the Fund Council supports and acts on its recommendations.

Up until the end of 2010 the CGIAR used to conduct a verified, self-reported performance assessment that included research and impact aspects. This exercise, overseen jointly by the CGIAR Secretariat and the Science Council, assessed the quality of research based on indicators such as number of externally peer-reviewed publications per scientist, output targets and outcomes in terms of degree of achievement, and degree of impact culture at the Center. Centers also undertook external research and research reviews which reported to their respective Boards of Trustees. This stopped in 2011 when CRPs became operational and now the Independent Evaluation Arrangement (IEA) carries out a consultant-led review of CRPs once every 5 years.

5.5 Broadening partnerships - building on CGIAR

The CGIAR Centers have for many years been global leaders in agricultural research for developing countries. The reforms, particularly the adoption of the CRPs as the key research vehicle, encouraged the Centers to strengthen their partnerships among each other and with external partners. Many major national agriculture research programs in developing and developed countries - government, university and private - are similarly improving their focus and effectiveness.

The multiple roles of multilateral organizations, particularly the World Bank, IFAD, and FAO, have been of critically important in facilitating many of the CGIAR successes to date. As development organizations, these CGIAR partners, as well as many donors, are very well positioned to support the Centers collectively to reach new heights when it comes to leading agricultural research at the international level.

The critical question, if one takes a longer-term view, is whether the Centers, working with World Bank and others that have a development delivery role, can provide the research required to transform agriculture to meet nutritional requirements and a food-secure future. The Panel considers that the current approach leads to incremental and essentially marginal impacts in consideration of the complexity of food security and nutrition challenges.

The Panel concludes that, in addition to the current effort to improve the strategic focus and results of the CGIAR system, new partnership models will be required, designed to optimize the capabilities and strengths of a broader range of partners. This should be

done with CGIAR at the center, with coalition governance geared toward achieving “collective impact” at a large-scale. Some suggested approaches to developing collective impact partnerships are presented in Section 6, Recommendations.

5.6 Innovative financing

One of the early questions the Panel raised was whether the CGIAR was considering more innovative approaches to securing financing. It was surprising to learn that the Fund Council had not addressed this opportunity since several of the Fund Council members have led initiatives for innovative financing for health and other development sectors. It is also surprising considering the risks inherent in continuing to rely on direct grants given the current and projected reductions in ODA. Some Centers have been able to access funding other than grants, but this is small-scale and certainly not system-wide. The discussion that the Panel has had with private sector stakeholders innovative financing experts, and the likelihood that research infrastructure and research investments needed to provide major biological advances could provide be investment opportunities for the financial sector currently exposed to systemic financial risk that resides in food system failures, leads us to conclude that **there are opportunities for financial innovation that could significantly leverage the current grant financing provided to CGIAR.** However, there are risks (reputational and financial) that need to be overcome to enable the donors to support such innovation. The Panel believes the risks should be manageable and the benefits far outweigh the risks. Some suggested approaches to innovative financing are presented in Section 6, Recommendations.

6. Recommendations

6.1 Vision and Mission

A common vision is required across the CGIAR system. A clear and focused vision should be developed to guide the decisions on priority research objectives, facilitate the development of strategic approaches to reaching those objectives, and provide adequately detailed expectations of results.

The Panel recommends a task force, of senior representatives of Centers, Consortium, ISPC, IEA, and the Fund Council, be established immediately with a mandate to propose a CGIAR Vision that meets the above criteria. The task force should also review and identify priority areas of research, and advise ongoing work on the SRF so that it reflects this vision and its priorities.

The Panel recommends that the focused vision for CGIAR be oriented towards agricultural research required to meet immediate and long-term nutrition needs and achieve equitable food security by 2030. Achieving such a vision will rely largely on current Center capacities but also require substantial scale-up of research partnerships for achieving climate-smart agriculture, sustainable intensification, improving and sustaining ecosystem services, and improving orphan crops.

6.2 Prioritization

The Panel, with Fund Office support, tasked two independent experts to organize a workshop of globally eminent scholars and practitioners to identify the highest priority researchable topics in the area of applied natural and social sciences related to interventions focused on improving the lives of the world's poorest people. The experts considered current frontier thinking about agricultural and food systems, nutritional security and dietary health, and the expected major drivers of change in the coming decades. A food systems approach was taken and the topics considered were not limited to those solely or chiefly concerned with agriculture or that traditionally have been part of the CGIAR remit. The result was the

identification of 28 priority research areas.²³ Among these 28, the Panel identified five major research challenges with potential for very high payback. The list is by no means definitive- but this level of prioritization is needed to sharpen focus and impact. These include:

- 1) **Nutrition.** All CGIAR food crop and livestock research should include nutritional improvement as an embedded objective, with a specific focus on reducing stunting and related impacts based on local conditions.
- 2) **Degraded lands.** About 25 percent of the world's agricultural land is severely degraded. Research should focus on increasing sustainable agricultural productivity or healthy agro-ecosystems for the world's degraded arable land.
- 3) **Reduce Food systems waste.** About 24 percent of the caloric value of food intended for human consumption is wasted. In developing countries, about 66 percent of the loss is during harvest, storage, and processing. Research should focus on reducing food system waste by considering the food value chain as well as opportunities to use waste for other co-benefits related to sustainability and profitability – enhancing soil condition, energy generation, etc.
- 4) **Resilience.** Recognizing that the poorest smallholder farmers are generally the most vulnerable and least resilient to shocks, agricultural research needs to be targeted to keep pace with the growing global, regional and local impacts of climate change, water shortages and other shocks.
- 5) **Big data.** Investing in open data architectures, high performance computing and visualization facilities and big data analytics capabilities is of direct relevance to CGIAR's outcomes and its

²³ Priority Research Topics that Address Food System Knowledge Gaps to Improve the Lives of the World's Poor. 2014. Report by Charles Godfray and Molly Jahn, <http://bit.ly/1t2QyGH>.

aspiration to be a global leader of networks. CGIAR is well positioned to develop a **global agri-informatics network** focused on “evidence based management of agro-ecosystems” by partnering with like-minded regional and global networks and organizations to leverage existing infrastructure and capabilities, improve the access and utility of agri-related data and save significant resources.

There are certainly other priorities such as sustainable intensification and there are other ways to prioritize. The Panel recommends that the aforementioned task force should undertake a systematic process of prioritization. The objective should be to provide a menu of options for CGIAR and its partners to determine how they can maximize impacts with the least costs for both upstream and downstream research. The result might be a “food insecurity abatement curve” and a “nutritional value benefit curve”, each of which would estimate prospective benefits of targeted research streams against costs (including time) to achieve the results or reduce risks to targeted levels. Such curves would assist donors in identifying where they might achieve the largest benefits for the least costs in addressing the drivers of food insecurity, including productivity, water scarcity, and climate change; determining an appropriate balance of systems and breeding research, for example; and further strengthening gene bank management; as well as identifying potential high risk-high reward research areas.

6.3 Strategy and Results Framework

The Panel recommends that the Fund Council and Consortium Board should establish clear criteria by which they determine whether the SRF under preparation meets their needs. It must enable prioritization of research (CRPs) leading to confidence that the limited financial resources are being used for the greatest impact, and that those resources are sufficient for achieving the research goals. In this regard, it is timely to consider piloting, within the next round of CGIAR Research Program (CRP) proposals, a more open and competitive platform to allow a non-Center to lead on a proposal if it is uniquely qualified to

do so, and piloting a performance-based financing mechanism.

The research targets and indicators in the SRF should guide the individual CRPs and facilitate effective periodic review of research progress of the CRP portfolio to determine whether the portfolio of research is achieving the broad strategic objectives.

The preparation of the SRF must have sufficient stakeholder participation to ensure joint ownership of the final product - the proposed task force can facilitate this. The process should take as much time as is required to get it right. The call for the second round of CRP proposals should only be issued after the Fund Council is fully satisfied with the SRF, including an assurance from CGIAR stakeholders that there is broad support.

6.4 Governance structure

The Panel strongly recommends that a single CGIAR Board be established replacing the Fund Council and the Consortium Board. The Board should be supported by a CGIAR Administrative Unit, replacing the Fund Office and Consortium Office. The Panel considers that a properly designed and managed Board would eliminate the current governance ambiguities, strengthen the ability of CGIAR to deliver its mission of research and development impact, and to lead an effort for accelerated, scaled-up, solution-driven public-private collaborative partnerships required to avoid food insecurity in the coming decades.

We are not recommending that the CGIAR return to its old governance structure prior to the 2009 reforms.²⁴ The evaluation of the governance system leading up to the reform noted that the CGIAR’s governance systems

²⁴ A summary of what had gone wrong with the multi-stakeholder Executive Committee approach of the CGIAR is in K.A. Bezanson and P. Isenman. “Governance of New Global Partnerships: Challenges, Weakness, and Lessons.” Center for Global Development Policy Paper 014. 2012 and the detailed assessment, “Independent Evaluation of the Partnership Committees of the CGIAR: Final Report” April 2004 is available at: <http://bit.ly/1CV4ydy>

and structures were largely dysfunctional, had not produced a strategy with results orientation, and lacked clarity on authority and decision-making. That evaluation recommended governance transformation to a rebalanced partnership with a shared strategy.

The Panel is not in a position to design the overall governance structure; this requires careful, transparent, and consultative planning. The Panel notes that PwC came to a similar, though tentative conclusion in its report. After providing the Global Fund and GAVI as examples of the successful adoption of single structure, multi-stakeholder governing bodies, the PwC report notes that, “Most of other comparable organizations to the CGIAR in the development sector are working hard towards leaner governance structures and recently transitioned to multiple stakeholder representation in central board structures. These single boards are providing strong and visible leadership, attracting a lot of innovative funding, and new partnerships and are comprised of representative seats ...” Appendix 5 summarizes the structures and functions of the boards of a number of such organizations.

Based on the positive experiences of other global partnerships, the Panel considers that the new CGIAR Board needs to adequately and effectively represent key stakeholders,²⁵ with clarity on the rationale for inclusion of stakeholders and the expectations of them. Consideration should be given to the size of the Board, limiting the number of members to ensure that it is manageable (see below). This will inevitably lead to a constituency-based board.

²⁵ Bezanson and Isenman (2012) review of governance of global partnerships recommend avoiding constituency boards if possible, in part because they found that constituency boards tend to put the interests of the constituencies over those of the organization. They also caution on multi-stakeholder boards because they tend to be too large in order to be inclusive. However the Panel considers that a multi-stakeholder constituency-based board is feasible and necessary for the CGIAR.

The governance design needs to specify the roles, responsibilities and accountabilities of Board members, its Chair, the head of the administrative unit, and the Centers. Particular attention should be given to clarity between the roles and responsibilities of the Board, its Chair and the head of the administrative unit. Similarly, the design should provide clarity on Board accountability for setting strategy, empowering Centers and CRPs to implement the strategy and the supporting role of the administrative unit. The design of the governance structure should also ensure transparency in decision-making as well as clear systems of accountability and performance reporting.

The Board should focus on high-level, strategic issues, articulating accountabilities but allowing each Center and CRP to manage the on-the-ground work of CGIAR and the Board’s administrative unit to focus on day-to-day management issues, such as administrative efficiencies, regulatory compliance, and reporting. Such high-level issues for the Board are likely to include establishing the overall strategy and principles that govern funding decisions; governance decisions, such as appointing the Board and Board Committee leadership; establishing policies for fiduciary and risk management, and other key policy elements of governance; management oversight; stakeholder participation; and review and approval of funding proposals.

The Panel considers that, in order to avoid perceived or real conflicts of interest, the Board Chair should represent the mission of the CGIAR partnership and therefore should not represent a constituency. Further, it considers that the Board Chair should have sufficient time to commit to that role to effectively lead the Board, which in addition to chairing Board meetings, could include serving as the principle spokesperson, advocate, and fundraiser for CGIAR and leading the Board’s inter-sessional work.

Clear provisions to avoid perceived or real conflicts of interest from potential recipients of CGIAR funds (particularly Centers) and

beneficiaries of research results (particularly private sector) will be required.

The Panel believes that the key stakeholders requiring representation on the CGIAR Board are the donors, CGIAR centers, NARs, agricultural private sector representatives, civil society development organizations (CSO), and recipient countries.

Transparent procedures should be set out by the Fund Council to consider the member constitution and related Board matters. Based on legal advice provided to the Panel, it understands that the proposed Board could operate with or without its own legal identity.

The Panel suggests that the size of the Board be limited to about 20 individuals, including the Chair. The design of the Board will need to identify the number of representatives from each constituency and breakdown the constituencies into sub-constituencies. For example, a 20-member Board might include six donor representatives, four CGIAR Center representatives (including at least one Director General), three NARs representatives, two private sector representatives, three recipient country representatives, and a development CSO. Self-selection of qualified board members would be made at the sub-constituency level. Donor constituencies could be determined by size of contribution and/or geographic representation. CGIAR Center representation could be determined by size or thematic area of research (similar to the current breakdown of CRPs). Sub-constituencies for NARs and recipient countries could be based on geographic considerations (for example, one each from Africa, Asia and Latin America). Private sector representation should include those from both developed and developing countries, with self-selection by relevant industry associations.

The ISPC Chair, who is essentially the chief scientist of CGIAR, should be an ex-officio member of the Board.

The Panel recommends that the Board be charged with the responsibility (among others) of establishing a donor council, chaired by one of the donor members of the CGIAR Board.

The donor council would advise the Board on the views of the broader CGIAR donor base regarding operations, fundraising, expanding the donor base and so on. The donor council would meet prior to each board meeting. It is also recommended that the CGIAR Centers establish an advisory committee, chaired by one of the Center members of the CGIAR Board, in order to advise the Board on new advances in research, and new or emerging challenges and risks for which urgent action by the CGIAR should be undertaken.

In discussions with several stakeholders regarding the recommendation that a new CGIAR Board and Administrative Unit replace the current governance structure, a common question was “where should it be located?” The Panel is not in a position to advise on this issue. However, it does suggest that a competitive proposal approach be utilized, similar to that used by the UNFCCC for the selection of the location of the GCF. The Administrative Unit functions and related staffing should be limited to clearly delineated support functions required by the Board. Most of the functions of the Fund Office and many of the functions of the Consortium Office would need to be transferred to the administrative unit. But some functions need not be transferred, but rather should be taken on by the ISPC or the Centers. For example, some of the work by the Consortium Office to harmonize system-wide functions and services should be undertaken by the Centers, and the Centers should be held jointly accountable for the results with the Center members on the Board, providing periodic reports to the Board on progress and constraints.²⁶

Transition

The Panel recommends that the design of the Board be undertaken in parallel with the

²⁶ This type of arrangement should exemplify the spirit of a multi-stakeholder board - each stakeholder group has responsibilities to make the CGIAR successful, and the Board deliberations are transparent so that each stakeholder group is held accountable through its constituency representatives on the board.

completion of the SRF and the call for proposals of the next round of CRPs. The new governance structure should be in place in time to make the final decisions on the selection of the next round of CRPs.

Transitional arrangements, including explicit change management planning and execution, will need to be made to facilitate the establishment of the new Board and convene an initial Board meeting and establish the Administrative Unit. The Board will need to make a number of policy decisions. A transition team will need to be established, presumably by the Fund Council, with expertise matching the needs for supporting the Board in making these initial, critical decisions.

Examples of the key tasks of the Board will be to establish:

- Development of a change management plan, including key sponsors and enablers of the changes
- Fiduciary standards and assessment guidelines for CGIAR funded operations;
- Criteria and guidelines for consideration of CRPs;
- Criteria and guidelines for consideration of funding proposals for new collaborative research partnerships, particularly with regards to any special private sector considerations;
- Audit arrangements;
- Trustee arrangements;
- Internal procurement, travel, etc. policies and regulations; and
- Administrative unit design, staffing, employment policies and regulations.

The key tasks of the transition team will be to (i) organize and support Board discussions and facilitate Board communications between Board meetings (i.e. serve as Secretary to the Board); and (ii) prepare draft proposals for the above listed items for deliberation by the Board and, based on guidance from the Board, prepare the initial management and operational policies, regulations, decision-making criteria and related guidelines for Board approval.

A number of comments received prior to the Consultation Draft and subsequent to it have raised concerns about the change process in transitioning from a two-pillar to a single board governance structure. There is concern about potential disruptions to ongoing work and the time it might take to make the transition and the risk that the next round of CRPs might be delayed. It is the view of the Panel that the finalization of the SRF, initial guidelines and the call for proposals for the next round of CRPs, and plans for strengthening ISPC can all be achieved in parallel with the transition planning process and that the new Board should be able to be in place in time for the CRP approval process. In order to demonstrate how this might be achieved, we have drafted possible transitional arrangements (see Appendix 6), not as a definitive piece, but simply to illustrate the sort of timetable that could be adopted.

The staffing and expertise of the transition team will need to be sufficient to ensure that a change management plan is put in place, monitored and evaluated regularly, that tasks are carried out in a timely manner and with the highest quality. Several of the tasks could be outsourced but the transition team will need a core staff with adequate expertise to prepare the change management plan and the Board materials themselves or manage its preparation and assure quality of the products.

6.5 Optimizing the strengths of partners

CGIAR must use partnerships to achieve many of its objectives (once the objectives are clearly defined and embedded in an SRF). Prior to the reform, the Centers were criticized for being isolated, even insulated from each other, and not establishing collaborative partnerships on major challenges. Since the reforms, CGIAR Centers have made considerable progress in establishing and managing partnerships, with each other, with NARs, other public sector research institutions, and with private sector counterparts.

Still, based on the Globe Scan survey adapted by the Panel, and the consultations the Panel has had with representatives of the

international food and beverage industry, there is considerable room for expanding existing and establishing new partnerships. But the Panel recognizes that establishing partnerships for the sake of partnering is not a good idea, and that partnerships may generate transaction costs, fiduciary and reputational risks, and other inefficiencies that can quickly outweigh the benefits. The challenge is how to engage potential partners as equal stakeholders so that joint decisions can be taken on when and how to partner.

Many of the bilateral and multilateral donors on the Fund Council have developed institutional guidelines for identifying, establishing, managing and reviewing partnerships. In order to achieve consistency and avoid duplication among the Centers, **the Panel recommends that the Fund Council seek the assistance of the donors (e.g. World Bank) and key organizations engaged in research with global reach (e.g. EMBRAPA, CSIRO, and private sector representing inputs and the food and beverage industry) to assist CGIAR establish such guidelines, working closely with the aforementioned CGIAR task force, so the guidelines are clearly tailored to meet the strategic objectives and results delineated in the SRF.**

6.6 Scaling up partnerships capable of tackling mega-challenges

The Panel recommends that, once the SRF is adopted and the next round of CRP proposals are approved, CGIAR should organize a global reality check on the extent to which its own research programs and the agricultural research programs of other leading institutions and companies are sufficient to address the priority food security and nutrition challenges. The Panel expects that some significant gaps may be identified that require new global partnerships- special-purpose, internationally-coordinated, and long-term mega-programs designed to solve the problems, rather than put dents in them. CGIAR could play a key role in identifying what future partnerships to tackle the world's food security mega-challenges might look like, what success regarding this challenge would look like, and propose a framework for action that is commensurate with the challenge.

CGIAR Centers and other potential partner organizations need to be adaptive in how they work with partners so as to assure their long-term relevance as coalition partners. To do this, they will need to be ready to engage in both leadership and non-leadership roles in new forms of partnerships that exhibit the vision, excellence, capacity, scale, resourcing, and durability required to match large and uncertain global challenges. The proposed model of global collaborative impact partnerships would have CGIAR in a dynamic role as a partner, taking on responsibilities that are best suited to its strengths, where it has a comparative advantage in a particular field, in conjunction with the resources of its partners. Focused, strategic and dynamic leadership is key to getting such initiatives under way. CGIAR can play that role by bringing top-level leaders together with a shared commitment and keeping their engagement active over time. Effective leadership will result in the partners identifying and tackling the challenges (that are beyond the reach of individual partners) in a collaborative manner and avoiding their pushing a particular agenda.

6.7 Scaling up financing

The Panel was asked to review the current challenges of rationalizing funding through the three Windows of the CGIAR Fund and the additional bilateral funding to individual Centers. The Fund Council has not been able to resolve issues related to such rationalization, probably because each contributor is “sovereign” and has its own priorities. There is no evidence for the Panel to consider that this situation is likely to change. The Panel considers that, while the balance between Windows 1 and 2 and the contributions channeled through Window 3 and other bilateral funding may not be ideal for maximizing the focus on CRPs, the Fund Council and other CGIAR partners should be primarily focused on maximizing the total amount of funding available for high-quality, high-priority research. In this regard, CGIAR would benefit from an agreement on relatively tight criteria that define what counts, and what does not count, as CRP funding. The reality, however, is that the Fund Council and

other donors have doubled the total funding to CGIAR over the past five years.

Several donors indicated to the Panel that continued funding is conditional on performance and highlighted the difficulty of securing long-term, predictable commitments to fund CGIAR Research Programs, as well as the uncertainties around maintaining, let alone significantly increasing, funding.

The Fund Office engaged consultants to review and recommend improvements in resource mobilization. The Panel, in its first meeting, requested that additional work be undertaken to identify potentials for innovative financing. That work, together with the resource mobilization study is work-in-progress. Nevertheless, some preliminary results of the innovative financing study lead the Panel to believe that there are options worth pursuing and **recommends that the Fund Council organize a special session in early 2015 to discuss innovative financing options.** CGIAR has historically focused on mobilizing resources through grants. This is particularly important given the difficulty of securing long-term, predictable commitments to funding for the CGIAR Research Programs, and the uncertainties around maintaining, let alone significantly increasing, current CGIAR funds.

Examples of potential approaches to innovative financing identified by the consultants include:

- Development impact bonds - a donor makes payments to repay upfront investment capital if certain key outcomes are achieved. Specialist investors provide the upfront capital to fund the research in the knowledge that successful programs will secure repayment of capital plus a financial return.
- Capital formation investment fund - develop a mechanism that allows donors and/or investors to have an equity stake or loan for a pool of assets (e.g., the Global Health Investment Fund).
- Green Bond concept - capital raised for a bond for specific activities.

- Public-private strategies - Strengthen collaborative partnerships with corporations.
- High risk-high reward impact investors.

6.8 Optimizing political impact

Many of the actions by CGIAR are significant at the regional and global political levels. CGIAR has tremendous knowledge and could contribute to and influence international and regional debates on a multitude of politically charged issues - climate change, food security, food safety, water management, fisheries management, sustainable development goals, and many more. Several of the Centers are engaged in some of the issues at the political level but the engagement of CGIAR is ad hoc at best and CGIAR's objectives, strategy, and rules of engagement in global "politics" are not clear. **The Panel recommends that CGIAR (not just individual Centers) should establish specific objectives of and procedures for engaging in relevant global and regional political negotiations and actions.**

6.9 Optimizing knowledge impact

Based on the information available, the Panel recommends that the responsibilities of the ISPC be elevated to empower it to be proactive in terms of providing strategic guidance, foresight analyses, and assessing and reporting on quality of research results across the system. The review and reporting functions should be at least as rigorous as was previously provided by the pre-reform Science Council. Currently, the ISPC does not have a role in monitoring research quality once the research is funded; this function is left to the Independent Evaluation Arrangement (IEA). It is critically important to ensure that high-quality research review and advice is consistently provided by qualified researchers. The Panel considers that the role the IEA is playing in reviewing the governance of CRPs is appropriate, but that the review of the quality of research should be under the oversight of the ISPC.

At a minimum the Fund Council and Consortium Board (and later the CGIAR Board) should establish independent research panels comprising world-class scientific leaders to

advise on particular issues as required under the overall guidance of the ISPC Chair. If for some reason the initial design framework of the ISPC cannot be readily adapted to meet the current needs, then a new structure may be required. A detailed proposal for the new functions of the ISPC or its replacement should be prepared immediately by a task force, established by the Fund Council, chaired by the Chief Scientist and comprising leading scientists from Centers and their Boards, the Consortium Office Chief Science Adviser, Council and Consortium Board, and two or three representatives from major research councils such as the US National

Research Council. Further, regarding knowledge impact, the CGIAR should strengthen its structured knowledge sharing by replacing the Funders Forum (which would no longer be required if a single multi-stakeholder Board is established) with a partnership forum that brings partners together to share lessons and knowledge. Numerous successful examples of such institutionalized fora have demonstrated improvements in efficiency and effectiveness in knowledge sharing, as well as in facilitating dialogue among partners that might otherwise not have a periodic opportunity to compare lessons.

Appendix 1. Brief Biographies of MTR Panel Members

Sir John Beddington is the Chair of the MTR Panel. Sir Beddington was from 2008 until 2013 the UK Government Chief Scientific Adviser providing scientific advice to the Prime Minister during the 2009 swine flu outbreak, the 2010 volcanic ash incident and the emergency at the Fukushima nuclear power plant in 2011. In 2008 Sir Beddington raised the concept of the “Perfect Storm” of food, energy and water security in the context of mitigating and adapting to climate change. During 2011 he chaired an International Commission on Sustainable Agriculture and Climate Change and recently took on the Co-chairmanship of an International Commission on Agriculture and Nutrition. He is currently the Senior Adviser to the Oxford Martin School and Professor of Natural Resource Management at Oxford University.

Dr. Akinwumi Adesina is Nigeria’s Minister of Agriculture and Rural Development. From 2008 until his appointment as Minister in 2011, he was Vice President of Policy & Partnerships for AGRA. Before joining AGRA, Dr. Adesina was associate director for Food Security at the Rockefeller Foundation for more than a decade. He has held senior leadership positions within the international agricultural research centers of the CGIAR. In 2007, Dr. Adesina was awarded the prestigious YARA Prize in Oslo, Norway for his leadership in pioneering innovative approaches to improve access of agricultural inputs for African farmers. Among several other distinguished awards, he was awarded the Borlaug CAST Award in 2010 by the Council for Agricultural Science and Technology, USA; the second highest National Honor, the Commander of the Order of Niger in 2012; and in 2013 the Forbes Africa Person of the Year for his bold reforms in Nigeria’s agriculture sector.

Mr. Warren Evans is an independent adviser to international development organizations, governments and private sector on sustainable development, particularly on environment and climate change. He retired from the World Bank in July 2013 after serving as a Senior Adviser on Sustainable Development and Director of the Environment Department. During this time he led a team responsible for establishing several innovative environment and climate finance mechanisms including the Climate Investment Funds, and served as an advisor for the design of the Green Climate Fund. Before joining the World Bank in 2003, Mr. Evans spent 25 years working on environment and development issues across Asia including 15 years at the Asian Development Bank.

Dr. Bronwyn Harch is Professor and Deputy Director – Research at the Institute for Future Environments at Queensland University of Technology. Dr. Harch was formerly the Chief of Division for CSIRO Computational Informatics (CCI) providing research leadership and oversight for the division, where staff are deployed to all of CSIRO’s 11 research flagships. Previously she was Deputy Director of the CSIRO Sustainable Agriculture Flagship (3 years). In this role she was responsible for developing the flagship’s strategy, ensuring capability from across CSIRO’s 11 research divisions was relevant and available for the flagship, relationship management with external partners co-investing in the research outcomes and managing and developing an impact evaluation strategy for research undertaken by the flagship.

Mrs. Jane Karuku is the former President of the Alliance for a Green Revolution in Africa (AGRA), a dynamic Africa based, African-led organization committed to fighting food insecurity in Africa and uplifting millions of smallholder farmers out of poverty through smallholder agriculture transformation. Mrs. Karuku's career spans over 20 years, most of which has been in the agriculture sector. She has held senior positions in a number of international corporate organizations including Farmers Choice and Cadbury Limited where she served as the Managing Director with responsibility for 14 countries in the East and Central African region. Mrs. Karuku joined AGRA in April 2012 from Telkom Kenya, where she was the Deputy Chief Executive and Secretary General from July 2010.

Dr. Bindu N. Lohani is Vice-President of the Asian Development Bank (ADB) for Knowledge Management and Sustainable Development. He is responsible for ADB's Regional and Sustainable Development Department, Economics and Research Department, Office of Regional Economic Integration, and Office of Information Systems and Technology. Prior to assuming his current post, he was Vice-President Finance and Administration of ADB, and was involved in reforming the budget and administrative systems as well as the General Capital Increase and various fund replenishments. Dr. Lohani is a member of the National Academy of Engineering of United States and Fellow of the American Association for the Advancement of Science Council.

Dr. Idah Sithole-Niang is Professor in the Department of Biochemistry at the University of Zimbabwe. Her primary research is in the area of cowpea crop improvement. Dr. Sithole-Niang is Chair of the Board of Trustees of the African Agricultural Technology Foundation (AATF) and Chair of the African Women in Agricultural Research and Development (AWARD) Steering Committee and Vice Chairperson of the Research Council of Zimbabwe where she chairs the National Research Priorities and Strategic Planning Committee and was co-author of the 2nd Science, Technology and Innovation Policy for Zimbabwe.

Dr. Howard-Yana Shapiro is Chief Agricultural Officer, Mars, Incorporated, Mars Advanced Research Institute Fellow; Senior Fellow, Plant Sciences, College of Agriculture and Environmental Sciences, University of California, Davis; Distinguished Fellow, the World Agroforestry Centre. He is a globally respected expert in plant science, plant breeding, genetics and molecular biology, he led the cacao genome project and is the founder of the African Orphan Crops Consortium and the African Plant Breeding Academy, which will sequence, assemble and annotate 101 pan-African food crops. He has presented at TED, TEDMed, Google SolveforX and many other conferences.

Dr. Izabella Monica Vieira Teixeira is Minister of Environment of Brazil. Minister Teixeira, a biologist with a Master's Degree in Energy Planning and a Ph.D. in Environmental Planning, served as a civil servant at the Brazilian Environmental Agency since 1984. From 2007 to 2008, Minister Teixeira was the Vice-Secretary of the Environment at the State Government of Rio de Janeiro, until she was nominated for the position of Vice-Minister of the Environment. In May 2010 she was appointed Minister of the Environment and reappointed to that position by the new President in January 2011. In 2013, following the Rio +20 Summit, she received the United Nations 2013 *Champions of the Earth* award.

Appendix 2. Submission from the 15 CGIAR Centers to the MTR Panel (Received August 16, 2014)

Introduction

The reform of the CGIAR that was initiated in 2008 was, by design, ambitious in its objectives and was carried out without a structured change management program; rather, the reform followed from an initial design template and then was adaptively managed while it was underway, primarily through consultative processes between the new governance and management entities and the CGIAR Centers. Of course, the reform and its design elements were based on considerable diagnostic evidence of the strengths and weaknesses of the CGIAR. Consequently, the adaptive processes that followed were guided by at least three main intentions of the reform:

- (a) making the whole CGIAR system greater than the sum of its parts – the creation of CRPs as a key instrument for achieving this,
 - (b) a more compelling global agenda for the CGIAR that ends the mandate creep of the Centers, inspire confidence among investors and help mobilize increased financial investments – a key element of this was the Strategic Results Framework (SRF) with four strategic objectives, and
 - (c) simplification of the CGIAR system which had become enormously complex – but for which no road map was created as implementation of the reform started. The adaptive process of the reform referred to above continues and brings together the lessons of the first five years of the reform.
- This note is a brief assessment, from a Center perspectives, of where the CGIAR is currently in the change process, and what has been learned – in short what has worked well and what has not worked so well.

A. What has worked well

This starts with the overall objective of the reform, namely to transform the CGIAR from 15 autonomous international agricultural research centers into an integrated, highly responsive, and learning system focused on major global challenges related to food and nutritional security, reducing poverty and sustainable natural resource management. This overarching objective was intended to **make the whole CGIAR greater than the sum of its parts**. There were two elements to this (a) delivering greater synergy and impact from the combined research effort of the CGIAR and (b) gaining greater efficiency and effectiveness organizationally from shared infrastructure and services etc. The following are some examples of what has worked, identified by the Centers:

1. **The CRP mechanism:** Development of CRPs was a key element of system architecture and contributed to both (a) and (b) above, and embodied four principal design elements, namely:
 - a) The CRPs were the mechanism for achieving integration around a common research agenda defined at the CGIAR system level with the assumption that there would be progressive programmatic alignment within Centers themselves and supported by full W1/W2. However, there has a continuing reliance on an increasing share of bilateral funding.
 - b) A framework for accountability for development impacts would be developed with a focus on monitoring outcomes rather than outputs and where effective partnerships were a necessary element in achieving these impacts.
 - c) The CGIAR would continue to lead with high quality science but with the difficulty of balancing upstream research with the investment in innovation and delivery capacity needed to achieve downstream impact.

- d) There would be an organizational separation of “funders” and “doers” but with an inherent tension in who lead resource prioritization, particularly given the continuing dependence on bilateral funding reflecting the preference of many of the “funders”.

In many ways this central CRP plank of the reform has been an extremely positive achievement. For example, the CGIAR system has consolidated new areas of work in all of the four strategic objectives of the SRF. There has also been a tangible increase in scientific collaboration across Centers as evidenced by increased joint planning, implementation and publications. There has also been pooling of different strengths of participating Centers around the common research agenda of individual CRPs. CRP development has been an ongoing learning process and some challenges relating to governance and transactions costs remain. One area of future work is to define areas where cross CRP collaboration will achieve even greater efficiencies. At the same time, the CRPs have led to improved conceptualization of how the CGIAR approaches delivery and impact, often through greatly improved geographic alignment, and significantly deepened CGIAR’s capacity and approaches to gender equity. Ongoing and planned evaluations of CRPs will provide excellent opportunities to refine and improve the governance and efficiency of CRPs, and thereby Centers; the CRPs have already been shown to be highly responsive to various reviews.

2. **Creating the SRF:** Although the first edition of the SRF was completed later than was desirable and with some inadequacies, it has served to advance the second intention of the reform –**a more compelling global agenda for the CGIAR that reduces the mandate creep of the Centers, inspires confidence among investors and helps mobilize increased financial investments.** Here too, much has been achieved:
 - a) *The mandate creep:* Mandate creep that plagued the CGIAR prior to the reform by dissipating efforts and violating principles of subsidiarity with partners has largely been arrested. The vast majority of CGIAR research efforts fit within the SRF and, more importantly, drive the current portfolio of CRP.
 - b) *Increased funding:* Funding to the CGIAR has doubled since the reform started, although there is continuing debate about attribution. This relates to whether the increase in funding came about as a result of the reform, and/or by the global food price crisis which struck the same year (2008), with continuing ripples since then. Whatever the cause, the CGIAR with a new SRF and portfolio of CRPs, was well positioned to address the attending anxiety about how the world will **sustainably** feed itself to the time of population stabilization in the 2050s, while also addressing poverty and climate change on a planet that some argue is reaching its ecological limits. The appropriate positioning of the CGIAR at that time was undoubtedly the result of the reform process.
 - c) *The Windows:* Importantly, the significant growth rate in the CGIAR’s aggregate budget since 2008 has provided more opportunity for achieving impact. The combined and complementary funding model (W1/W2 and W3/Bilateral) is fundamentally sound and provides for CRP stability, growth, evolution and innovation. W1/W2 donors get effective leverage as W3/bilateral funds are mobilized to enhance delivery of CRPs. Conversely, given the (theoretical) stability of W1/W2 funding to CRPs, Centers are in a good position to mobilize additional and complementary funding for the CRPs. There is thus a mutually reinforcing relationship between W1/W2 and W3/bilateral funding. Although there has been some tension among the various parts of the system on the matter of W3/bilateral

funding, Centers are firmly of the view that resource mobilization from that source for the CRPs, and the SRF more broadly, should be encouraged. However, Centers are also of the view that W1/W2 funding should represent a higher amount and proportion (growing to over 60%) of total funding, than is the case now, if system integrity is to be maintained into the future.

3. **Partnership and gender higher up the agenda:** The CGIAR has always been noted for extensive up and down stream partnerships, particularly with NARES in the developing countries. The advent of the CRP and the enhanced funding base have facilitated significant strengthening of these partnerships and the creation of new ones, for example, with specialized development organizations that will facilitate scaling and greater impact. These conditions have also facilitated stronger efforts to mainstream gender and advance this area of work where it belongs -higher up the agenda of the CGIAR and partners.
4. **Prospect of more collective action:** Although not yet paying many dividends to the reform, plans are being developed to capture organizational benefits in such areas as (a) shared services, (b) deliberate movement towards co-locating of staff across countries/regions, (c) managing security and related risks and building stronger communities of practice in capacity development, communications and knowledge management, among others. Of course, collective action of this sort is not new to the CGIAR; the Centers previously created CGNet and AIARC, among others, which have endured and served the CGIAR well. That track record has emboldened the Centers and created a commitment to doing more in this area in the future.

B. What did not work so well

The above benefits of the CGIAR reform, however, have come with some costs associated with differing interpretation of the Consortium Constitution and inadequate articulation of how the expanded number of organizational parts should work. These in turn are manifested in governance and operational difficulties and ever rising transactions costs. Some examples of these challenges follow:

1. **The conceptual divide:** There are differing interpretations of the Consortium's Constitution which defines the relationship between the Consortium Board (CB)/Consortium Office (CO) and the Centers and guides operations. Centers believe that what they had signed up to was a sort of a 'joint venture' in which they were an integral part of the Consortium. However, legal opinion given to the CO provides an interpretation that the Consortium is a separate and independent entity and does not include the members Centers (see attached). In this context then, the CGIAR Consortium of Agricultural Research Centers is a misnomer. Interestingly, however, the word consortium is derived from Latin and means "those with a shared fate". Under the interpretation above, while the Consortium consults its members and generally represents their views and interests, it need not do so as it has the liberty to act in its own right and to take positions that do not necessarily reflect that of the members.

In operational terms this interpretation, adhered to by the CB-CO, has at least two important implications:

- a) The ambiguity about whether the Centers are part of the Consortium or not and the uncertainty concerning the obligations in both directions have severely impeded the building of trust and cohesion between the Centers and the CB/CO.

- b) It was envisaged that the CO would be a convener, facilitator, and advocate, providing intellectual support in areas such as the quality of CRP submissions. However, as a result of (a) above, different expectations have emerged between the Centers and the CO over its role as facilitator or regulator.
2. **The governance challenge:** The reformed CGIAR consists of an enlarged number of system entities, namely the Fund Council (FC) and Fund office (FO), the Consortium CB and CO, the ISPC the IEA and the 15 Centers each with their own respective Boards. Inadequate articulation of guidelines on interoperability and operating procedures that clearly defined the roles and responsibilities of each of the entities, led to adaptive management that was described in the introductory section of this paper. Furthermore, lack of definition of what success actually looks like, with baselines and metrics of reform progress, have led to divergent views. This has also led to less than seamless relationships between the CB and the FC, the FO and the CO and between the CO and the Centers. But perhaps the greatest tension has been between the CO and Centers, especially in the area of governance and management of the CRPs. Some of the implications of this atmosphere are:
- a) While lead Centers have been designated to lead the various CRPs, this role and particularly the lead Center Board governance responsibility, in relation to the CRP Advisory Committee/Panel/Board, is still uncertain terrain even after the dispensation of the recently concluded CRP Governance and Management review.
- b) Leading or not, if the Centers are not part of the Consortium, then the Centers relationship with the CRPs may be regarded as just contractees of the Consortium rather than the joint owners of the programs they perceive themselves to be. This characterization seems fair given that all but fiduciary responsibility lies outside the Centers.
- c) While the creation of the CRP mechanism must be regarded as a resounding success as explained at A.1 above, their operationalization, given the current architecture, has imposed very high transactions costs in both financial and senior scientist time. For example, each CRP has a program management committee with an average size of roughly 10 members thus engaging 150 people (15 CRP X 10 members) at the management level with statutory meeting roughly four times per year. In addition, each CRP has an advisory committee/panel/board of roughly 10 people each, thus engaging about another 150 people at the advisory/governance level, meeting on average twice per year. Furthermore, numerous science planning and coordination meetings at theme/flagship level are required within each CRP. This of course, is in addition to existing Center level boards and CO/CB processes in which Centers, CRP Directors and other science leaders are involved. While these operational modalities were required in the past, the question is, can we obtain similar benefits of an expanded research and development agenda, strengthened partnerships among Centers, expanded research and development partnerships beyond the CGIAR, etc. at a lower transaction cost?
- d) **Simplification of the CGIAR system:** As indicated in the introduction of this paper, simplification of the CGIAR system was a key objective of the reform. Leading up to the reform, it was realized that the system had become inordinately complex and

difficult to navigate by both those inside and outside the system. This of course militated against building research and development partnerships beyond the CGIAR, particularly the private sector, and bewildered potential new non-traditional donors. Most players in and outside the CGIAR will unfortunately agree that the system is every bit as complex, and perhaps even more so, than before the reform.

3. **Science management:** The CGIAR is about science for development and that is the basis on which its reputation was built. The reform then, included the search for more effective science leadership. In this regard the reformed CGIAR system faces a number of science challenges. Only three will be listed here. First is how to match the science aspirations of the CGIAR, namely being a leader in global agricultural and related research, with the evolving and complicated structure of CRPs and Centers management and governance within a geographically distributed system. There is an inherent rigidity to scientific research, given the human and infrastructural capacities needed in specific scientific areas and thus, evolving new science agendas require foresight tied to investment strategies, where such investments are often financially constrained under the budgetary systems put in place after the reform. Second, is how to balance the need for science and innovation addressing long term challenges with those that addressed immediate or short term development needs. The reform has resulted in a greatly expanded research agenda for the CGIAR and how to balance more upstream aspirations with more downstream relevance is an ongoing issue within a complex system. Third, and related to the previous point, is how to organize and manage science within an accountability framework focused on broad development objectives. Does this shift scientific incentives and priorities and how does the CGIAR manage the scope of research together with the necessary partnerships needed to respond under such an accountability framework?

Given the science challenges above, are the various CGIAR organs for science review providing the scientific leadership required, as well as direction on the institutional arrangements needed for innovative partnerships? The foresight studies, exploratory initiatives, novel discoveries are not now being sufficiently addressed. Science oversight is essentially focused on the CRPs; and yet science quality, new research capacities, and design of research programs are essentially managed by the Centers. Centers are of the view that some of the current modalities of executing the CGIAR's agenda erode their capacity for global scientific leadership.

C. Way Forward

Centers believe that this is an opportune time to consolidate the gains of the CGIAR as indicated above, particularly by developing an even more compelling SRF that exploits our comparative advantage to address the most compelling global agricultural and related challenges of our time, and to leverage expanded research and development partnerships, including with the CGIAR. To do so the Centers perceive the following:

- a. Revision of the Consortium Constitution to reflect the centers as an integral part of the CGIAR Consortium; and development of operational modalities that create congruence and closer proximity among the various system entities. The modalities to this are not yet fully explored, but options suggested by various Centers include integration of the FC and CB and the FC and CO; full representation of Centers on the CB as opposed to observer status should be entertained.

- b. Integrate the functions of CB and FC and the FC and CO to avoid duplication and confusion and to ensure clear accountability and inclusiveness. The integration should include Center representation in addition to that of donors, NARS, etc. The integrated entity(s) should support resource mobilization at much increased levels and consistent with the level of effort that is required for the CGIAR to make the global difference that is required. In the absence of this integration, systematic performance reviews should not only focus on the CRPs and Centers but on all system entities, including the CO and FO and the FC and CB.
- c. Greater awareness and recognition by all actors that the reform is not about CRP versus Centers but rather the complementarity of the two. CRPs capitalize on the scientific expertise, infrastructure and global modalities of the Centers. We contend that the debate about CRPs versus Centers is injurious to the mission of the CGIAR.
- d. Create modalities for the Centers to assert global scientific leadership to address the SRF through development and execution of a compelling portfolio of CRPs and related activities, with enough room for risk taking and high-end scientific discoveries.
- e. Revise modalities for executing the CRPs that facilitate greater efficiencies and effectiveness with lower transactions costs.
- f. Enable the balancing of the short and long-term research for development portfolio and up and down stream engagement, based on the comparative advantage of the CGIAR and subsidiary principles that define the requisite partnerships.
- g. Ensure long-term multiyear commitment of funding to the system, both to the Centers and the CRPs. This is consistent with RBM, which assumes that methodology is designed to achieve short, medium and long-term objectives. We would like to emphasize the fact that Centers have funding requirements to cover very critical business needs, including capital development, and requirements for equipment and infrastructure. Centers also feel the pressing need for adequate financial reserves to cover uncertainty and risk, including security risks that attend many of the locations in which Centers are located or CRPs are implemented.

Approved by the following on behalf of the Centers and their respective Board Chairs:

Bird, Jeremy (IWMI)
Fan, Shenggen (IFPRI)
Tutwiler, Ann (Bioversity)
Sanginga, Nteranya (IITA)
Lumpkin, Thomas Adam (CIMMYT)
Wells, Barbara (CIP)
Echeverria, Ruben (CIAT)
Simons, Tony (ICRAF)
Holmgren, Peter (CIFOR)
Hall, Stephen (WorldFish)
Dar, William (ICRISAT-IN)
Solh, Mahmoud (ICARDA)
Zeigler, Robert (IRRI)
Traore, Adama (AfricaRice)
Jimmy Smith (ILRI) –Chair

Appendix 3. CGIAR Consortium Submission to the MTR Panel (August 28, 2014)

Introduction

The Consortium submitted a briefing note to the MTR Panel at its meeting in January. The Consortium Board Chair, Board members, CEO and a number of Consortium staff members have subsequently also engaged in conversations with the Panel Chair, some of its members and particularly the Member-Secretary – most recently around the Panel’s meeting in London in July. Now that the Panel has shared its draft initial conclusions, and the 15 Centers have shared their views, the Consortium would like to submit this additional note for the Panel’s consideration.

What has worked well and not so well?

The Consortium agrees with the Panel that the challenge of food security and nutrition, exacerbated by climate change, requires a rapid scale-up of carefully targeted agricultural research that can be effectively translated into development – and that the reform has placed the CGIAR well to lead and coordinate scaled-up efforts, but not alone. The Consortium agrees with the Centers that the CRPs have been a very positive achievement that have led to much improved collaboration among the centers, stronger partnerships, and consolidated work in transversal and essential areas of work such as climate change and nutrition. While many of the CRPs were initially still collections of legacy activities, ongoing change within the CRPs is resulting in much improved coherence within the CRPs, improved collaboration among them, improved theories of change and impact pathways at program level, and a much improved sense of the intermediate development outcomes the CGIAR can deliver.

The Consortium agrees with the Centers that the first SRF was successful to help focus the 15 centers on a more compelling shared agenda – even though it also agrees with funders that a more quantitative results framework and targets that enable priority setting, resource allocation and results based management were lacking and are needed. The Consortium is confident that the ongoing work to produce a new SRF, with strong engagement of the investors as well as the centers and a consultation of partners and stakeholders, will indeed position the CGIAR well for the next round of investments.

While there are strong partners that share responsibility for some CRPs, the Consortium agrees with the Panel that stronger partnerships with the private sector present opportunities for the CGIAR that are still largely untapped (with some very positive exceptions). Partnership with national research and development organizations could be improved as well.

The increased funding for the CGIAR is clearly a key achievement, due in part to the increased priority among investors for food security, but also because the reform positioned the CGIAR well. Further growth in funding, required if research is to be scaled up rapidly, will not be easy in the current climate and will require a strong and concerted resource mobilization effort from all stakeholders, centers, the Consortium and the Fund. The Consortium agrees with the Centers that the current combined and complementary funding model (the Windows 1, 2 and 3) is basically sound and that combined W1-2 funding should indeed grow to a higher percentage of the total. The Consortium has supported a target of 50-60% W1-2 funding and notes that the Centers also support a proportion of W1-2 growing to over 60%. The Consortium believes that a new, revitalized SRF and a new round of strong, coherent CRP investments that jointly form a high-performing, value-for-money portfolio are critical to the further growth of the W1-2 share of CGIAR funding.

The Consortium notes, and shares, the Panel’s concern that the CRP portfolio will need to meet two – potentially competing – challenges, that is: (1) there will need to be sufficient investment in upstream, transformative, discovery type research; while on the other hand (2) ensuring that there is sufficient investment into integrated delivery of innovations proven to work, at a scale of millions of farmers and consumers.

Governance

The Consortium noted in its January briefing note to the MTR Panel that governance and management of the CRPs was a key concern for the Consortium. In our opinion the IEA External Review of CRP Governance and Management has provided an excellent analysis of the issues and a helpful set of recommendations to address them. We are pleased that the Centers and the Consortium agreed on a management response to the IEA review that has provided a solid basis for adjusting the governance and management of the CRPs; it will provide greater authority for CRP directors to manage for results; a stronger position of partners in the steering committees; and reduce transaction costs by reducing the number of governance and management committees.

With respect to the system-level governance structure the Consortium agrees with the Panel that the reform has led to ambiguities between and among the CB/CO, FC/FO and Centers. The Consortium believes that to some considerable extent the resulting conflicts and tensions are a normal – even unavoidable – consequence of a major reorganization of a 40-year old system. Resistance to change is part of every major change process. The CGIAR could certainly have done better in managing the change process in a more structured manner, and can still learn from this experience going forward. The Consortium also agrees that the design of the reform placed the Consortium in a difficult and ambiguous position. It has, on the one hand, clear programmatic oversight over the CRPs as a whole and fiduciary responsibility for W1-2 funds. It has to approve the CRP proposals of the centers, to monitor CRP performance, and allocate funding to the CRPs within the CRP contracts approved by the investors. The primary accountability of the Consortium for the CRPs is to the Fund Council, not to the Centers. That establishes the “regulator” role, which the Consortium has been given in the CGIAR reform, for good reasons, and that the Centers do not always appreciate. On the other hand the Consortium also has a role supporting and facilitating Centers’ collective actions, the development of joint policies and guidelines, and the implementation of some crosscutting actions, for which the Consortium accountability is wholly, or at least partly, to its members, the CGIAR Centers. This dual role, both as regulator and as facilitator, is indeed causing ambiguities – and leads to levels of tension, and lack of trust that is unproductive and should be addressed.

The MTR Panel has indicated it supports a single Board, in place of the current dual structure with a Fund Council and Consortium Board, and the Centers have indicated their support for such a solution in their submission to the panel as well. The Consortium is definitely interested to explore how the Fund Council and Consortium could work together more productively, but is concerned that the Panel’s recommendation would have huge transaction costs. It has taken considerable time and effort to establish the Consortium as an international organization and a do-over at this stage could derail the critical business of putting in place a strong SRF and second phase of the CRP portfolio.

One question the Consortium has for the Panel is how it proposes to resolve the inherent conflict of interest of the members of the proposed single board. The idea that donors will share decision making on the CGIAR funding to CRPS with the Centers (recipients of those funds), industry (which may or not contribute funding), NARS (that would be partners contributing in kind in most cases), and scientists (which do not fund anything) is not realistic. The practical challenges associated with such a single board should receive more attention. Maybe, in the longer term one can develop a single Board, but then the decision making on funding would likely shift to a finance committee with donor members of one form or another.

The current design, where the Consortium does not implement research, and has an arm’s length relationship with the Centers, allows the Consortium Board to take decisions regarding the CRP portfolio and individual CRPs without a conflict of interest. This degree of independence of the Consortium from the Centers is a key feature of the new CGIAR – built into its design deliberately - that is causing the dissatisfaction noted by the Centers’ Directors General in their submission to the MTR Panel. It also enables the Consortium to be impartial and have its allegiance first and foremost to the SRF.

The Consortium represents the interests of the CGIAR system as a whole and has its primary allegiance to the implementation of the SRF and the health and performance of the entire CRP portfolio; not the interests of individual centers or CRPs. This is a critical difference in the way the Consortium addresses its work and determines its positions. The Centers will need to clarify what they really mean when they ask for a change in the Constitution to become part of the Consortium. While the Centers clearly already are a component of the Consortium – as was stated in the updated legal opinion* – the fact that they cannot currently dictate what decisions they would like the Consortium Board to take is indeed a critical feature of the current design and should not change without endangering the impartial role of the Consortium in the new CGIAR. It is clear that this is a significant difference with many other membership-type organizations where the members do indeed determine the positions.

Functioning of the Consortium

While the Consortium is ready to engage in discussions that may lead to a reform of the system-wide governance structure over time, it also believes there are some issues in the current structure that should be resolved at short notice. These emerged in 2013 out of discussions between the FC and CB and were addressed in part in the PwC review of CGIAR governance, specifically:

- The FC decision in April 2013 that the Consortium can only be funded through W1 of the Fund, and that its budget is capped, are in direct contradiction to the Joint Agreement and Constitution of the Consortium. The FC is not a board for the Consortium, and it does not consider the funding requirements required to fulfill the Consortium mission. The Consortium accepts that the FC is not obliged to make available more than the subsidy it is willing to allocate the Consortium, but then the Consortium Board should be free – indeed has the fiduciary responsibility - to raise the resources it deems necessary fulfill the Consortium’s mission to the best of its abilities.
- The Consortium Office is an entity of the Consortium, reporting to the Consortium Board (not a system entity reporting to the FC). It is the Consortium, not the Consortium Office, which is accountable to the Fund Council and reports to the Fund Council.

Opportunities for collective action and for increased efficiency and effectiveness

The Consortium agrees with the Centers that another of the things that have worked well in the reform is the prospect of more collective action. The Consortium believes there are opportunities to improve the efficiency and effectiveness of the system, and reduce its transaction costs, if the system is able to think like a Billion \$ organization (while maintaining the advantages of a decentralized networked “consortium”, not a single centralized organization). It has indeed taken quite a long time for 9 Centers and the Consortium to implement a single ERP, the Once Corporate System (OCS), and there are clearly lessons to be learned on how this could have been done more effectively. The Consortium agrees, though, with the two reviews of CGIAR governance carried out in 2013 that a shared ERP such as OCS is a key enabler of more collective action, as well as a requirement for better and faster CRP management – and reporting and information across centers. The Consortium and a group of center corporate service directors are developing a business plan for increased collective action along at least three main axes, i.e. shared systems and services, shared country offices, and shared management of security risks and stronger communities of practice. We note the Centers commit to do more in this area in the future in their submission to the MTR.

* The version of the note “What is the CGIAR Consortium” appended to the Centers’ submission to the MTR Panel was an old version, revised after consultation with the centers and re-issued in June. It recognizes the Centers as one of the three components of the Consortium, members of, but separate from, the Consortium.

In addition, the Consortium believes that continued action (as already taken by some Centers) to reduce the very large number of small grants in the system would reduce transaction costs significantly, and make the overall portfolio more strategic. This was a key objective of the reform, that is, reducing the over 3,500 bilateral grants on Center books pre-reform, to a small portfolio of large coherent programs. While it is recognized that some small grants may well have a strategic nature, generally speaking, a small number of larger bilateral grants (e.g., reducing the number to 500 larger bilateral grants, plus some small grants, from over 2,000), complementing a system of CRPs with a solid share (50-60%) of pooled W1-2 funding and single reporting was a core idea behind the reform that still has to be fully realized.

Jointly, the opportunity for large-scale efficiencies in the system from increased collective action, shared country offices and a reduced number of small grants has the potential to increase efficiencies and reduce transaction costs very significantly more than reducing the number of board members, merging centers or reducing center overheads would. Realizing this potential will require investments first, however.

The way forward

The Consortium agrees with the Centers that there are many things that have gone well in the reform and that this is a time to capitalize on the investments made in the reform over the last five years, particularly by developing a strong, compelling SRF and implementing an excellent process for the CRP 2nd Call that delivers a compelling investment portfolio, enables much improved joint resource mobilization and has clear development outcomes.

The Consortium also agrees that it is wise to develop operational modalities that create congruence and closer proximity among the various system entities. While this may over time lead to a single Board, the Consortium Board is not, at this time, convinced that a system with a single large Board would be practical or solve the issues the system currently experiences. Any new system of governance should help decrease the ambiguities and simplify the overall system, but would have to maintain a separation of tasks and responsibilities that maintains investor confidence that funds are managed without conflicts of interest. In general, the Consortium would like to see the MTR recommendations further developed, to help our ongoing work in the context of current realities. The Consortium would appreciate orientation on how to adjust current work, with more guidance on what ought to be done how, when and by whom.

In the shorter term, the Consortium Board thinks that a number of actions could be taken as follows:

1. Confirm, resource and ensure a firm focus on the core business of the CGIAR through development and approval of a new SRF and commissioning of a new portfolio of CRPs by December 31, 2016.
2. Change the funding model of the Consortium to a levy (fixed % of CSP for a number of years) set by the FC on the proposal of the Consortium Board, as a contribution to its operating costs – with full responsibility of the Consortium Board for revenue and expenditure to meet its mission, as well as accountability for spending this levy to the FC.
3. FC support in 2015 for the development of a business case to scale up collective action and shared services across the CGIAR system, in order to achieve large scale efficiencies across the system, through a W1 allocation of about \$1 million to the Consortium.
4. Ensure longer-term multi-year stable financing for CRPs through innovative financing that, among others, helps to turn multi-year commitments from CGIAR investors into upfront cash and could enable the CGIAR system to access soft loans (e.g. for scaling out or delivery).
5. Develop and implement a CGIAR-wide strategy to engage and partner more effectively with the private sector to scale up and out strategic public-private partnerships with key seed

companies, food companies, and large retailers, as well as the small to medium enterprises such as Asian and African seed companies over the next 3-5 years.

6. Intensify the partnership with key NARES in medium income countries (including but not limited to EMBRAPA, CAAS and ICAR) to take advantage of their sizeable national investments in agricultural research that have the potential to be leveraged to a much greater extent internationally.
7. Support a crosscutting program (or platform) for investments in gene banks (e.g. cryo-preservation), common tools, such as related to bio-informatics and “big data”, high thru-put phenotyping sites and state of the art infrastructure, managed on a system-wide basis.

Appendix 4. Summary of responses to Panel TOR questions

Research

- Does the research commissioning process and incentives comply with best practices globally?

We are not aware of “best practices.” There are a number of different guidelines used by research organizations. CGIAR appears to be using guidance developed in 2007, criteria which are consistent with the guidelines used by others. Based on a review of the first round of CRPs, it appears that the current process leads to reasonably well-defined research priorities at the CRP level. Selection criteria are appropriate. The pre-proposal and proposal quality is highly variable, and the ISPC has done a good job in reviewing the proposals. However, that does not necessarily impact decision-making by the Fund Council. There is no performance index which makes clear deliverables and accountabilities, and the reporting is highly variable.

- What should CGIAR be doing to improve the way research is managed and integrated across its Centers?

The lack of a suitable SRF makes it difficult to define program boundaries, potential synergies, and the need for cross-cutting support and research linkages. Without a suitable results framework it is not clear how the Consortium Board can manage the system towards greater coherence, efficiency and effectiveness. Currently the responsibility for linking activities to pathways is pushed down to the CRP level. It appears that there should be opportunities to build on clusters of expertise in Centers to facilitate synergy and collective impact. For example, would it be sensible for breeders or those working on big data across all of the Centers to engage more frequently and deeply to share lessons and knowledge? If yes, then a structural arrangement would be required to facilitate this.

- Is CGIAR effectively building diversity, including gender, into its research programs?

There have been a number of reviews of this issue (e.g., ISPC in 2011, SPIA in 2011, and Consortium reports in 2012 and 2014, including a Diversity and Inclusion Strategy). There is greater inclusion of gender issues in CRPs. Recognition of gender as a cross-cutting issue in the new SRF should further strengthen this. However, the data show a lack of gender balance across the CGIAR. The issue is certainly being given the attention it is due at the strategic level. The question that remains is the extent to which action and progress will be monitored and acted upon.

- Does CGIAR have the appropriate balance of research for development, and a focus on delivery for end-users?

The focus on delivery through the CRPs has reportedly improved in several of the CRP extension proposals. The next round of CRP proposals needs to clarify how the proposals will serve end-users’ needs and the impact pathways necessary to deliver results. Finding the right balance is a matter of understanding the research required to enable the impact.

- How can CGIAR better deliver its research to the field and what model(s) should it employ to do so?

The 2014 Dalberg report provides a number of recommendations regarding “delivery.” The Panel recognizes that there have been mixed views on the accuracy of this report and is not in a position to judge one way or the other. The Panel considers that the important question which should be addressed in each CRP, after impact pathways are well understood, is the extent to which delivery is embedded in a CRP, as opposed to simply providing mechanisms to facilitate delivery by another entity. This does not mean that CGIAR is the delivery agent, but that a roadmap is designed at the

outset, and redesigned as necessary, to ensure that the research is readily translated into action at a scale required to achieve the desired impact.

Partners

- Does CGIAR engage with the appropriate partners to deliver high-quality research and impact?

A major benefit of the reform and the resulting CGIAR Research Programs is increased collaboration among Centers and with other partners. The Elsevier studies, the IEA's review of CRPs, and other evaluations confirm this progress. Some Centers have substantial partnerships with the private sector (in both developed and developing countries). Stakeholder surveys by GlobeScan and by some Panel members show mixed views on accessibility to partner with Centers. The question that should be asked is whether current partnerships adequately tap key players to scale-up and accelerate research and roll-out appropriately targeted and budgeted research to address 2030 issues. There is clearly room to grow in this area.

- What CGIAR incentives weaken or strengthen partnerships?

It was reported, but not verified by the Panel, that almost all W1/W2 funding goes to Centers, not to external CRP partners. If this is the case, then some potential partners may be reluctant to join a CRP. There is also the issue of high transaction costs, as reported by the Centers and CRP directors. But overall, it appears the incentives far outweigh the disincentives (which should nonetheless be addressed). The main incentive is the opportunity to join a CRP or other research programs undertaken by Centers. As evidenced by progress-to-date, the CGIAR Centers have the capacity to scale-up partnerships where and when it makes sense.

- How can CGIAR enhance its accessibility to and collaboration with partners?

Guidance for partnering should be established and monitored across the CGIAR. The use of GlobeScan-type surveys should be continued to solicit feedback from existing and potential partners. A special effort should be undertaken to reach out to the international food and beverage industry, and similar industries, to engage in a dialogue on collaborative partnerships.

- How can CGIAR best engage with national agricultural research systems?

Several of the respondents to the GlobeScan survey (including the responses to the Panel) expressed the need for CGIAR to more effectively work with and build the capacity of the NARs. Others expressed that this is not the role of CGIAR; it should focus on producing international public goods. In discussions with Center and CRP staff, the general view, supported by the Panel, was that CGIAR should work with and build the capacity of the NARs as and when needed to successfully carry out the work of the CRPs and to set the stage for delivery of research results to achieve impact on the ground. The Panel considers that a concerted effort by bilateral and multilateral development agencies is required to elevate the recognition by recipient country governments of the need to invest in building strong NARs. The Panel also considers that aid programs should support capacity development by establishing strong linkages to CGIAR and other international research programs.

Funding

- Is the structure of CGIAR's entire funding system appropriate for the purpose, or does it create perverse incentives for free-riding or other sub-optimal practices?

Overall investment in CGIAR has doubled in five years to \$1 billion in 2013, with \$342 million in Windows 1 and 2; \$140 million in Window 3; and \$524 million in other bilateral contributions and Center earnings. Window 3 and other bilateral funding, which represents about 65% of total CGIAR

funding, comes from approximately 3,000 grants that are restricted and often support very small projects. The expected shift of funding to Windows 1 and 2 has not met expectations. Some reviews have suggested that the focus should be on making W1/2 attractive and not worrying about W3. A review of the last two Fund Council meetings shows no discussion on innovative financing. A major concern of many Centers is that current funding does not cover core costs, such as Center infrastructure needs.

- What are the implications of misalignment among all funding sources (i.e., contributions to the Fund and other support to CGIAR) for the governance and management of the system?

At the present time, following a period of rapid growth in funding, the misalignment does not seem to have had an adverse impact. The flexibility shown up to now in allowing Window 3 contributions to be assigned to CRPs has probably been a factor in funding growth, but at the same time has contributed to the misalignment.

- Is the concept of fully pooled funding a realizable goal, or will Window 3 and bilateral funding increasingly dominate?

It does not appear to be a realizable goal.

- What mechanisms can enhance donor participation in pooled funding?

Efforts should be made to strengthen donors' confidence that W1/W2 contributions will achieve greater value for money.

- Does CGIAR have a clear understanding of the total funding needed to meet its goals?

No, it is unlikely that anyone does. The report of the Commission on the Economy and the Climate (2014) recommends that funding for agricultural research be doubled by 2030.

Structure and governance

- Has the separation between funders and researchers led to a more efficient and effective CGIAR?

No.

- Are the roles of the various CGIAR entities (e.g., the Fund Council, IEA, ISPC, and the Consortium) distinct, clear, and well aligned to ensure accountability?

No.

- Are the current governance arrangements consistent with best practices?

We are reluctant to assess best practices. The current arrangements are inconsistent with the governance structures adopted by most international partnership organizations over the last several years.

- Have the reforms increased overall costs and, if so, is that increase justified by better, more relevant research resulting in greater impact?

-

The actual increase in costs is unclear, and the impact of such investments on the outcome of research is even less clear.

Appendix 5. Governance Structure: Review of Global Partnerships

In considering possible means of addressing CGIAR governance ambiguities, the MTR Panel considered responses by other organizations and funds that have faced similar challenges. It is worth noting that CGIAR was one of the first global partnerships designed to take collective action to help developing countries reduce poverty and grow their economies. Since CGIAR was established more than 40 years ago, many multi-stakeholder partnerships and multi-donor funds have emerged to address challenges and issues, such as climate finance, vaccinations, major infectious diseases, and education. Bezanson and Isenman (2012)²⁷ attribute the growth in targeted, multi-partner funds to (i) recognition of the size and complexity of challenges for which single actors are not adequately equipped, (ii) the decline in confidence of existing aid structures and business models, (iii) the rapid spread of new technologies, (iv) successful advocacy of NGOs, and (v) their political appeal in donor countries. Many of the newer partnerships have been instrumental in developing and testing a new kind of governance that is based on the concept of stakeholder constituencies as opposed to shareholders.

For the purpose of MTR Panel deliberations, the governance structures of several partnership organizations were reviewed. The results are summarized in the table below. All of the partnership organizations or funds reviewed are governed by single boards that have varying structures, but all include both donors and recipients. Several boards include stakeholders other than donors and recipients as active members or observers. Some of these stakeholders also have active voting rights. In contrast, the current CGIAR governance structure is rather unique in its two-pillared structure, comprised of the Fund Council and Consortium Board, each supported by an administrative office.²⁸

The PwC report on CGIAR governance suggested that CGIAR should consider a single board. The report suggested that a “leaner governance structure” could (i) reduce duplication, (ii) achieve greater efficiency, and (iii) improve accountability. The PwC report also noted that “other organizations with prior dual structures have often opted for a single board, which comprises representatives of key stakeholders and partners balanced with independent individuals who are appointed on the basis of their skills and networks. A single secretariat with a strong CEO oversees program and performance management, providing internal and external visibility for the organization, while innovative and effective partnerships are seen as key ingredients for success.”

In discussing the challenges of governance for organizations and partnerships, Bezanson and Isenman note that there is no agreed definition of “good” governance. However, they do outline the main (generic) strategic and fiduciary responsibilities for governing boards.²⁹ These include the following.

Structure and Composition: Ensuring that Board size is conducive to efficient and effective decision-making and that its membership reflects the mix of skills, abilities, experiences and competencies required to meet the needs of the organization.

Strategy and Plan: Ensuring that the organization has a clear direction, knows where it is trying to go, has set reasonable goals, objectives and targets and has aligned these to the

²⁷ K.A. Bezanson and P. Isenman. “Governance of New Global Partnerships: Challenges, Weakness, and Lessons.” Center for Global Development Policy Paper 014. 2012.

²⁸ The fact that the Center partners have their own Boards adds to the complexity, but is not considered by the Panel to be unique. Most major partnerships comprising legal entities have a similar situation in that each partner is directly governed by a Board or similar entity accountable for that entity’s strategic and fiduciary performance.

²⁹ K.A. Bezanson and P. Isenman. 2012.

appropriate means for their attainment, including the required human and financial resources and the internal incentive system.

Roles and Responsibilities: Ensuring that the principal roles and responsibilities of directors are stipulated and communicated, including the effective delegation of authorities and clear differentiation of the respective roles of management and board members.

Performance Oversight and Assessment: Ensuring that the organization has in place information systems that track performance against established objectives and that timely reviews are conducted and adjustments/adaptations made as required.

Financial Oversight and Management: Ensuring that the organization is well managed financially, that its accounting systems are designed and applied with professionalism and that there is independent audit and certification of accounts.

Risks and Opportunities Oversight: Ensuring that corporate and other risk assessments are regularly conducted and that risks are monitored and opportunities for risk mitigation are pursued.

Communications: Ensuring that the organization and its management have in place the means to communicate effectively the organization's key messages and that this is applied with consistency.

Succession Planning: Ensuring that there are succession plans for board membership and for the Chief Executive.

Legal and Ethical Conduct: Ensuring that there are written conflict of interest and code of ethics policies and codified governance guidelines for boards and their committees.

Even though it has existed for many more years than most similar partnerships, CGIAR can learn from the governance lessons of some of the newer partnerships. For example, the governance experience of the Global Partnership for Education (GPE), initially established in 2002 as the Fast Track Initiative (FTI), is worth reviewing. The FTI governance went through a series of reforms made necessary because the partnership was launched before its structures, functions, lines of accountability, and basic objectives had been fully worked out. Following reviews in 2005 and 2008, the FTI consolidated its various governing committees into a Board of Directors. The constituency-based Board currently has 19 members, senior-level representatives of various constituencies, and a full-time independent chair. Initially, the chairing arrangement was for Board members to select two co-chairs on a rotating basis. A comprehensive review in 2010 noted considerable improvements in the GPE governance following the reforms, but found the co-chairing arrangements to be sub-optimal. The GPE has since replaced the rotating co-chair arrangement with a full-time, independent and non-voting chair.³⁰

³⁰ "Mid -Term Evaluation of the EFA Fast Track Initiative: Final Synthesis Report. February 2010. <http://bit.ly/1vP1c7J>. The 2013 DFID Multilateral Aid Review Update gave GPE the highest rating for financial resources management and noted that GPE had increased transparency and predictability of allocations since its reform.

Fund	Board Composition and Selection	Chair Selection and Term
Adaptation Fund	16 members and 16 alternates representing Parties to the Kyoto Protocol. 69% of members represent developing countries. Member governments determine representation by constituency.	Elected by members of the board.
Africa Water Facility (AWF)	Governing Council made up of 13 members appointed as follows: it is made up of 13 members comprising 5 appointed by African Ministers' Council on Water (AMCOW) on sub-regional basis, 1 by AfDB, 1 by the African Union under the New Partnership for Africa's Development (NEPAD), 1 by U.N.-Water Africa, 5 by donors to the Water Fund and the Director of the Water Fund as ex-officio member. Membership of the Governing Council should reflect regional and geographical groupings, and due weight to funding efforts of all donors.	The Chairperson is appointed by the Governing Council and serves a one-year term.
African Development Fund (ADF)	The Board of Directors of the ADF consists of 14 members, 7 appointed by the Bank and 7 appointed by State participants. The governors and alternates of the African Development Bank are ex-officio governors and alternates of the Fund.	The Chairman of the Board of Directors of the Fund is the President of the Bank, who is ex-officio President of the Fund. He cannot vote.
CARE International	The CARE International Board is the main governing body of CARE International. The CI Board is comprised of an independent Chairperson plus the national director and a board representative (usually the chair) of each national CI Member.	The Governance and Nominations Committee is responsible for identifying and nominating candidates for officer positions within the CI Board (i.e., Chairperson, Vice-Chairperson, and the Treasurer). Decisions are taken by a vote by the CI Board.
Clean Technology Fund	Governed by a Trust Fund Committee, and supported by the multilateral development bank (MDB) Committee, the CIF Administrative Unit and the Trustee. The Trust Fund Committee is composed of 8 representatives of contributor countries, 8 representatives of recipient countries, and includes as "active observers" (non-voting) representatives of the World Bank, the MDB Committee, the private sector, NGOs, UNDP, UNEP and UNFCCC. Representatives from contributor and recipient countries are identified through a consultation among their constituencies.	Two co-chairs are elected from among the members of the Trust Fund Committee to serve an 18-month term. One co-chair will be a representative of a contributor country and one represents a recipient country.

Fund	Board Composition and Selection	Chair Selection and Term
GAVI, The Vaccine Alliance	<p>The Board is comprised of 27 members consisting of 18 Representative Board Members and 9 Unaffiliated Board Members. In addition, the CEO (head of the secretariat) is an ex-officio non-voting Board Member. Voting members include 5 from developing country governments, 5 from donor country governments, and one each from WHO, UNICEF, World Bank, BMGF, a vaccine industry representative from a developed country, a vaccine industry representative from developing countries, a representative of civil society, and a representative of technical health/research institutes.</p>	<p>Elected by the Board for a term of 2 years.</p>
Global Crop Diversity Trust	<p>The Executive Board consists of: 4 members, at least 2 of which are from developing countries and appointed by treaty; 4 members, at least one of which is from a developing country, appointed by the Donors' Council; 1 member appointed by the Director General of FAO who shall operate in a technical capacity only and shall not have the right to vote; 1 member appointed by the Chair of CGIAR who shall operate in a technical capacity only and shall not have the right to vote; and the Executive Secretary of the Trust as a member <i>ex officio</i>. The Executive Board may appoint two additional members to ensure overall balance among its membership, in particular with regard to diversity in disciplinary backgrounds, geographical representation, gender, and competence in fundraising and financial management.</p> <p>The Executive Board shall make every effort to reach agreement by consensus on all matters on which a decision of the Board is required. If all efforts to reach a consensus on a particular matter have been exhausted and no agreement has been reached, a decision on the matter shall, as a last resort, be taken by a vote in accordance with the Rules of Procedures of the Executive Board. The Executive Board establishes a Donor Council, comprised of public and private sector donors to advise on fundraising and other financial matters and to provide a forum for the expression of the views of donors that make significant contributions to the Trust. The Executive Board determines the criteria for eligibility to serve on the Donor Council.</p>	<p>The Executive Board appoints an Executive Secretary.</p>
Global Environment Facility (GEF)	<p>The Assembly is the governing body of the GEF in which representatives of all member countries participate. The Council is the GEF's governing board of directors, responsible for developing, adopting, and evaluating policies and programs for GEF-financed activities. Council members represent 32 GEF constituencies, 16 from developing countries, 14 from developed countries, and two from countries with economies in transition. A Member and</p>	<p>The Assembly elects its Chairperson from among the Representatives. At each Council meeting, a Chairperson is elected from among its Members for the duration of that meeting. The position of</p>

Fund	Board Composition and Selection	Chair Selection and Term
	Alternate representing a constituency are appointed by the Participants in each constituency.	elected Chairperson alternates from one meeting to another between recipient and non-recipient Council Members.
Global Fund	The Global Fund's Board includes representatives of donor and recipient governments, non-governmental organizations, the private sector (including businesses and foundations) and affected communities. 20 are voting members and 8 are non-voting. Each group represented in the Board determines its process for selecting Board representation.	Chair and Vice Chair elected by the Board for a term of 2 years, and the two positions alternate between the voting groups.
Global Horticulture Initiative	The Board consists of 10 voting members, four representatives from international institutions and agencies conducting horticultural research for development, and one representative from each of the following: international society for horticultural science, farmers, health sector, private horti-business sector, donors, and United Nations organization. The Executive Secretary of the Consortium is ex-officio member.	The Chair of the Board of Directors is selected by a two-thirds majority vote of the Board from among its members for a 3-year term.
Global Partnership for Education	Board has 19 members, senior-level representatives of various constituencies as follows: 6 recipient countries including 3 from Africa; 1 each from Asia and Pacific, Eastern Europe/Middle East/Central Asia, and Latin America and the Caribbean; 6 from donor constituencies; 3 from civil society organizations including 1 each from international/northern, developing country, and teachers profession; 1 from private sector/foundations; 3 from multilateral organizations; and a full-time independent chair.	The Chair of the Board of Directors is selected by the Board and represents the Board and the Partnership.
Green Climate Fund	24 members composed of an equal number of members from developing and developed country Parties. Members are selected by their respective constituency or regional group within a constituency.	Two co-chairs of the Board (one a member of a developed country Party and one a member of a developing country Party) are elected by the Board members to serve for one year.
International Finance Facility for Immunisation (IFFIm)	Managed by a board of 5-6 directors. The GAVI Board does not have oversight of IFFIm but there is a regular flow of information to the GAVI Board about IFFIm's performance and activities. The IFFIm Board briefs the senior executives of the GAVI Alliance who, in turn, brief GAVI Board members. The IFFIm Board requires a skill mix that includes the health sector and systems, multilateral development institutions, capital markets, accounting/audit and legal capability.	The first chair was recruited and appointed by the GAVI Alliance, and thereafter the Chair is to lead the recruitment and selection process.

Fund	Board Composition and Selection	Chair Selection and Term
Oxfam International	The Oxfam International Board is made up of the Chair and Executive Director of each of its 17 affiliates and an independent Chair and Treasurer. Each affiliate uses its own method of selection.	The Chair is elected by the affiliates through a secret preferential ballot. The Chair may be the Chair of an Affiliate or may be an additional person from an affiliate Board.

Appendix 6: Outline of Possible Transitional Arrangements

A number of comments received prior to the Consultation Draft and subsequent to it have raised concerns about the change process in transitioning from a two-pillar to a single board governance structure. There is concern about potential disruptions to ongoing work and the time it might take to make the transition and the risk that the next round of CRPs might be delayed. It is the view of the Panel that the finalization of the SRF, the initial guidelines and the call for proposals for the next round of CRPs, and planning required to strengthen ISPC can all be achieved in parallel with the transition planning process, and that the new Board should be able to be in place in time for the CRP approval process. In order to demonstrate how this might be achieved, we have outlined below possible transitional arrangements, not as a definitive piece, but simply to illustrate the sort of timetable that could be adopted.

November 2014 – December 2015 – Action Plan Implementation

By the end of November, the FC Chair appoints a Transition Team Leader (TTL), who would manage a transition team and be the focal point for engagement with stakeholders for consultation on the various elements of the shift from the two-pillar to a single board governance structure.

By the end of December, (i) the TTL with support from the Fund Office (FO), identifies expertise requirements for TT, detailed TOR for each, and candidates to be recruited, and (ii) the Fund Council, Consortium Board, and Centers designate a **cross-CGIAR advisory team**, with four members from each of the three

January 2015 – April 2015

By January 15, 2015, the TT is in place, with an office at the FO. This is likely to be two senior experts, in addition to the TTL, all capable of interacting one-on-one with stakeholders and representatives of “peer agencies,” such as GAVI, GPE, etc., plus three more junior professionals to assist in research and drafting. In addition, the World Bank would be requested to second an individual from the Trustee’s Office and another from the Legal department on a part-time basis to support the work of the Transition Team.

By mid-February 2015, circulate a detailed TOR for Board Chair and process for his/her recruitment, for eventual approval by the Fund Council on a no-objections basis by the end of February.

By mid-March 2015, the consultation draft options paper on Board size, membership, constituency breakdown, and self-selection process discussed at a workshop with the cross-CGIAR advisory team. Other interested parties and potential key stakeholder group representatives could also be invited).

By mid-April 2015, professional head hunters establish a short-list of candidates for the Board Chair.

Late April 2015 – Fund Council Meeting

TT proposes for approval (i) a short-list of candidates for the Board Chair, along with proposed selection process, (ii) Board structure, constituencies and process for self-selecting representatives to the Board, and (iii) the procedure and selection criteria for locating the Administrative Unit.

TT also submits for information progress on the (i) design of the Administrative Unit functions, accountabilities and composition, (ii) delineation of joint responsibilities of Centers (i.e., the selected functions of the Consortium Office that would transferred to Centers for joint responsibility), and (iii) a detailed work plan up to the November FC meeting.

May - September 2015

By the end of May 2015, TT recommendations revised in accordance with guidance from FC. Detailed options on Board roles and responsibilities and accountabilities, as well as the Administrative Unit's design, functions, and responsibilities, prepared and discussed in a second workshop with the cross-CGIAR advisory team.

TT assists/facilitates constituencies as required to agree on initial Board membership.

By mid- September 2015, circulate for virtual discussion, the change management plan; initial policies and procedures necessary to hold the first Board meeting; assessment of proposals for location of the Administrative Unit; and proposed compensation, rights, and privileges, etc. for Board members and Administrative Unit staff.

By the end of September, the change management plan etc. (see above) discussed at third cross-CGIAR Advisory Team workshop. External stakeholders likely to be on Board would be invited.

October 2015

Circulate for the November Fund Council meeting the (i) selection of Board Chair, (ii) Board composition, (iii) first Board meeting agenda, and (iv) draft agreement on the establishment of the Administrative Unit,

November 2015 Fund Council Meeting

The Fund Council would approve the appointment of the Chair, and the establishment of the Board and the Administrative Unit, and would dissolve itself.

The new Board Chair would convene the first Board meeting and consider for approval the proposed Board responsibilities, rules, and procedures; the Board's and Administrative Unit's workplans and budgets; and policies and procedures required to maintain operational momentum on preparation of the second round of CRP proposals.

November 2015 – December 2016 – Initial Board Priorities

November 2015 and April 2016: First two Board meetings would appoint the Chair; adopt the basic policy framework, including changes in ISPC, etc.; agree on Board operating guidelines; establish Donor Council; establish priority Board committees, such as an Audit Committee, etc.; approve Administrative Unit structure, staffing and initial budget and appoint the head of the Unit; receive reviews of current CRPs; and confirm endorsement of the new SRF and new CRP selection criteria.

November 2016: Third Board meeting would, among other business, review and approve the second round of CRPs.

**Supplementary Appendix:
Comments from CGIAR Stakeholders on Consultation Draft of the MTR Report**

Asia-Pacific Association of Agricultural Research Institutions (APAARI)

The Association of Agriculture Research Institutions in the Near East & North Africa (AARINENA) fully endorses the comments below submitted by APAARI

The need for greater clarity in the CGIAR Vision and Mission is fully supported, but it is not clear as to how a more elaborate mission statement as suggested in the report will link to the new Strategic Results Framework (SRF) to avoid duplication or potential confusion. The SRF and CRPs should be the key vehicles for elaborating and delivering the Vision and Mission statements. Unfortunately, so far there is no clarity on SRF and the process has invariably taken long time. Hence, urgency for putting in place SRF must be highlighted with a defined time frame and the process should be transparent and consultative, involving the developing NARS and all stakeholders.

- A CGIAR Task Force to identify priorities and least cost options on a systematic basis is useful recognising that the links and timing of such a prioritisation process will likely have a strong bearing on the development of the new SRF and its implementation. This needs further explanation in our view, given that the new SRF is still being developed. The open data facilities are required and such a network will need to be developed in consort with existing regional and global research data networks to be effective and to avoid wasteful duplication.
- We fully agree that the preparation of the SRF must have sufficient stakeholder participation to ensure ownership of the final product. With regards to the NARS and regional forums the two way interaction will need proactive action by all parties. To date many NARS feel somewhat sidelined in the deliberative mechanisms. APAARI and other regional forums can be important focal points for progressing this process further, especially through effective stakeholder involvement. The GCARD Road Map had been an outcome of this process and hence we must take advantage of such initiatives while finalising SRF and needed CRPs
- The proposed single CGIAR Board to replace the Fund Council and Consortium Board is indeed the most radical proposition, which should be taken up as a priority. In doing so the current ambiguities and confusions for the overlapping roles and responsibilities should be resolved, since the lack of clarity on roles has potential implications for cost and managerial efficiency. A unified and more streamlined governance structure would improve the system's efficiency, coordination and convergence. Further, a suggestion to form a donor council (like the Finance Committee chaired by World Bank in the past) to advise the CGIAR Board is most appropriate. In addition, it is our considered view that there could also be an Independent Advisory Committee (IAC) for the single Board having representation of eminent persons representing different NARS /regional organisations to provide matured advice on national/regional perspectives and developments. The role of regional forums and NARS in greater adoption of research results and their role in capacity building can be substantially enhanced to out scale innovations for greater impact on small holder farmers.

- The CGIAR partnerships will require much more serious efforts in strengthening to avoid slippage and to ensure greater partnerships in future. This is the considered view of regional forums based on feedback of various NARS members and stakeholders. Stronger partnership will help immensely in scaling up research, adoption and improved financing for the future. We also support the important role of both public and private partnerships, as emphasised by the review panel. APAARI stands ready to be an active regional contributor to these endeavours. It has suitable networks involving emerging Asian economies to make a positive contribution in meeting the CGIAR Goal and Mission.
- Similarly, APAARI and other regional forums can be active partners with the CGIAR and its constituent centers in research policy advocacy, including political level representations and deliberations, knowledge sharing, capacity building and research partnerships. Suitable mechanisms for making such partnerships feasible in practice require further consideration.
- The proposed extension and elaboration of the ISPC role and leadership in providing guidance, analyses and quality assurance (like the role of TEC in the past) is fully supported. Its role and authority for partnerships requires further clarity and action since in our view this has remained a weak link despite existing reforms.
- An additional comment relates to GCARD. The regional forums consider this an important event to bring all stakeholders on a common platform to deliberate periodically the research outcomes/outputs of CGIAR system, and to provide periodic strategy for their faster adoption through greater involvement of stakeholders. We consider this to be an important requirement for which allocation of resources will be more productive in the long run. Interface among stakeholders at frequent intervals is considered to be a useful investment. No doubt, required reforms for the GCARD process will be put in place alongside the implementation of the MTR Panel Review report.

Further, while resource mobilisation has been considered in the review findings and recommendations, the role of window 3/bilateral funding sources has not been fully addressed. Given the ongoing importance of these funding options in the overall financial position of the CGIAR, it is considered that member centers of the CGIAR should be able to raise contributions from the donors through these channels and other sources in the future without any restriction. Also the importance of window 1 and 2 funds and also the importance of autonomy of each of the institutions should also be emphasised.

Australia

The Panel has addressed well the six Focus Areas of the review. Brief comments on each are provided below. The comments are initial reactions, not informed by deep reflection. More fully-developed responses will be presented at FC12.

1. *The appropriateness of the current CGIAR's goals and strategies in supporting the fundamental purpose of agricultural research to deliver development solutions needed to create a world free of hunger.*

We concur with the Panel's observations about the deficiencies – including broadness – of the CGIAR's vision, mission and associated strategies and results. The Panel recommends that a taskforce be established to propose a CGIAR Vision. Given the stature and diverse but complementary expertise of the Panel members, it would be particularly instructive for the Panel to propose such a vision, as a starting point for the taskforce, if constituted.

The Panel has identified five 'big challenges' for the CGIAR and proposed five major research challenges with potential for greatest impact and payback. While these priorities may not be definitive, they are helpful for sharpening the focus of the CGIAR system. We support the recommendation for a systematic process of prioritisation but observe that what's easy in theory can be devilishly difficult in practice.

The Panel proposes that development of the new Strategy and Results Framework 'should take as much time as is required to get it right'. This should not be interpreted literally, or in absence of consideration of the consequences – the system does not have a particularly good track record of delivering in the absence of a deadline.

2. *CGIAR's effectiveness in generating and delivering solutions for reducing rural poverty, improving food security and advancing the livelihoods of users of its research.*

The Panel acknowledged the difficulties in finding a common truth among the variety of stakeholders interviewed ("where you stand often depends on where you sit") and have been realistic in what they conclude. However, only a fairly 'light' treatment was given to the assessment of whether the reforms had helped or hindered the generation and *delivery* of solutions.

The Report usefully distilled the complex range of issues and characteristics surrounding the CGIAR system, including the four pre-reform principles (donor sovereignty, independent scientific advice, center autonomy and consensus decision-making) that have been retained and the three new principles introduced through the reform (separating the funders from the doers, harmonisation and managing for results).

3. *The efficiency and effectiveness of CGIAR's architecture/structure, operations, and mechanisms for managing and funding research programs and building capacity, including its internal systems, risk management, governance and accountability.*

The Panel has made insightful observations about the CGIAR architecture and structure, and particularly the associated ambiguities. We welcome the Panel's bold recommendation in relation to a single CGIAR Board. We do harbour some doubts about the ability of the system to implement the recommendation, if accepted, ahead of the second CRP round.

While a single CGIAR Board, if adopted, can be expected to reduce ambiguities between the 'funders' and the 'doers', it is unlikely in and of itself to remove all ambiguities, including those between the new Board and the Centre Boards. More critical thinking will be required. In addition, CRP leadership and management considerations will need far greater clarity.

The Report's consideration of capacity building and risk management are relatively limited and could be usefully strengthened.

4. *The extent and quality of partnerships within the CGIAR network and with external collaborators and stakeholders.*

We support the Panel findings that the increase in collaboration among the Centers (mostly as a result of the cross-cutting CRPs) with a sharper focus on delivering development impact, and increased donor funding have been among the major successes resulting from the reform. On the flip side (and highlighting the complexity of these issues) factors associated with collaboration, such as knowledge exchange and greater efficiencies, have not achieved their full potential.

While the Panel made a range of observations about CGIAR partnerships, the Panel's key (and rather underwhelming) recommendation in this respect appears to be to develop guidelines. Further elaboration, and more incisive guidance, would be welcomed.

5. *The structure of the Fund, the challenges of increasing the proportion of commitments to pooled funding (Windows 1 and 2), the prospects for firm multi-year pledges, and the roles of Window 3 and bilateral funding.*

The review appears to take as a self-evident truth that pooled (Window 1 and 2) funding is the ideal, without adequately exploring the pros and cons of Window 3 and bilateral funding.

FC10 Agenda Item 13 notes that, 'it was also decided that the review of Window 3 be made part of the MTR'. While resource mobilisation was featured in the review findings and recommendations, it was a shame that the use, value and future of Window 3/bilateral funding wasn't pursued in greater detail, with perhaps a recommendation provided. We would have liked to have seen further emphasis on this aspect to resolve the W3 uncertainty.

6. *Measures needed for the CGIAR to continue playing its critical role in global public goods research and national capacity building, and maintain its relevance in a rapidly changing global environment of ODA, more complex and crowded global research architecture, changing roles of public and private research investment, and ever competing demands on donor funding.*

The document sets an ambitious yet optimistic tone in relation to tackling the global mega-challenges; with a clear aim to not only make a contribution but to solve the challenges. This approach engenders donor confidence, especially when the document calls for rigorous and accurate budgets to be developed for delivering the final SRF.

Concluding comments

In some respects, key determinations (vision, prioritisation, etc.) have been deferred, and referred to a (proposed) taskforce, while the complexity of the design of the Board is acknowledged, but no path forward is proposed (notwithstanding the transitional secretariat, which would provide a support function). These are points amongst several points of vulnerability in the execution of the recommendations. The system needs to be able to make tough choices and hard decisions; its record to date in this respect is rather patchy.

Bill & Melinda Gates Foundation (BMGF)

As representatives of the Bill & Melinda Gates Foundation on the Fund Council, we strongly support all nine MTR recommendations and want to publicly acknowledge the tremendous contribution of the MTR panel. Recommendations that we want to call out as high priority for the future success of the CGIAR reform include: governance (one board), innovative financing, and taking time to develop a strong SRF to frame the next round of CRPs. All three of these issues are interrelated.

We are quite aware that implementation of these recommendations will require grappling with as-yet unanswered questions, especially the governance structure and the wording of new governance documents. Outcomes of the proposed changes should include:

- simplified governance structure, including advisory bodies
- appropriate allocation of responsibility and risk among a unified board and the Center Boards
- clearly defined roles and responsibilities of all parties of the CGIAR (CGIAR Board, CGIAR Board Chair, advisory bodies, Center Board Chairs, Center DGs, CRP Directors, etc.) – this is one of the key issues that has adversely impacted the CGIAR reform implementation during the past four years and the recommended changes create an opportunity to institute clear responsibility and accountability for all parties of the CGIAR.

A few additional comments that may help shape the conversation at FC12 include:

(1) Transition – the CGIAR is at a fragile point in the change management process (too many have been at this for too long). We should be thoughtful of how to implement the MTR recommendations to achieve the original goals of increased efficiency and effectiveness of the CGIAR. But at the same time we should put ourselves on an assertive time line – so that this process does not drag out.

(2) Center Boards – a particular attention is warranted in deciding the scope of authority of the new CGIAR Board with respect to the Centers' individual governance. As in any consortium or group governance, there is real value in the individual organizations' Boards to manage their institutional risks. The CGIAR Board of Governors does not want to be managing a Mexican labor dispute, approving a land deal in Nigeria, or negotiating with a local host government of a Center. If they are run well, the Center Boards play critical governing roles, because they have their feet on the ground, so to speak. Weakening the Center Boards would actually weaken the practical accountability overall of the system. Instead, there should be progress made to delineate roles and responsibilities that are clearly articulated in a new constitution as well as mechanisms to govern, such as voting for approval by the CGIAR Board, Centers, and decisions that are straight out delegated (with concomitant accountability) to the Center Boards. The current constitution does not offer the required clarity to cover practical guidance of the division of responsibilities.

(3) Accountability for CRPs – this should be the central responsibility of the new CGIAR Board. Governance at the level of the CRPs and Center programs needs to be clarified to reduce duplication and inefficiencies that supports collaboration cross-centers and partnerships. Accountability follows the flow of funding from donors under suitable performance agreements. Currently, CRP Lead Centers (and Center Boards) are accountable. However, this is separated from the most management decisions of each CRP Director. Here too we need greater clarity on governance structure, roles and responsibilities of all parties. Under the one board model, does the Lead Center Board take on direct governance accountability, given that sub-grants to partners are managed by the Lead Center? We need to drive towards simplicity, clarity and accountability as governance structures are designed and learn from the experience of the past four years.

Canada

Canada appreciates the work of the Mid-Term Review Panel and welcomes its findings gathered from consultations across stakeholders. We are particularly supportive of the recommendations to develop a focused and outcome-oriented Strategy and Results Framework that is at once allied to a clear compelling vision of the mission of the CGIAR, and that identifies opportunities for innovative finance, optimizes developmental impact, and improves thought leadership by the CGIAR with a stronger role for the Independent Science and Partnership Council.

In Canada's view, the CGIAR needs to push forward three priorities in order to reinforce its value-proposition to donors:

Strategy: First, the CGIAR's Strategy and Results Framework (SRF) needs to clearly articulate expected development outcomes in the long term. The SRF also needs to describe how outcomes from the CGIAR's research programmes (irrespective from which of the three Windows they receive funding) will be tracked in the short to medium term. Donors need to be able to gauge performance more easily.

Effectiveness: CGIAR should continue to improve the effectiveness of its collaborative research programs, including more systematic implementation of its commitments on gender equality and engagement with a broader array of partners, including the private sector.

Efficiency: While reform efforts to date have reduced multiple costs to donors involved in oversight of 15 CGIAR Centers, there is scope for more ambition. Further improvements in system-wide coherence, be it policy, operational or governance-related, would spur the CGIAR towards greater efficiency, as well as reassure donors that the CGIAR system is focused on reaping the maximum dividend from each dollar it receives.

Following are our preliminary comments and questions respecting the consultation draft of the MTR report:

Prioritization of Research: The priority areas defined in the report are important to for global food security research. Further dialogue through the process of consultation and development of the Strategy and Results Framework in 2014-2015 would provide a constructive mechanism for further consideration. In particular:

- Canada strongly supports a focus on nutrition integrated into agricultural research moving forward, and appreciates the focus on stunting, however we recognize that nutrition research may have broader impact that could integrate other measures to demonstrate progress.
- Recognizing the role of agriculture in the context of both climate change adaptation and mitigation, accelerating progress on climate-smart agriculture is welcome.
- The focus on degraded arable lands should consider research on marginal lands rather than solely degraded lands, reflecting agricultural research on marginal areas that may, for example, be naturally less fertile, subject to desertification, or highly saline.
- Disparities remain among CRPs and Centers in their dedicated capacity for integrating gender in research agendas. This is reflected in the limited progress by some research programs on these commitments; while others have more fully embraced gender equality as a central component of their research. In parallel with

the need for improved performance management systems, gender should be more fully integrated into results and accountability frameworks.

Scaling-Up Partnerships:

The 'science of delivery' challenge remains undefined at the system level in so far that the CGIAR has not articulated its approach to engaging various external partners. Canada supports the recommendation to further define how CGIAR can more effectively engage partners outside the system, and how it makes decisions about linking with various types of delivery agents to achieve development outcomes.

Scaling Up Finance:

Canada supports the recommendations to pursue opportunities to scale up finance for the CGIAR system with new and existing donors in the context of a changing funding landscape. CGIAR can seize opportunities to improve messaging based on a shared vision and strategy, coordinate communications, engage partners and leadership, and the explore innovative finance mechanisms.

Governance Structure:

Canada recognized the opportunities for simplifying the governance structure and improving the effectiveness of decision-making and accountability within the CGIAR system. A stronger role for the Independent Science and Partnership Council is a welcome recommendation to improve the rigour of decision-making.

In principle, we support the merger of the Fund Council and Consortium Board subject to additional clarity on the issue of representation and management support functions to be put in place to advance decision-making by the single Board. The establishment of a single Board should be contingent upon:

- adequate donor representation, reflecting the role of funders in supporting the CGIAR system;
- a clear conflict of interest policy to maintain the integrity of funding and strategic decisions, with due consideration to the range of stakeholders proposed for membership including the private sector and management of CGIAR research;
- maintaining the continued role of the World Bank as Trustee of the CGIAR Fund, providing essential technical and administrative capacities to support the Fund.

The final decision regarding the governance structure should be contingent upon further clarification of a number of considerations:

- definition of the key roles, authorities, and accountabilities of Board membership, with a focus on enhanced accountability and strategic decision-making;
- the proposed role of the private sector on the Board;
- the role of the proposed Donor's Council and CGIAR Centre Advisory Committee, including the relationships with the Board;
- the proposed mechanism for establishing the Board's membership and constituencies;
- the legal and administrative implications of moving the Fund Council and Fund Office from the World Bank to an independent Board with a support secretariat possibly housed in another country; and
- equally, the legal and administrative implications of moving the Consortium Board and Consortium Office from its current status in France.

CGIAR Consortium and Centers – Joint Response to the Consultation Draft from the Mid-Term Review Panel of the CGIAR Reform Recommendations (October 19, 2014)

Recommendations	Draft Joint Response
<p>1. Develop a clear CGIAR Vision and Mission – A clear and focused vision and mission should be developed to guide the decisions on priority research objectives, facilitate the development of strategic approaches to reaching those objectives, and provide adequately detailed expectations of results. The Panel recommends that the vision for CGIAR be oriented towards agricultural research required to meet immediate and long-term nutrition needs and achieve equitable food security by 2030. Likewise, the Panel recommends that the CGIAR mission should include how it will achieve these short and long term societal challenges through its mission statement – through its strengths as a global network; a network that harnesses other relevant capabilities from organizations.</p>	<p>Agree. The updated SRF (to be finalized by April 2015) must include a compelling clear vision and mission for CGIAR.</p>
<p>2. Prioritize to achieve maximum impact with the least cost – A CGIAR task force should undertake a systematic process of prioritization, with the objective of providing a menu of options for CGIAR and its partners to determine how they can maximize impacts with the least costs. This would assist donors in identifying where they might achieve the largest benefits for the least costs as well as identify potential high risk-high reward research areas. The Panel identified five major research challenges with potential for very high payback. The list is by no means definitive- but this level of prioritization is needed to sharpen focus and impact.</p>	<p>Agree. The updated SRF should take into consideration the research challenges identified by the MTR team as part of inputs (together with inputs from NARS, national policymakers, centers and donors, and other stakeholders) when identifying priority objectives, themes, IDOs, portfolios and priorities.</p>
<p>3. Strategy and Results Framework – The Fund Council and Consortium Board should establish clear criteria by which they determine whether the SRF under preparation meets their needs. It must primarily enable prioritization of outcomes being sought and consequently the research and partnerships required to deliver against these. This will enhance stakeholder confidence in that the limited financial resources are being used for the greatest impact, and that those resources are sufficient for achieving the research goals. The preparation of the SRF must have sufficient stakeholder participation to ensure joint ownership of the final product. The process should take as much time as is required to get it right. The call for the second round of CGIAR Research Program proposals should only be issued after the Fund Council is fully satisfied with the SRF, including an assurance from CGIAR stakeholders that there is broad support.</p>	<p>Agree. One of the critical gaps in the current process of SRF development is a lack of consultation with key stakeholders including NARS, national policymakers, the private sector and NGOs.</p> <p>Stakeholder consultation for the SRF is important and it is foreseen in the process for development of the SRF between November 2014 and April 2015.</p> <p>In addition, the development of the future portfolio of CRPs should take into consideration a smooth transition for any change from the existing portfolio</p>

<p>4. Governance structure – The Panel strongly recommends that a single CGIAR Board be established to replace the Fund Council and the Consortium Board and be supported by one Administrative Unit, replacing the Fund Office and Consortium Office, with the aim of eliminating current governance ambiguities, strengthening the ability of CGIAR to deliver its mission of research and development impact, and accelerating and scaling up solution-driven public-private collaborative partnerships. The Board would establish fiduciary standards and assessment guidelines for CGIAR funded operations; criteria and guidelines for consideration of CRPs and funding proposals for new collaborative research partnerships; audit and Trustee arrangements; CGIAR internal policies and regulations; and the design and operation of the Administrative Unit.</p> <p>The proposed Board would need to adequately and effectively represent key stakeholders, with clarity on the rationale for inclusion of stakeholders and the expectations of them. Consideration should be given to the size of the Board - limiting the number of members to ensure that it is manageable. This will inevitably lead to a constituency-based board. The Panel believes that the key stakeholders requiring representation on the CGIAR Board are the donors, CGIAR centers, NARs, agricultural private sector representatives, chief scientists, and recipient countries.</p> <p>The Panel considers that, in order to avoid conflict of interest, the Board Chair should represent the mission of the CGIAR partnership and therefore should not represent a constituency.</p> <p>The Board should establish a donor council, which would advise the Board on the views of the broader CGIAR donor base (e.g., regarding operations, fundraising, etc.). The CGIAR Centers should establish an advisory committee to advise the Board on new advances in research, and new or emerging challenges and risks requiring urgent action by CGIAR. The design of the Board should be undertaken in parallel with the completion of the SRF and the new governance structure should be in place prior to final selection of the next round of CRPs.</p>	<p>We agree that in principle one single board could be an effective way to integrate functions of the Fund Council and the Consortium Board. The key question is how this could be achieved practically. We also agree that such a new board should be supported by one office.</p> <p>Retaining the independent role of the new single Board is imperative and the board should be effective and accountable.</p> <p>The transition process and composition of a new board has to be well thought through to reflect perspectives from donors, experts, centers and high level individuals who can serve as champions of the CGIAR. A clear mutual accountability mechanism should be developed between the board, centers and donors. Strong leadership of the board and supporting office must be ensured.</p> <p>It is important that governance structure changes do not disrupt continuity of funding and operations in existing CRPs.</p> <p>We also believe it will be premature to respond to specific comments made by the MTR Panel about setting a donor council and other committees. Centers and the Consortium need to be involved in the design of the organization and processes.</p>
<p>5. Optimize the strengths of partners – There is considerable room for expanding existing and establishing new partnerships globally. To avoid transaction costs, risks, and other inefficiencies and engage partners as equal stakeholders so that joint decisions can be taken on when and how to partner, the Panel recommends that the Fund Council seek the assistance of donors (e.g. World Bank) and key organizations engaged in research with global reach (e.g. EMBRAPA, CSIRO, and private sector representing inputs and the food and beverage industry) to</p>	<p>Agree. Partner identification and management needs to be for both research (including national, sub regional and regional entities and think tanks) and development organizations (NGOs, multilateral agencies).</p>

<p>assist CGIAR in developing guidelines for identifying, establishing, managing and reviewing partnerships. The guidelines should be clearly tailored to meet the strategic objectives and results delineated in the SRF.</p>	
<p>6. Scale up partnerships capable of tackling mega-challenges – Once the new SRF is adopted (outcomes as the focus) and the next round of CRP proposals (multi-disciplinary research required as a focus) are approved, CGIAR should assess the extent to which its own research programs and those of other leading institutions and companies are sufficient to address priority food security and nutrition challenges, with a view to identifying major gaps that require new global partnerships, special-purpose, internationally-coordinated, and long-term mega-programs designed to solve the problems, rather than put dents in them. CGIAR is likely to play a key role in identifying what future partnerships are needed to tackle the world’s food security mega-challenges and propose a commensurate framework for action.</p> <p>CGIAR Centers and other potential partner organizations need to be adaptive in how they work with partners so as to assure their long-term relevance as coalition partners. They will need to engage in both leadership and non-leadership (or supporting) roles, taking on responsibilities that are best suited to CGIAR’s strengths and comparative advantages. CGIAR can play a leadership role by bringing top-level global leaders together to tackle challenges (beyond the reach of individual partners) in a collaborative manner.</p>	<p>Agree. The new SRF and the second round of CRPs should also allow flexibility for the system to take these emerging mega challenges together with key partners.</p>
<p>7. Scaling up financing – The Fund Council should organize a special session in early 2015 to discuss innovative financing options, recognizing the difficulty of securing long-term, predictable commitments to fund CGIAR Research Programs, and the uncertainties around maintaining, let alone significantly increasing, funding. Some potential approaches include development impact bonds, a capital formation investment fund, the Green Bond concept, public-private strategies, and pursuing high risk-high reward impact investors.</p>	<p>Agree. Identifying key champions for CGIAR is critical, and will be an important part of a Resource Mobilization Strategy. We believe that a strategic role of the proposed new Board will be to scale up fund raising at higher levels than Centers and CRPs are able to reach currently.</p>
<p>8. Optimize political impact – CGIAR (not just individual Centers) should establish specific objectives of and procedures for engaging in relevant global and regional policy formulations, negotiations and actions. CGIAR has tremendous knowledge and could contribute to and influence international and regional policy debates on many highly emotive issues, such as climate change, food security, food safety, water management, fisheries management, and the Sustainable Development Goals, among many others.</p>	<p>Agree. Centers can also play a large role in global dialogues, setting development agenda and formulating global policies and strategies.</p>

<p>9. Optimize knowledge impact – The responsibilities of the ISPC should be elevated to empower it to be proactive in terms of providing strategic guidance, foresight analyses, and assessing and reporting on quality of research results across the system. The review and reporting functions should be at least as rigorous as was previously provided by the pre-reform Science Council. It is critically important to ensure that high-quality research review and advice is consistently provided. At a minimum the Fund Council and Consortium Board (and later the CGIAR Board) should establish independent research panels comprising world-class research leaders to advise on particular issues, as required. A detailed proposal for the new functions of the ISPC or its replacement should be prepared immediately by a task force established by the Fund Council.</p>	<p>Agree. Yet the periodic external advice and evaluation (ISPC & IEA) should be complemented by a continuous monitoring and management support function.</p>
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China

China values very much the MTR Panel’s work on conducting such a productive Final Report (Consultation Draft). The report findings well summarized the achievements CGIAR have made since its reform as well as the challenges CGIAR is facing at the current stage.

China agrees that the conception of SRF and CRPs are the most important outcomes from the reforms and have largely improved the consistency and coordination of overall research work across different centers.

As a Fund Council member, China also expects to see further improvement in operational and administrative efficiency of the system, especially for the new SRF formulation and CRPs implementation.

China believes that most recommendations put forward by the Final Report are appropriate and pertinent aiming at promoting CGIAR long-term development, in particular, the finalization of SRF, the research priorities and the partnership optimization are the most concerns from China.

However, China thinks it’s still need to be carefully considered and discussed regarding the suggestion to change the governance structure, e. g. to establish a single Board replacing Fund Council and Consortium. The current structure is resulted from a common decision made by the majority of all related stakeholders at the beginning of CGIAR reform, and the centers and donors have adapted gradually to this system. To establish a new governing body will not only involve the cost of energy, human resources and expenses to form new rules, but also will probably bring confusions to the on-going research work, which is not helpful for efficiency improvement. We believe that strengthening the coordination and communication between Fund Council and Consortium should be ideal way to improve the governance of CGIAR in spite of the fact that .it’s not always easy to do it perfectly.

In addition, we have some other suggestions in terms of recommendations:

1) For the research prioritization, we think technology transfer and delivery should also be included since the aim of the research and its outputs should be efficiently delivered to the end users. This also aligns in large part with existing AR4D frameworks.

2) We think it's also important to enhance awareness and visibility of CGIAR initiatives as well as publicize and highlight its achievements. Indeed CGIAR has circulated every year a large number of very detailed documentations, including annual reports; however partners at different levels (governments, research institutions, farmers) would expect more clear, concise and attention-drawing messages for better understanding and time saving. Such kind of publication and communication methods should help strengthen impacts to larger audiences.

3) China is willing and prepared to get more involved in large-scale research cooperation such as CRPs and expect to make more contributions to improve global food security with CGIAR. We welcome the idea to scale up the partnerships and upgrade the cooperation with strategic partners with great potential in order to address global agriculture challenges.

Food and Agriculture Organization of the United Nations (FAO)

Introduction

- FAO thanks the Panel for the report it provided, acknowledging the extensive interviews and the collective wisdom of the review panel, which is composed of a well-balanced, distinguished group of leading experts.
- FAO agrees in general with the panel's assessment on the achievements and the key problems of the 2009 CGIAR reform. We are in concurrence with the Panel, the Center Directors-General, and the Consortium on the key areas that have worked well, and those areas that have not.
- FAO considers that the MTR proposes a substantial modification on the existing governance structure, but fails to provide a strong analysis of potential operational difficulties and political consequences of such a proposal. We therefore feel that the recommended "new wave of reform" especially on the governance needs further assessment and discussion.
- Furthermore, FAO finds that some key recommendations of the panel report, such as the five new areas of research priorities, the principles and the possible composition for the new governance mechanism, the partnerships, and the restructured ISPC, lack a robust evidence-based analyses, more empirical than analytical, and hence are not sufficiently convincing.

FAO's specific comments:

1. What has worked well and not worked so well:

- We agree with the Panel's assessment of the important achievements, e.g. the formulation of a results oriented Strategy and Results Framework, the progress of the CRPs, significantly increased funding, much increased collaboration of the Centers, a strong programmatic alignment and the shared services.
- We also agree strongly with the Panel's conclusion on the problems of the reform so far, especially those associated with the ambiguities between the FC and CB, the FO and CO, reflected perhaps in the cumbersome relationship between the Centers and the Consortium. The high transactions costs of the system as a whole is another area of discontent from the Centers and some stakeholders.
- The inability of the Consortium and the Fund Council to enact necessary operational guidelines and a code of conduct recognized by all partners as a "must have" for operationalizing a dual structure was a key problem.

2. SRF and research priorities:

- FAO agrees that the current SRF, together with the SRF Action Plan, served its purpose at the time. FAO also agrees with the Review panel that a renewed SRF needs to be developed before the second call for CRPs.
- FAO appreciates the intention of the Review Panel in pointing out five potential areas of new research priorities. However, we are of the view that the research priorities will need to be set under the framework of the renewed SRF. The SRF should be formulated based on a solid analysis of the challenges that agricultural research will face, the comparative advantage of the CGIAR Centers, and the documented needs of the stakeholders.
- FAO would urge that research priorities are not defined in isolation from the international policy framework and the sustainable development agenda. The priority setting on food and agriculture as it takes place in appropriate fora, such as FAO and IFAD, should be carefully considered in any research prioritization exercise.

3. Governance:

- FAO is in concurrence with the Review Panel on the problems in the current governance structure, and agrees that the problem needs to be addressed in order to improve the efficiency and effectiveness of the system. We would like to advise that in deliberating on a “new” governance mechanism and structure, it should not be underestimated the processes, the cost and the legal implications associated with drastically changing the Consortium which is legally established as an International Organization under international law.
- In the meantime, FAO does not find the Panel’s specific recommendation about the governance sufficiently convincing at this stage, without a thorough and evidence-based analysis of the potential gains and risks of the recommended new structure. We are nonetheless open to further discussions about the optimal solutions to the problems identified by the MTR Panel.
- In particular, FAO would like to emphasize the importance of involving the multilateral system (such as FAO, the World Bank, IFAD) mandated on food security and rural poverty reduction in the CGIAR governance. The presence of UN specialized agencies establishes a vital linkage and consistency between CGIAR and the international policy and normative framework on food and agriculture.
- FAO believes that the leadership role of the World Bank, perhaps one of the most important global development institutions that has provided the CGIAR with consistent and pivotal support since its inception, in the new CGIAR governance is crucial, especially at this juncture of CGIAR transition.
- It is not clear the expected role of the “Chief Scientist” in the new board as recommended in the MTR report. What would be the role and responsibility of the Chief Scientist in the Board *vis-à-vis* that of the Science Council?

4. Partnerships:

- FAO finds the Panel’s analyses and the recommendations on partnerships weak and disappointing.
- The importance of novel and effective partnerships is indisputable. One of the key elements of the 2009 CGIAR reform was to remove the CGIAR annual meeting and established the GCARD. A close engagement of multilateral development partners such as FAO and IFAD in the CGIAR system is expected to contribute to bridging research with extension, policy and application by farmers so as to scaling up impact. FAO finds it odd that neither FAO, GFAR nor GCARD are mentioned in the Panel report.
- FAO believes that CGIAR needs the full participation of Development Agencies and non-funders represented by GFAR into the Fund Council. This implies that its governance needs to be inclusive, not exclusive, and to provide accountability *vis-a-vis* both the Funders and the partners/beneficiaries. This was the rationale for merging the former Annual Meeting of the CGIAR and GFAR triennial Assembly into a single new process leading to a conference, the

GCARD, while providing accountability to the CGIAR with all sectors, research/extension/education/Private sector and other stakeholders. It is disappointing that the MTR report does not present an analyses nor recommendation on this critically important aspect of the CGIAR reform.

5. Scaling up funding:

- FAO would like echo the reminder in the Consortium's submission to the Panel that further scaling up funding will likely be challenging. The idea of a "bond" is interesting, but lacks support by thorough analysis of the financing market, investors' expectations, the suitability of the CGIAR core business with such financial tools, and the potential political risks and transaction costs of CGIAR pursuing such directions.

6. Role and future direction of the ISPC:

- Not clear about the new direction and roles of the ISPC as recommended by the Panel.
- Recall the 2008 CGIAR system review report that recommended changing the role of the Science Council from "policing" to advising and helping on the research direction and science quality.

Conclusions/recommendations:

FAO feels that it may be too early to draw conclusive decisions on the CGIAR reform especially on its governance, since some of the key reform elements are still being put in place. FAO believes that caution may be appropriate at this stage before embarking on a new, all-encompassing reform. However, challenges of governance should be addressed based on a careful analysis to increase the efficiency and functioning of the CGIAR system.

Fiji

Pages: 7, 13, 24, 27, 28, 33, 45, 49: **"Innovative Financing Options/ Approaches for Agricultural Research."** This is an important area and we feel that more discussions are needed on the various mechanisms needed for fund generation, what are the opportunities, and how to identify them. This is of special interest to us as we are also looking at ways to generate funds to implement the "Fiji 2020 Agriculture Sector Policy Agenda" that was launched by the Hon. Prime Minister of Fiji in August this year to modernize Fiji's Agriculture Sector.

Pages: 6, 7, 17, 20, 29, 30, 44, 49, 50: **"Governance Structure."** We agree to the suggestion of the Panel that a single CGIAR Board (CB) and Administration Unit be established replacing the Fund Council (FC) and Consortium Board (CB), to reduce duplication, improve efficiency and accountability. The panel has proposed number of representatives from various constituencies and to break down constituencies into sub-constituencies, representing the CGIAR Board. The 3 NARS representatives from geographic areas: Africa, Asia and Latin America are mentioned. We feel at least one NARS representative should be included/added from the Pacific Islands Countries and Territories (PICTs). This is because there are unique and wide range of challenges and opportunities in the PICTs.

Pages: 5 (Executive Summary), 10 & Page:6: **"To Create a World Free of Hunger."** & **"Specific focus on reducing stunting."** No mention is made for Pacific Islands Countries and Territories, where hidden hunger (nutritional hunger) and Non-Communicable Diseases (NCDs) are of serious concern. In PICTs populations, we should look at other more sensitive and measurable indicators of nutritional hunger rather just than stunting alone.

General Comments on the CGIAR/IARCs: We are of the opinion that there should be one exclusive dedicated IARC under the CGIAR umbrella that would address the food security, poverty reduction,

sustainable management of natural resources, and improve human health and nutrition in Pacific Islands Countries and Territories (PICTs). This would also address cross-cutting issues: gender issues, strengthen the R&D capacity of the NARSSs, and integrate climate change, biodiversity, etc. We propose it as "International Institute of Island Agriculture" for your kind consideration.

The Global Forum on Agricultural Research (GFAR)

Review Process

These comments are framed by the comments of GFAR Steering Committee members provided in an open dialogue with the CGIAR Consortium Office during the GFAR SC meeting in April 2014. The full Minutes of this meeting are publicly available at:

http://www.egfar.org/sites/default/files/draft_minutes_29th_gfar_steering_committee_montpellier.pdf and these form part of the Global Forum's formal response to the MTR Review report, together with the notes below.

We are concerned that insufficient time was allowed for real consultation on this document with GFAR stakeholders and that it was unclear whether this was a public consultation or restricted circulation. The views of partners who were unable previously to provide direct comments will be captured in the GFAR Chair's inputs to the Brussels Fund Council meeting. GFAR is also broadly aligned with the comments made by FAO in their separate report.

The Panel's emphasis

While unquestionably eminent, the Panel's composition was still primarily that of leading scientists rather than other stakeholders – farmers, women, civil society organizations etc. and did not draw on many existing stakeholder networks for inputs. The criteria for evaluation discussed still rest heavily on traditional scientific measures such as peer reviewed publications. There is a clear message in the review that prime partners are considered by the review to be mainly other research organizations, including universities and large national agricultural research institutions. The report therefore places the emphasis more on research than development, with a rather linear perspective in its approach, which does not serve well the complex realities of development and putting research into use for development impacts.

The 9 recommendations of the Panel

The recommendations are many but it is not clear how general recommendations focusing on clear vision, partnerships and innovative financing can alone achieve impact on the ground. These three axes have long been part of the CGIAR's approach to research, but have not been well linked to effective decision making choices toward greater impact. The panel has not reviewed or suggested measures to develop impact pathways or to measure progress towards impact, which are crucial at this stage of the CGIAR's work. The report actually pays little attention to the importance of pathways to impact, i.e. the key institutional relations that need to take place for outcomes of the CGIAR to become knowledge that is used and valued in the landscapes which farmers inhabit - and which becomes taken up into impacts. Stakeholders in the report are mentioned as "a survey of associated stakeholders (e.g. donors, research partners, industry)" reinforcing that downstream partnerships are not in the mindset of the panelists. Similarly the report does not describe farmers as key clients and partners, but views them only as recipients of technologies – something that the GCARD process actively challenges.

The members of the panel still use the concept of 'NARS' (without defining what they refer to by this acronym, that can itself mean several things), rather than national and local innovation systems, reinforcing the issue that the focus is research alone and not research for development and impact.

The CGIAR sits in a very complex system where there are many innovators, including farmers who do not get a mention as such here, and in a world of very diverse agricultural systems where achieving big-scale wins is dependent as much on improving farmers social circumstances as the value of the technology. It is surprising that the recommendations refer only to food and nutrition security as targets. What of development reducing (largely rural) poverty? Poverty and nutrition/food security are directly linked.

The fundamental divides inherent in the CGIAR come through strongly in the document. Is its purpose to sustain leading edge research institutions through investments in science and using a value system of science alone, or to contribute to development impacts by adding value to national systems? If the latter, then capacity development must be seen as an integral development outcome and necessary channel to achieve adoption and impact on the ground. The Panel recommendations seem to take us back to a pre-reform stage where the focus was on research only. The vision put forward by the Panel of orienting research towards food and nutrition security alone is surpassed in scope and vision by the current vision of the reformed CGIAR.

Priority setting

Optimizing impact is of course essential, but a note of caution is that this also depends on the metrics and purpose desired. Productivity measures are relatively easy, but skew the focus of work compared with other areas. Similarly with the foresight projections cited, no differentiation is made on the form of food consumed, which is a poor omission when considering the future of food.

The GFAR Steering Committee has made very explicit that GFAR, as the multi-stakeholder global mechanism, is particularly well placed to advocate and bring these issues to the forefront at global level. The Forum has the global reach to support processes of prioritization, mobilize support through international mechanisms such as the G8 and G20, and connect to heads of government and other decision makers through initiatives such as the African Agricultural Science Agenda and the European agenda on agriculture. It was noted that these processes reap substantial benefit in public awareness, resource allocation and establishing policy

The claim that the GCARD process provides weak representation of partners is totally unfounded. Over 2,000 participants from around the world and from all sectors took part in the regional and global dialogues of GCARD 1 and the GCARD2 directly engaged over 200 relevant partnership programmes and held major sessions on foresight – actions through the Global Foresight Hub that are also supported by the G20 Chief Scientists. This also requires finding ways to reach and engage the poorest farmers, which is itself challenging. The GCARD2 - foresight exercise gave strong emphasis on farmer voices and local level actions and this should be built upon through planned grassroots foresight exercises and focus on multi-stakeholder actions, with provisions of funding for further farmer involvement in such dialogues.

GCARD1 was ground-breaking in taking innovation systems on board, a real shift from the previous CGIAR AGM, at which there was felt to be little attention paid to partners. GCARD1 empowered partnerships beyond research, while GCARD2 explored links between the newly established CRPs and other stakeholder networks and partnerships for action. GCARD3 will explore demands from focus countries and regions for collective AR4D actions in the next phase of CRPs.

Governance structure

GFAR supports the representation of the global and multilateral ARD system (e.g. The World Bank, FAO and IFAD) in the Fund Council or whatever new structure could be decided, and expects GFAR stakeholders to be reflected in any new governance system. It is surprising that the report recommends a return to a number of flawed structures that gave rise to the reform in the first instance.

The real problem is how to ensure genuine leadership to the overall system. This point had been identified during the preparation of the Reform and discussed by the Working Groups on Governance and Partnerships, which came up with the common sense view that the SRF has to be jointly owned by the Consortium and the Fund and that the Chair of the Fund Council and the Consortium Chair should be clearly on the same page when it comes to strategic decisions, representation of the CGIAR, as well as the Fund Office and Consortium Board in constant interaction and coming to clear consensus or expressing joint decisions.

The above considerations, the reform principles and the recent GFAR-CGIAR discussions imply that governance needs to be accountable, transparent and open, yet the measures provide seem to run counter to these principles and could create what seems to be an exclusive Board, without reference or accountability to any wider constituencies. **Perhaps more than ever, the CGIAR needs the full participation of Development Agencies and non-funders represented by GFAR into the Fund Council** to link with the Post 2015 Agenda and SDGs, and be responsive to needs of the ultimate stakeholders of IAR4D – the farmers, who are not mentioned once as **partners** in the review.

The report makes very little back-reference to the rationale and strong demand for the original reform. Nowhere is it mentioned that a major driver for the reform was the conflict of interest perceived by funders in being asked to also directly govern programme implementation. GFAR agrees with the Price Waterhouse Coopers report that it is not the best moment to engage the CGIAR into a further new Reform of this magnitude. The recommendation for this major further reform comes without in-depth analysis of the problems that have to be corrected which are partly of institutional nature (Operational rules and definition of responsibilities between the Fund and the Consortium, as decided in the Constitution signed by the Centers and the Consortium with the Fund) and partly those of behaviour (code of conduct). For example, despite the clear attribution of responsibility for the Fund Raising strategy to joint initiatives by the Consortium and the Fund Council, the centers –and also the CRPs continue to pursue funding for individual direct investments and projects.....However, here the funders themselves are part of the governance issue by not adopting coordinated positions and providing consolidated funding through Window 1 & 2 to better align their own individual strategies and investments in a collaborative way. The implication should have been the eventual phasing out of Window 3, but the opposite has happened in practice. Nor, in practice, has the transaction cost for individual scientists in making individual grant applications been reduced.

There are a number of operational difficulties and political consequences that would emerge from the adoption of the single Board proposal - the CGIAR cannot come back to such a single governance overnight without considering the legal and political implications of eliminating the Consortium, which is now a fully-fledged International Institution established by international agreement. Governance comparators based on other organizations are notably flawed in that they do not reflect a basis derived from required function of the institution concerned. There is a risk of bringing the flaws of other bodies into the system unless form follows function. The suggestion that the TAC should be revived is surprising, given that the Canters clearly did not see a role for a strengthened expert scientific body at the time of the reform.

Optimizing the strengths of Partners

GFAR does not accept the statement under 5.3 that “Other key stakeholders, such as NARs and private sector partners, are not adequately represented, except through weak voice in the biennial GCARD process”. There is no evidence basis offered for this statement. To the contrary, the Global Forum routinely solicits perspectives from a very wide range of stakeholders on key documents and programmes and makes these known to the Fund Office and in full public transparency. Whether the system entities choose to listen and respond to their partners is a different question.

GFAR now directly engages large scale networks across all sectors of the AR4D continuum to impact, including the private sector as the input sector, SMEs and food industries, advisory services, youth and the world's agricultural universities. It is a pity that the Panel did not refer to the Partnerships Working Group report from the initial reform, the regional priority setting processes of GCARD1, the Global analysis undertaken by Uma Lele, Eugene Terry, Eduardo Trigo and Jules Pretty, nor the GCARD Roadmap for change which was accepted in full by all stakeholder networks in GFAR, including the Consortium Board. Over 80% of stakeholders consulted in an external survey at the end of 2013 considered that participation in collective actions were enhanced by being involved in GFAR and 88% considered that the AR4D system needs to be transformed and strengthened. Through these processes and the discussions between the CO and GFAR Steering Committee this year, GFAR has been consolidated as a dynamic and permanent forum with direct commitment from the CGIAR as the main tool to consult and publicly validate strategic processes such as the SRF, CRPs, etc.

As the review did not include GFAR in its governance comparators, we inform the Panel here that GFAR's governance comprises representatives directly identified by the following sectoral networks, fora and international institutions themselves. GFAR has evolved over recent years to be truly inclusive, with an innovation systems approach and outcome-based thinking and the Forum's governance is to be still further strengthened in the months ahead.

- FAO and IFAD (the facilitating UN organizations for GFAR)
- CGIAR Consortium and AIRCA – all the international agricultural research centers
- International and regional Farmers Organizations: 285 linked, >200 M farmers
- Regional Fora of National agricultural research and extension systems from nearly all countries of the world: AARINENA, APAARI, CACAARI, EFARD, FARA, FORAGRO
- Private sector: SAI Platform of 55 international food companies; PanAAC - SME networks in 35 countries
- CSOs/NGOs: CSO-GARD >200 member institutions
- Advanced research: G20 MACS & BRICS now directly linked: 70% of global ARD investment
- Advisory Services – GFRAS, regional networks of advisory service providers around the world
- Higher Education – GCHERA, >600 agricultural universities, >1 million students p.a.
- Youth - YPARD >8,000 youth members

Financing

The Centers clearly still see the new system as one of a number of avenues they have to meet their individual goals. There is a governance failure in relation to the reform intention, whereby most of the center's budgets are still W3 and bilateral. Resources (management, physical and human) are still allocated to initiatives that are not strictly related to the new system (CRP embedded or directly related) and there are no penalties for this behavior. There is a Window 4 (bilateral not entering through the Fund) that may itself run counter to the reform intention. Funders are by nature of the issue deeply involved in continuing this divide.

It is noted also that while there has been a very welcome increases in the scale of CGIAR funds and of the total funding going to partner institutions within this, the intention of the reform in bringing shared responsibility for outcomes has not been reflected in a greater proportion of these funds going to partners:

Year	% of CGIAR funds to partners
2004	14
2005	16
2006	14
2007	15
2008	16
2011	16
2012	17

The first CGIAR SRF (based on IFPRI models) considered that a tripling of national investments was required by 2025 alongside the increased investment in the CGIAR, if development impacts were to be realized. Donor funding behavior and national commitments to investment in their own capabilities have so far fallen well short of this need. The EIARD report showed that in Sub-Saharan Africa, CGIAR funding amounts to 12% of the total ARD public investment, but receives 2/3 of all donor support to AR4D. Overall funding to partners through the CGIAR has greatly increased due to the reform and this is to be welcomed. 5-25% of the total CGIAR investment now goes to partners, yet for the Challenge programs 35% went to partners in 2007 & 2008.

Enabling environment for the reform

Change brings many challenges and it is natural that a few years into such a major change many questions will be asked as new relationships become apparent. To some extent the system has been left to find its way through the complexities involved. Irrespective of the future governance structures, to support the changes underway there would be value in further capacity development to address the required changes at many levels, inside and outside the system. Individual capacity development would help enable research and non-research staff to adapt to the systems approach, innovation platforms, theories of change and impact pathways and approaches entailed. Organizational and institutional development will better enable CGIAR to successfully manage and implement the reform and required strategic planning, review of organizational structures, levels of authorities and work flow, aligning governance arrangements with the goals of the reform, developing performance incentives and M & E approaches, use of ICT in documentation and communication, establishing partnership and resource mobilization mechanisms, and measuring impact on the ground.

National capacity development is mentioned, but without clear recommendations on the long term vision of the CGIAR and its purpose in relation to national systems, nor on the need for the CGIAR to clearly add value to national actors. Externally, partners and beneficiaries of CGIAR reform would benefit from individual and organizational capacity development to be able to take part in the formulation and implementation of reform plans, technology development and adoption, and realizing and measuring impact on the ground. CGIAR, Centers and CRPs' capacity development strategies and action plans need to be developed to reflect the above.

Independent Science and Partnership Council (ISPC)

The ISPC has reviewed the consultation draft of the final report from the Mid Term review (MTR) Panel of the CGIAR reform dated October 8, 2014. In general, the ISPC welcomes the proposals for discussion but believes that decision making will have to wait further elaboration of the Panel's thinking and intent in some areas. The ISPC appreciates the early, clear emphasis on international/global public goods as fundamental to the CGIAR mission. (Since there is confusion about meaning of that/those terms, it would be good if the final report could include a definition of what the MTR mean by using the term.)

Subsequent comments follow the headings of the recommendations outlined in the Executive Summary of the MTR, followed by more specific consideration on the role and relationships of the ISPC, and, finally some clarifications on aspects of the text.

1. **Vision and mission** are appropriate.
2. **Priorities.** The CGIAR has had many attempts at priority setting. ISPC published a White Paper reviewing these in 2012. It quoted the Science Council of 2004 as concluding that *“setting research priorities for as vast and complex an institution as the CGIAR is a daunting task. No approach, however complex and multidimensional, can be fully satisfactory.”* From discussion with Centers, in 2012 the ISPC found that: *‘many saw the lack of high quality data as a bottleneck to priority setting in general, and particularly for economic assessments and modeling’*. The ISPC agrees. It is tempting to think that prioritization is feasible and worthwhile but a Task Force would not have time to report before the 2nd call for CRPs will have had to be published. Further thinking on processes for prioritisation at different levels within the system might, however, be useful. The report acknowledges that the list of research challenges given (p 27) is not definitive and while accepting that food waste is a priority, the ISPC is not convinced that the CGIAR has a research advantage in that area. A focus on Big Data and informatics within the CGIAR is, on the other hand important for the CGIAR, but it is a research approach and not an outcome. In addition it is not clear whether it is the Panel's intent to steer the CGIAR away from poverty alleviation as a practical target and towards resilience since the rationale for this set of priorities is not given. Thus apart from encouraging the CGIAR to make choices and focus on the solution of big issues, it is not very clear what the MTR is trying to convey in this section.
3. **SRF.** The ISPC concurs with the Panel that the SRF should be adequately developed to meet the needs of the CGIAR and that criteria should be set as to what this entails. The MTR does not stress impact, but importantly, the investors in the CGIAR System do want development impact, which means that they need to fund both upstream and downstream research and funding should be allocated on the basis of the strength of the proposal in terms of both science quality and relevance. The SRF therefore needs to give clear guidance on what is expected of systems research at one end of the continuum and of, for example, genomics research at the other and of the expectations as to how the potential impact from *all* research will be delivered.
- 4.a. **Governance structure.** While the consolidation of the CO and FO to a single “CGIAR board/administrative unit” has some superficial attraction, the various implications of this are only superficially discussed in the report. The System has recently undergone major governance reforms (e.g. the creation of the Consortium Office) and the establishment of the CRPs has also taken considerable time away from research. Large sums of money have also been invested in the research to date, and if investors are to see returns on their money (some of the research is still at an early stage), then the CRPs which are judged to be on the road to delivery need to be given time and a supportive environment to enable them to deliver.

Justification for further disruption would, therefore, need to be robust. It is surprising, given the attention to “governance ambiguities” starting on p. 20, that the MTR has so little to say (and no recommendations) about the number of Centers, the governance of Centers, and the relationships between Centers and Center Boards to the CO and FO. Whilst the document raises a number of issues concerning governance structure - e.g., “the authority of the Consortium CEO vis-a-vis the Center DGs is not clear” - the report is not bold enough to say where the Panel thinks authority should reside? Similarly it points to the outcomes of the CGIAR governance report in relation to responsibility for CRP direction, but does not discuss this. Establishing clarity of this sort might help eliminate the tension and power struggles that currently exist.

4.b. **Governance composition.** The suggestions (paragraph, top p7) regarding composition of the proposed “CGIAR board” are (to the ISPC at least) confusing and the remit of the Board is not clear. For the ISPC, what is needed is improvement in governance and decision-making. But if that is the case, how could representatives of a limited number of CGIAR Centers acting as Board members provide disinterested decision-making over programs on which they are dependent for funding? Who would decide on future calls for CRP proposals? How do we avoid the advocacy of the doers with a mix of decision making? Secondly, who do the ‘Chief Scientists’ represent, since the recommendation is that the new CGIAR Board can call on ad-hoc scientific advice and a strengthened ISPC? And if “private sector representatives” are included (which ISPC would support), then why is civil society (the voices of environmental organizations and social justice advocates) not represented? Yet the proposed size of the Board is already rather large for effective decision-making. Moreover, in the second single-sentence paragraph (p7), what does it mean that the chair of this board would “represent the mission of the CGIAR” and not a constituency?

4.c. **Governance: proliferation of advisory bodies.** The report (third paragraph, p7) makes the recommendation that “The CGIAR Centers should establish an advisory committee to advise the Board on new advances in research.” Again, this does not seem to be adequately thought out as a recommendation in the Executive Summary, nor does the ISPC find arguments supporting this idea in the body of the draft report. We would suggest that further explanation will be required from the Panel to illustrate and justify the intent.

5 and 6 Partnerships: it is appropriate that the CGIAR and its programs consider the best forms of partnership to maximize their global investment programs and to provide influence in agriculture-related policy fora. However, the formulation of “guidelines” would seem to be a fairly modest response to this requirement. In general the report is almost silent on 'impact'. Delivery of impact is very important to the donors and hence is a major issue for the CGIAR and has a strong bearing on how partners should be selected.

Importantly, under 6, why would the CGIAR endorse its own programs and only then seek to form mega-consortium partnership for other globally-important aspects to which it might contribute? Surely a genuine SRF would advocate for the areas in which the CGIAR could play to its comparative advantage amongst global actors and the programs should be designed to help formulate solutions to the major challenges, not leaving this as an add-on.

7. **“Scale up financing”** The jargon is not evident to all readers - e.g. what do a “capital formation investment fund” or “the Green Bond concept” mean in this context? Nor is it clear how these ideas would address the fundamental challenge of funding science in the broad (global or international) public interest. It is harder to translate these concepts into some practical implications for CGIAR research. Who would provide the expertise to explore this recommendation and how would it be vetted?

8. **Optimize political support.** This recommendation may address some concerns ISPC raised with respect to the Extension proposals, recently reviewed, such as CRPs moving too far into global “policy space”. But similarly it raises the question of staffing and budgets for some central body (CO or CGIAR board) to take this on. Why not see this as part of the CGIAR’s collaboration with the multilateral agencies or specialized advocacy organizations and focus CGIAR effort (collectively or at the CRP level, as we have suggested) on providing credible, policy-relevant research for evidence-based decision making by the global agricultural sector? A clear principle for the CGIAR should be to adopt the role of honest broker between science and decision-making communities, including the provision of objective scientific evidence.
9. **Optimize knowledge impact.** We interpret the Panel’s remarks on the role of the ISPC positively. The ISPC also interprets calls for “strategic guidance” and “foresight” as including more “ex ante” impact assessment – but it is not yet clear whether that capacity (and those budgets) should reside in some executive unit (CO or CGIAR Board/unified administrative unit), within a specific Center or program, or within ISPC as an *ex ante* complement to the suite of *ex post* activities carried out by SPIA (the Standing Panel on Impact Assessment) for the system. Also as the MTR report seems to be describing a potentially revised role for ISPC in strategic guidance and foresight analysis, at the same time the CGIAR Board is also given a role in the development of ad hoc scientific advice. It would be helpful if the Panel’s intent here could be clarified. (Additional comments on the ISPC role and relationships are expanded below.)

References to the role and relationships of the ISPC (text section 6.9, p33):

The first sentence of the section says that the ISPC should be enabled **“to be proactive in terms of providing strategic guidance, foresight analysis, and assessing and reporting on quality of research results across the system.”** The ISPC already is proactive with respect to the first two of these issues, working with components of foresight and not as a commissioned body on behalf of the Consortium or the funders. Both the proposed 'Advisory Committee' and the ISPC would appear to have foresight roles. The former seems to be internal and the ISPC is independent, but what are the delivery points for (potentially differing) advice? Who would the ISPC report to? At present the ISPC reports to the FC. Further clarification on the Panel’s vision here would be helpful.

The remainder of the sentence talks about assessing and reporting on quality of research results. This is an interesting brief. SPIA (Standing Panel on Impact Assessment) covers impact, but the ISPC does not evaluate the quality of the science within programs once programs are initiated nor does it evaluate the research results. This change could be interpreted to mean that the ISPC would be assessing the quality of research well upstream of where SPIA takes up the challenge.

The paragraph also talks about the need for **“high-quality research review and advice.”** The ISPC is at present quite distantly removed from the details of the science being done in the CGIAR (design, methods and analysis) and operates more at a strategic level, rather than carrying out detailed scientific review. A question for the panel is whether the IEA currently evaluates the science? If so, then this function might more naturally fall under the IEA.

If the ISPC is meant to provide this kind of scientific review, then it probably does make sense to have **“independent research panels comprising world-class research leaders,”** because the ISPC is too small to provide this kind of detailed expertise across the range of CGIAR research activities, but who should they report to ensure objectivity?

The ISPC is concerned that scientific quality across the CGIAR is uneven and in need of enhancement, but currently these concerns are probably secondary to the challenges of research prioritization, direction, and management. Scientific review will not easily address this latter category of challenges. And it would seem that the logical place to situate the evaluation of science would be in the IEA's periodic assessments of the CRPs. Whether the IEA should be under the aegis of the ISPC is a different question which is not addressed. In sum, the current proposals leave the ISPC unclear on how this suggested realignment of the ISPC would really improve the overall effectiveness of the system.

Specific comments on the text:

Under 4.2.4 Effective oversight, it is not clear what the panel is referring to in its equivocal statement on the oversight of system-wide performance.

4.3.2 Governance ambiguities, the Panel's report expresses stakeholders views on the effects that the reform has had on Centers with rather less information on the effects on the developing CRPs other than noting the recent CGIAR governance report. The Panel's view on programs, program ambition and program quality are not clear and the respective role of Centers and CRPs is not seriously addressed in the Panel's report.

Under 5.1, the text (p24) raises a number of questions, such as the CGIAR's ability to articulate a clear value proposition, prioritise the use of limited funds, avoiding Centers self-interest.... but the report does not propose how these faults will be improved.

Similarly, the items under 5.3 *Systems architecture and governance* are descriptors of the current situation which are not adequately resolved (at least as described) by the adoption of a single Board. The Panel's report is insufficient on CRP governance to see the way ahead.

Under 5.5 "the Panel considers that the current approach leads to incremental and essentially marginal impacts in consideration of the complexity of food security and nutrition challenges" but presents no analysis to support this view.

Recommendation 6.4 on Governance structure, (p30): The ISPC concurs with the need for an improvement in the setting of strategic direction and decision-making over financial resources to back up priorities. However, the draft recommendation for a single Board throws up a number of queries: details such as who would appoint the Board Chair? And, if there is a donor Council as well as a Board (which seems an amplification of bodies rather than a simplification) is there still a 'Funders' Forum'? The only significant change appears to be the transfer of decision-making power to a Board with an independent Chair? As noted above, it is not clear in the proposed formulation of a new Board how CGIAR Centers will make disinterested decisions over programs as part of a multi-constituency board.

The report refers to Chief Scientists from time to time (e.g. p32, a Task Force to be chaired by the Chief Scientist) and, in particular, to 'a Chief Scientist' on the Board - what constituency does this post refer to?

International Fund for Agricultural Development (IFAD)

22 October 2014

Dear Ms Kyte,

On behalf of the President, I would like to thank you for giving the International Fund for Agricultural Development (IFAD) the opportunity to comment on the Consultation Draft of the CGIAR Mid-term Review, led by Professor John Beddington and a panel of distinguished international experts. We appreciate the hard work that has gone into the Review and we are encouraged by the Review's willingness to confront many of the difficult issues for the future of the international agricultural system. We believe that the Panel's findings can, with suitable modification, be used to strengthen the governance and performance of the global system.

Our initial comments focus on three issues raised in the Review: (a) the recommendation that the governance structure of the system be changed, as indicated at the breakfast meeting on Saturday 11 October 2014, by merging the Fund Council and the Consortium Board and by creating a single Administrative Unit in place of the current separate Fund Office and Consortium Office; (b) the problem of sustainable financing for the system, especially given the uncertainties about future funding from the World Bank; and (c) the Review's treatment of climate finance.

A. Governance Structure

With respect to the recommendation about the governance structure the Review states:

"The Panel strongly recommends that a single CGIAR Board be established to replace the Fund Council and the Consortium Board and be supported by one Administrative Unit, replacing the Fund Office and Consortium Office..."

IFAD supports the recommendation to establish a single CGIAR Board with one Administrative Unit. We believe this change will make the system more efficient and will allow greater operational focus by the single Administrative Unit. In our comments on the Review (attached as Annex 1) we outline an IFAD proposal for a single Board and a single Administrative Unit.

We fully understand that the submissions of the Center Directors and the Consortium Office differ sharply about the Single Board and the single Administrative Unit. We nonetheless agree with the Center Directors that the strategic vision of the system will develop best with a Single Board and that the development results focus of the system, in its many components, will be sharpened with one Administrative Unit. We hope that this important recommendation can be agreed and implemented quickly, given its importance to system performance.

B. Sustainable financing

We are delighted that the Review raises a sense of urgency about the future of the CGIAR funding because IFAD, as do many respondents to the Panel's TOR questions, does not believe that the current model is sustainable or innovative enough to meet the challenges of the near future.

IFAD therefore endorses the Review's plea for a special meeting to be convened by the Fund Council:

"The Fund Council should organize a special session in early 2015 to discuss innovative financing options, recognizing the difficulty of securing long-term, predictable commitments to fund CGIAR

Research Programs, and the uncertainties around maintaining, let alone significantly increasing, funding ."

With respect to the interaction between the governance structure of the system and the needed growth of sustainable financing, we agree with the Panel's view that the current management structure of the CGIAR does not promote innovative or sustainable financing:

"It is the Panel's view that CGIAR has the potential to play this global leadership role {in finding innovate mechanisms to double funding for agricultural research}, but not as it is currently structured and managed."

We agree fully with the Panel's conclusion that "there are opportunities for financial innovation that could significantly leverage the current grant financing provided to CGIAR."

Therefore, we strongly urge the Fund Council to accept the Panel's recommendation to organize a special session, as soon as possible in 2015, to discuss new CGIAR financing options. Those options should be presented in detail by qualified individuals with experience in development financing and should be reviewed thoroughly by donors and other partners.

On the basis of those reviews, the Fund council should urgently consider how to apply new funding mechanisms - such as the use of IDA Credits, other concessional loans, venture capital options, and the issuance of international bonds - in the second half of 2015.

C. Climate Finance is Development Finance

IFAD appreciates the Panel's deep understanding of climate change, of how it affects agricultural productivity in the tropics and of the need for the international agricultural research system to respond to the challenge of climate change in innovative ways. Yet we believe that the Panel's report misses a vital issue. This issue is that finance to mitigate or to adapt to climate change is not distinct from development finance. At IFAD, we believe that climate finance is development finance. The problems of agricultural development, and more broadly economic growth, in the tropics can only be resolved by a concentrated development effort, with appropriate scaling, on the core problems of agricultural productivity, better nutrition, the empowerment of women and marginalized groups, access to land and productive inputs, and access to markets and other opportunities for greater welfare of the world's poor rural people. We therefore strongly urge that the Fund Council, in its organization of a special funding session, directly link the problems of research funding, development finance and climate finance.

We thank you again for requesting IFAD's comments on the Panel's Report. The Report has made a good start in defining the next phase of the reform of the CGIAR. It will nonetheless be vital for the success of the reform, and for the impact of international agricultural research system on the welfare of poor farmers, for the reform to be more forceful and creative in addressing the issues of institutional efficiency, sustainable financing and the necessary mainstreaming of climate finance as development finance.

Sincerely,
John Murray McIntire
Associate Vice-President
Programme Management Department

FAD Comments on the Consultation Draft of the Mid-Term Review of the CGIAR

1. IFAD staff and management have reviewed the MTR Report and have the following comments.

General comments

2. The Report of the Panel has made a good beginning. The next version should be more specific about:
 - a clearer and factual inventory of the successes and failures of the CGIAR reform;
 - accountability for successes or failures of the reform;
 - Specific recommendations and a calendar of implementation about the five research areas - nutrition, degraded lands, food waste, resilience, big data - advocated in the Report;
 - the development of innovative funding mechanisms;
 - the links between climate finance and development finance;
 - the implications of a single governance structure and administrative unit for the system; and
 - potential sources of financial efficiencies in the system.

Specific comments

Did the MTR meet its objectives?

System structure and governance.

The Report arrives at a useful recommendation about system structure and governance - a single Board and a single Administrative Unit -- though it should have been edited more closely to avoid ambiguity in this recommendation.

3. **The Report successfully highlights the risks to the sustainable financing** of the CGIAR and stresses the need for innovative thinking about finance. The call for a special financing session, to be convened early in 2015 by the FC, is particularly welcome
4. **The Report is very superficial on system priorities**, as we discuss below in our comments on the Report's individual recommendations.

Recommendation #1 - Vision

5. The CGIAR surely needs a vision but the Panel ought to be more specific about what new vision is needed to meet today's challenges.

Recommendation # 2 - Priorities

6. The problem with the Panel's broad recommendations is that it implies that all - nutrition, degraded lands, food waste, resilience, big data - should be a priority in each Centre program. This is neither possible nor desirable. We understand that the Report does not quantify its recommendations, or even rank them, but it is not enough for a paper of this importance to simply state its preferences without explaining the rationale or the implications of its

recommendations.

7. **Nutrition focus** is important, of course, but including a nutrition focus in all CGIAR research projects will cause higher transactions costs (i.e., repeated evaluations of the nutrition content of each proposal). The nutrition focus of the CGIAR program can only be defined as a function of other efforts, mainly those in the countries where malnutrition is still acute. The system response to the MTR should therefore be to survey the nutrition content of the Center programs including the CRPs, and to propose changes in the existing nutrition work, not to follow a blanket recommendation.
8. **The utility of the degraded lands recommendation** can only be evaluated with respect to the opportunity costs of research on other themes. Should Centers working on high yielding crops in good areas switch to work on low payoff themes in bad areas?
9. **Food waste** is not an appropriate CGIAR research theme because it is nothing like a global public good. If the international community wants more work on food waste, it should invest in FAO and in national extension programs. It is not really a CGIAR issue and we would be interested what the Panel proposes that the CGIAR could do that is not already done by partner international organizations and by the national programs.
10. **Resilience is another major topic where the Panel ought to have stated its views more specifically** on what the Centers could do to improve resiliency that they are not already doing. For example, plant improvement programs universally seek higher yields and usually seek lower variability - how would a greater system focus on resilience change these facts or add to what the Centers are now doing?

Recommendation #3 - SRF

11. The MTR correctly concludes that "... the lack of a high-quality Strategy and Results Framework (SRF) - focused on outcomes - is a key reason for many of the challenges facing the CGIAR partnership." It recommends that the system should improve the SRF, but says nothing about how this will be done. It further says nothing about the lengthy delays in developing an SRF despite major efforts among Center and CO staff to prepare an SRF, and the associated quantitative indicators, over the past 5 years.
12. The MTR evidently understands the weakness of the current quality review processes but makes no recommendations about them.

Recommendation #4 - Governance structure

13. The MTR correctly notes: "The two-pillar model leads to much duplication, inefficiency and unease, between the Consortium Board and Fund Council and their respective secretariats (Consortium Office and Fund Office)." It then recommends that the creation of a single Board by the merger of the Consortium Board and the Fund Council. IFAD strongly supports this recommendation. We outline below what a new governance structure would be.

Recommendation #5 - Optimize strengths of partners

Recommendation #6 - Scale up partnerships

- 14 The Panel makes somewhat vague recommendations about partnerships. It concludes that, "in addition to the current effort to improve the strategic focus and results of the CGIAR system, new partnership models will be required, designed to optimize the capabilities and strengths of a broader range of partners."
- 15 Most observers understand that new partnership models were necessary long ago, but the Panel ought to have surveyed the hundreds of existing partnerships to assess their performance and to have made recommendations based on such a survey.

Recommendation #7 - Scale up financing

- 16 . The Review raises a sense of urgency about the future of the CGIAR funding. IFAD, along with many respondents to the Panel's TOR questions, does not believe that the current model is sustainable. We therefore endorse the Review's plea for a special meeting to be convened by the Fund Council.
17. A second issue related to this Recommendation is the interaction between the governance structure of the system and the needed growth of sustainable financing, we agree with the Panel's view that the current management structure of the CGIAR does not promote innovative or sustainable financing.
- 18 We agree fully with the Panel's conclusion that *"there are opportunities for financial innovation that could significantly leverage the current grant financing provided to CGIAR."*
- 19 Therefore, we strongly urge the Fund Council to accept the Panel's recommendation to organize a special session, as soon as possible in 2015, to discuss new CGIAR financing options. Those options should be presented in detail by qualified individuals with experience in development financing and should be reviewed thoroughly by donors and other partners. On the basis of those reviews, the Fund council should urgently consider how to apply new funding mechanisms - such as the use of IDA Credits, other concessional loans, venture capital options, and the issuance of international bonds - in the second half of 2015.

Recommendation #8 - Optimize political impact

- 20 . We agree that the system could and should have greater political impact. This could be achieved by creating a dual structure - one pillar for policy impact and one for scientific impact - in the single CO. For example, the CO could appoint a Chief Policy Economist, would be charged with synthesizing Centre knowledge on global advocacy issues (climate change, food security, nutrition, degraded lands, agricultural trade, the use of GMOs). At the same time, the Chief Science Officer of the Consortium Office would focus on the quality of science in the Centers, in close collaboration with the ISPC.

Impact of the reform

Has the reform developed an SRF ?

The MTR concludes that there is no "suitable SRF" (page 47). It is impossible to disagree with this and this must be seen as a major failure of the reform.

Has the reform reduced transactions costs?

21. Clearly, the reform has not reduced transactions costs. The Panel cites evidence showing that transactions costs have actually increased.
22. With respect to new ways of reducing transactions costs, the CO contends: "Jointly, the opportunity for large-scale efficiencies in the system from increased collective action, shared country offices and a reduced number of small grants has the potential to increase efficiencies and reduce transaction costs very significantly more than reducing the number of board members, merging Centers or reducing Center overheads would. Realizing this potential will require investments first, however." (page 45) The MTR presents no evidence in support of these claims from the CO, however.
23. **FAD suggests** that the small grant problem can be solved, partly, by having the donors agree not to make grants less than US\$0.5 million and by having Centers agree not to bid on grants less than US\$0.5 million.
24. **IFAD has a query about the One Corporate System (OCS).** The co submission states that the OCS is working at 9 Centers and in the CO, when it appears that the OCS is not yet working in the 10 system entities cited. The next version of the Panel's Report might discuss this at greater length.

Has the reform consolidated sources of funding to the Centers?

25. It has not. In its submission to the Panel, the Consortium states that:

"... continued action (as already taken by some Centers) to reduce the very large number of small grants in the system would reduce transaction costs significantly, and make the overall portfolio more strategic. This was a key objective of the reform, that is, reducing the over 3,500 bilateral grants on Center books pre-reform, to a small portfolio of large coherent programs. While it is recognized that some small grants may well have a strategic nature, generally speaking, a small number of larger bilateral grants (e.g., reducing the number to 500 larger bilateral grants, plus some small grants, from over 2,000), complementing a system of CRPs with a solid share (50-60%) of pooled W1-2 funding and single reporting was a core idea behind the reform that still has to be fully realized." (page 45).

Appropriateness of the CGIAR's goals

26. The first recommendation, by focussing on some low priorities for international research (notably food waste), shows that the MTR might consider strengthening its advocacy of the five new goals in light of the comparative advantage of the CGIAR.

CGIAR effectiveness and efficiency

27. The Panel does not make enough effort to evaluate effectiveness. It correctly says that: "One of the objectives of the reform process was to reduce transaction costs and improve effectiveness and efficiency by simplifying the overall

governance. This has not happened."

28. The MTR concludes: "The current system-wide reporting on the results of CGIAR research - from Centres and from the CRP partnerships - does not provide a clear answer as to whether CGIAR is capable of taking such a leadership role." The next version of the Report ought to suggest how the CGIAR could take this leadership role.
29. The MTR notes that "Many stakeholders consider that the burden of the bureaucracy, efficiency and transactions costs have considerably worsened since the reforms." The MTR continues to say "The reforms were expected to improve efficiency but by all counts there has been uneven progress on efficiency." It would be valuable for the next version of the MTR to cite examples of improvements in efficiency to give external stakeholders greater confidence in the reform process.

Panel findings on accelerating agricultural research

30. This Chapter repeats familiar material and we have no comment.

Panel findings on gender commitments

31. The MTR concludes that: "Discussion with senior HR staff of one Centre revealed data that gender balance remains a critical challenge in terms of Centre employment." It is true that "gender balance remains a critical challenge" across Centres, but quoting one person from one Centre is a small sample and the MTR ought to have made more of an effort to substantiate this point. Moreover, the report's focus on gender balance among Centre staff is too sharp and ought to have been stronger on gender equality and empowerment of rural women with respect of the impact of CGIAR research outputs on its users and beneficiaries.

IFAD proposed outline for a revised governance system for further discussion

32. IFAD supports the Panel's recommendation for a revised governance system and structure for the CGIAR. As a basis for discussion, we suggest that the outline of such a system might be as follows.
 - A **CG Assembly** would be the governing body composed of representatives of all member countries and institutions.
 - **There would be one Board, called the Fund Board (FB).** That FB should have 6 "permanent" members (WB, DFID, and BMGF, for example plus 3 next largest donors) each serving 6 years. The 6 permanent members should be reviewed after 6 years to verify that they have maintained their shares of system contributions and any not having maintained their shares would be relegated to associate status or dropped. (Major changes in shares from any permanent member during a six year term could lead to a change in their permanent status).
 - There should be 13 "associate" members each serving 3 years; the 13 associates would be changed after 3 years, so there would be two sets of associates for each 6 year term of the permanent members. The 13 associates would represent large national programs (Brazil, China, and India); two private sector members (one from Part 1 and one from Part 2); 2 Center Directors (each to serve not more than one 3 year term); 2 Center Board chairs; and 4 significant donors

beyond the five permanents (each to serve not more than one 3 year term).

- The Fund Board would have a small Secretariat, whose role would not overlap with that of the single Administrative unit.
- FB meetings would be webcast live in the interests of transparency to all members of the CG Assembly and other global stakeholders.
- The FB would appoint the CO to one six-year term, not renewable. The CO would report to the Fund Board. The CO would prepare a six year staffing plan and the FB would approve the staffing plan, including resources for consultancies to be commissioned by the CO as required beyond core staff of the CO.
- The CB and the FO would disappear.
- The system entities- the single Board and the single Administrative Unit – would be funded by a 2% levy on W1 and W2 contributions. At a real steady state budget of US\$1 billion, and a target W1/W2 share of 50 percent, the system entities would have a budget of US\$10 million. This is roughly equivalent to 40 FTE staff members.
- The costs of the participation of FB members would be borne by their employers, as would the costs of the CG Assembly. The sources and applications of system funds would be published monthly on the SAU and FB websites.

Japan

1. To clarify the role of each governing body is quite important, and the recommendation from the Panel to establish a single Board is noted. To establish an effective governance structure, legal authority, TOR, member constitution, relation for each organization (structure) etc. should be discussed with various stakeholders including Japan.
2. We think donor constituencies (exemplified as 6 constituencies) should be considered the geographic representation and cumulative contribution including that before the CGIAR reform, etc. to broaden its global partnership and to provide important leadership, securing the coherence and continuity of the activities of the CGIAR.
3. To maintain ear-marked funding for the CGIAR projects is needed to secure the accountability to our contribution to the CGIAR. CRP is one of the most important improvements in the CGIAR to avoid research duplication, and each project are evaluated in an equal manner as far as possible regardless of the source of funding through the Windows 1, 2, 3 or bilateral.
4. To promote the collaboration and partnership with related organizations, such as JICA, private sector and other development partners. In order to disseminate and scale up the important achievement of the CGIAR projects, enhancing the collaboration with other partners, and pursuing synergy is indispensable, which would contribute to establishing the food value chain, and public private partnership.
5. The management of genetic resources and gene banks is obviously an important item of the MTR. Japan committed to the construction of various gene banks in CGIAR research centers

before the CGIAR reform process started. In this context, Japan notes that Consortium board also thinks that the investments in gene banks is important, as described in appendix 3(pp.46), and would like to note the discussion between FC and CB about the new SRF(pp.29) because we have a strong stake in the future direction of the management of genetic resources.

Proposal for modification based on the above comments

Modification corresponding to comment 1, 2

6.4
p.30 paragraph 4

The Panel believes that.....the recipient countries. The details of the legal status, authority, member constitution and related matters of the board should be discussed among stakeholders in an appropriate forum with transparent procedure.

Donor constituencies could be determined by size of contribution and/or geographic representation, with consideration of the coherence of CGIAR activities.

Modification corresponding to comment 5

6.2 paragraph 2

p.29 There are certainly other priorities such as sustainable intensification, efficient and transparent investments in gene banks which mentioned in appendix.3 (p.46) and there are other ways to prioritize. The Panel recommends that

Sweden

We consider that the recommendation for a single board has merit, although we would have liked a more in-depth analysis of where exactly the current two board model has failed. We also have some concerns regarding the suggested composition of the single board. For example, the Panel suggests at least 4 centre representatives (including at least one DG) on the single board. Whilst we are sympathetic to the need for greater Centre involvement in governance (ref. the submission to the Panel by the 15 centres), our concerns are that these representatives would all too often find themselves in positions of conflict of interest e.g. in matters regarding acceptance of CRP proposals and/or financing of these, or indeed other centre related questions such as infrastructure replenishment. The panel suggested a 'Donor Council' that feeds into the single Board via (6) donor representatives which we find quite acceptable. Would not an equivalent 'Centre Council' (viz. 'advisory committee') feeding to a single DG (?) representative on the new board suffice?

We completely agree with the Panel on the necessity of a 'well thought-through' SRF, and that sufficient time is given in order to achieve this. This is essential in order to prioritise research areas for the 2Gen CRP's. However, we would not like to see this process drag on too long and would expect a complete and robust SRF by, at latest, the first FC of 2015 i.e. c. May 2015.

One of our major concerns is the absence of any comment on the future roll of the World Bank (the term 'World Bank' only appears three times in the main text). The Bank has been the back bone of the CGIAR for at least the last 20 years, not only in the quantity and quality of its un-restricted core funding, but also in its role as 'honest broker' i.e. Chair of the FC, Trustee of the Fund etc.. Should this omission in the report be interpreted as the Panel has acquiesced to the Banks' CGIAR funding

exit strategy? The Banks' presence and its role in the system gave us the confidence to make a multi-year commitment to Window 1 of the Fund; this fact should not be underestimated. We therefore feel that some comment from the Panel in this regard is essential.

The above are just a few preliminary comments to the report. In conclusion, we broadly endorse the recommendations although we have some serious concerns, particularly about some of those regarding governance. Given the paucity of time from receipt of the report to the 20th October deadline we reserve the right to discuss the recommendations further within suitable donor fora (e.g. EIARD, FF and FC) and return with further comments.

Turkey

Only two points seem to be very important:

1. The establishment of the Single Board. I agree with the idea, but the composition of the new Board will be very crucial, it should not exclude the functions and roles of the Fund Council.
2. The ambiguity of the governance. Yes, there are some uncertainties, thus it should be very carefully desined.

United Kingdom

The panel has done an excellent job in reviewing the performance of the CGIAR. We concur with the broad direction of the recommendations, the analysis is sound and the conclusions that the MTR panel have drawn are consistent with this.

Governance: The overall model of governance is not functioning well, this is the inescapable conclusion of the review and it is consistent with the analysis of the earlier PWC Governance review. We agree that in order to deliver more effective and efficient use of resources across the system, governance needs to be reformed to increase accountability, simplify decision-making and reduce transaction costs. However in considering the current governance weaknesses and what changes could be made, form should follow function. There are examples of organisations which have a single Board but which do not operate effectively and do not deliver efficient decision-making or accountability. Simply restructuring the Consortium and Fund Council structure will not in of itself deliver improved decision-making.

We agree that current system is inefficient and to some extent this is a feature of the two pillar structure. However before making recommending wholesale change there is scope for deeper analysis. We suggest that greater consideration should be given to the functions of a single Board, how it would make decisions more effectively, who it would be accountable to and how would it be held to account, and how in particular it would address the weaknesses in the current structure. The risk is that we restructure only to find we are facing the same problems. Recommending, as the report does, a Board made up of representatives of broader groups of stakeholders, each of whom is primarily accountable back to that group, is a model which does not always guarantee effective decision making.

The report recommends that the restructuring takes place over the next few months. We can see the appeal of pushing ahead with change and of ensuring ownership of the SRF and CRPs by the new Board – if that is what is decided. However it's worth reflecting that the previous round of reform took several years to complete and tied up considerable resources. There are a large number of changes underway – the development of the SRF, the next round of CRPs commissioning, the development of the resource mobilisation strategy, which are stretching the capacity of the system to the limit. Rapid governance change risks overwhelming the system and delivering further only

partially successful restructuring. In proposing these changes, careful consideration to the timing and the sequencing of this and other changes underway. Pace is good, but not at the expense of the quality of the outcome.

Science Oversight: We concur that overall science oversight should be strengthened across the system. Only by identifying and commissioning the best research can the CGIAR deliver on its mandate, and this requires the best scientific expertise. However the recommendations in the report, which would set up a new CGIAR Board advisory committee, restructure or replace the ISPC and set up independent research panels to advise on specific issues, seems complex and confusing. Different bodies would be advising on different issues at differing times. We were not entirely clear what “empowering” the ISPC means in this context, since it already able to operate independently.

Prioritisation: The SRF is the basis for the prioritisation of research and we agree with the emphasis placed in the report on getting the priorities right. Enough time should be made available to ensure that a high quality results framework is in place to guide the prioritisation of research. Aligning the delivery of CGIAR with a set of global priorities identified by a task force has some merit, but how does this fit with the work currently underway to complete the results framework? The report mentions “sharpened focus and impact”, but it was not clear how the high level priorities established by the task force and the on-going donor led development of the results framework are linked. How do these priorities relate to the “mega-challenges”?

Competition is, in our view, the best way to drive up research standards. The report addresses what the priorities are, but is more or less silent on the process by which research will be commissioned, with high quality research being supported and less high quality research not being funded. We think this is a significant gap in the report. It’s unrealistic to assume that all the research undertaken across the CGIAR will be of the same excellent quality.

Niche and Partnerships: We agree with the elements of the report which stress the importance of global partnerships, defining the niche of the CGIAR in terms of global research capability in the public and private sector. As part of this we welcome the proposals to establish guidelines for working more closely with the private sector.

Innovative Finance: We fully support the recommendation to develop a new approach to finance which looks at a range of innovate approaches. Grant financing will continue to be important to the CGIAR, but these new approaches have the potential to deliver greater results by linking finance to outcomes or impact. As such we agree that they have the potential to tap into new sources of financing.

United States

We greatly appreciate the work of the Mid-Term Review panel and welcome their insights intended to help the CGIAR move forward. As we consider the recommendations and our eventual pathway ahead, we would like to start with a few considerations that are important to the effective functioning of the system’s researchers and the constituent centers.

Time-limited: The last reform process was arduous and absorbed enormous amounts of time and caused substantial disruption to the work of research leaders and researchers across the system; any changes we make must be done within a limited time frame (we would suggest no more than one year). USAID legal counsel notes, however, that based on recent experience with similar changes for global organizations in Annex 5, the proposed governance modifications could reasonably take two to three years to complete from the date of a decision to proceed, and changes

from the only recently settled reform structures could be difficult. We are concerned that the review may have underestimated the policy, management and legal work involved in restructuring the reforms. Thus we believe that we should explore efficiency through management changes that more directly and quickly achieve the desired outcome of the reforms before the next set of CRPs are in place.

Decision-making: It is not clear that a single, constituency-based board would result in enhanced ability to make difficult decisions. One of the rationales for the reform was that ExCo (stakeholder-based) was not able to make difficult decisions. The key in our view rests in the recommendation of the MTR that the Science Council be greatly strengthened. Independent science advice, not linked to either program implementation or program funding remains a critical need for the CGIAR. Going forward, the Science Council needs to be empowered to make recommendations around priorities and strategies for CGIAR programs. Independent science advice and analysis, set out in a clear and executable strategy, should underpin the relationship between the “funders and the doers.”

Modify: Recognizing that there may be no perfect structure, but that substantial negotiation was required to come to the current structure, we encourage the Panel to consider how to shape the current system to achieve the goals of the Reform without a shift back to pre-reform structures that were also imperfect. The current FC has functioned well (e.g., open, frank exchanges, effective chairing) and contains key elements of the proposed governance structure, especially if the SRF/CRP structure were to be carried forward more effectively.

Furthermore, the creation of the Consortium and Consortium Office provides a structure for attributing standardized accountability for execution of the CRPs, and core management, fiduciary and other requirements for the Centers. If a decision is made to move towards a single board, it should build on this solid base. In addition, the current Fund Council composition allows for every fund donor to either have a seat or be represented by another donor and thus addresses the issue of donor sovereignty. Further, for some donors, the current structure governing the CGIAR Fund (the Fund Council) may be a legal or policy requirement for contribution.

World Bank role: The recommendations in the document leave many questions about the future role of the World Bank in the CGIAR if they are implemented. We strongly believe that the World Bank is uniquely positioned to continue as chair of the CGIAR. No other relevant organization has the convening power of the World Bank, in which most of the major funders are shareholders. Moreover, the Bank has provided exemplary, dispassionate chairing in ways that strongly connect the CGIAR to the larger international development agenda. Any diminution of the World Bank’s role would send a strong negative signal across the development community. Further, the Bank’s continued funding of the system is an important signal as well. We agree with the report that new innovative sources of funding should be pursued, but not as a substitute for traditional grant funding, and not before these ideas have been developed beyond mere ideas. Traditional funding has provided the flexibility in the system to pursue long-term objectives that could not have otherwise been achieved.

Programmatic vs Governance Emphasis: While the MTR seems to have focused on governance solutions, we feel the review offered little on programmatic reforms – specifically in response to the questions in the terms of reference related to CGIAR effectiveness and efficiency. For example, the relationship between Windows 1/2 and Window 3/Bilateral is a critical and fundamental programmatic tension that requires attention. As we looked to the Reform to more effectively and efficiently deliver programmatic outputs from the System, greater attention to these programmatic questions is critical in the lead-up to commissioning the 2nd call for proposals.

Clarified roles for Consortium, Centers and CRPs: Our sense is that the MTR judges that some of the challenges facing the reform will be addressed by a new, single board. However, it is clear that there are major tensions between the Consortium and the centers. If the Fund Council were to form the

foundation of a single board, could centers similarly develop closer ties to and greater ownership of the Consortium Office? Or would these tensions then simply move into a unitary Board?

Research Priorities: We agree with the Panel’s attention to prioritization as a critical step in ensuring the CG strategically contributes to research needed to achieve global food security. However, using a lens of maximum impact for least cost doesn’t seem appropriate for a research portfolio where the scale of eventual impact is more compelling (while we realize for our development interventions, it is a common and useful approach). We are concerned that it could lead to a focus on “low hanging fruit,” and not more transformational objectives.

In addition, there seems to be a gap between these recommendations and the factors noted in the body of the document as drivers of food insecurity (issues around productivity, water, climate change, for example). We hope that the executive summary can be revised to include these compelling issues as major factors supporting investment in CGIAR research.

We agree that the SRF should be agreed upon before the 2nd call for CRPs is released. However, given the reality of the timing for each step in this process, we feel strongly that the current RF (Results Framework) development process should be supported and accelerated to ensure that the 2nd Call will be timely and respond to the RF.

CGIAR as Research Organization: We feel that the comparative advantage of the CGIAR is the scientific knowledge it generates. Maintaining this level of excellence – while shaping the research agenda more effectively, taking into account the diverse funders’ and Centers’ objectives – will give the CGIAR a respected role in shaping world opinion on issues of food security, nutrition and environment. It is important that the system maintains that as a base of its legitimacy in order to convene decision makers around complex topics.



CGIAR

Science for a food secure future