

Consultative Group on International Agricultural Research

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From: The Secretariat

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Washington, D.C.
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Launching the CGIAR

**Report of the Study Panel on the CGIAR's Long-Term Governance
and Financing Structure**

The following connected meetings were held in August and September in preparation for ICW94: a Study Panel on governance and finance (August 22-24 and September 11-12), a Stakeholder Panel (September 13-14), a panel on Intellectual Property Rights (September 15), the Oversight and Finance Committees (September 15-16) and the Steering Committee (September 15-16).

The purpose of the meetings was to maintain the momentum for change that grew out of the 1994 Mid-Term Meeting by reviewing and analyzing major issues and distilling them for discussion and decision by the Group. Reports from all these meetings will be distributed as ICW94 documents and will form the background for discussion of agenda items under the rubric, "Launching the New CGIAR."

The report of the Study Panel on Governance and Finance is attached. The Panel recommends a CGIAR governance and associated financing framework for implementation from 1996.

Time has been provided for all reports and suggestions concerning the launch of the new CGIAR to be comprehensively discussed and to be re-visited on the final day of ICW94 before decisions are reached on the next steps to be taken.

Attachment

Distribution:

CGIAR Members
Center Board Chairs
Center Directors
TAC Chair, Members, Secretariat
Observers



Consultative Group on International Agricultural Research

**Report of the Study Panel on the
CGIAR's Long-Term Governance and Financing Structure**

September 30, 1994

CGIAR Secretariat
Washington, D.C.

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Date 30 September 1994

Dear Ismail,

It is my pleasure to submit to you the report of the Panel you appointed last July to study the CGIAR's long-term governance and financing structure.

I believe that my colleagues in the Panel would agree with me that the opportunity to discuss some of the major challenges facing the CGIAR in a small, but diverse group has been a most rewarding and intellectually stimulating experience for all of us. The Panel you assembled represented a broad range of perspectives on - and a lot of experience with - our System. We have benefitted greatly from the many excellent papers prepared by other bodies of the CGIAR before us, and which are listed in Annex C of our report.

We also had the privilege of being supported by a team, headed by Selcuk Özgediz, that is second to none and without which the Panel would not have been able to do much justice to its terms of reference within such a short time as was given to us. I would like to pay special thanks to IFPRI for permitting us to have Curtis Farrar on the Support team. His wise council and long memory with the CGIAR has been a great help.

Finally, our thanks go to you for taking so much time out of your busy schedule and sharing with us your ideas and reacting to our preliminary thinking.

Immediately after the last session of the Panel our main findings were presented to the Stakeholder Panel and the Steering Committee. The excellent discussions which that gave rise to indicated a need to provide more background on some of the points we made.

This has been attempted in the enclosed, final report, which has the unanimous endorsement of all members of the Panel.

Due to time constraints the Panel could not work out the cost implications of its proposals but has asked the CGIAR Secretariat, if possible, to do so in order for the information to be available at the time of Centers Week. The costs to be considered would include notably those relating to the Global Forum, the Regional Fora, and the increased participation from developing country stakeholders. On the other hand, savings may be achieved over time when the Mid-Term-Meeting, as proposed, involves fewer participants.

Our report does not call for revolutionary changes in the CGIAR. The Panel believes that our System is basically sound, but we also believe that it can be further improved and we do hope that we have been able to make some contributions to that effect.

On behalf of the Study Panel,

Yours sincerely


Klaus Winkel

Report of the Study Panel on the CGIAR's Long-Term Governance and Financing Structure

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Andrew Bennett (UK)
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SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

In July 1994 the CGIAR Chair appointed a Study Panel to "recommend a future governance, decision-making, and financing structure and mechanisms for the CGIAR, taking into account the long-term vision and objectives of the system and the consensus on these matters reached at MTM 94." The Panel, chaired by Klaus Winkel of Denmark, met twice in Washington, DC, August 22-24 and September 11-12, 1994 and completed its draft report.

The issues identified by the Panel fell into four broad areas: research agenda setting, governance, the CGIAR's operating system, and finance. The Panel's main conclusions and recommendations in these areas are summarized below.¹

Starting Assumptions

The Panel began its work by agreeing on the following set of assumptions:

1. *Vision.* A CGIAR vision statement is being prepared. Its goals will include the alleviation of poverty, food security, and protection of the environment; it will feature the need to improve the productivity of the resources committed to agriculture, forestry and fisheries — while protecting the environment — and will emphasize the major role of improved technologies from agricultural research in achieving these aims.
2. *Global research.* There will continue to be development issues and challenges that can be addressed most effectively through a well-coordinated international agricultural research system that will chiefly benefit developing countries.
3. *Partnerships.* Future research will be characterized by a high degree of collaboration among several actors, one of which will be a strong CGIAR.
4. *Funding.* The CGIAR will continue to rely primarily on public funds. In order to remain competitive, the CGIAR will need to articulate its priorities clearly and demonstrate its efficiency and impact.
5. *Governance.* The CGIAR's future governance should be efficient and responsive to change.

¹ The panel uses the term "agricultural research" throughout the report as a shorthand for research on agriculture, forestry, fisheries, and management of natural resources. The term CGIAR refers to the Consultative Group, whereas "the System" or "CGIAR System" refers to the entire enterprise which includes the Consultative Group and its secretariat, the centers, TAC and its secretariat, and the co-sponsors.

Research Agenda Setting

The Panel **recommends** that, with the help of the co-sponsors, the CGIAR play a catalytic leadership role in arranging a discussion among all of the major actors of the global agricultural research agenda. It also **concludes** that the CGIAR's current agenda setting practices must be improved through greater transparency, expanded participation by developing countries, and more evidence of efficiency in pursuing primary CGIAR goals.

Governance

The Panel's key considerations on governance are as follows:

1. The CGIAR's future system of governance must aim to improve the **quality of its decisions and efficiency of decision processes**.
2. The CGIAR should not seek to be established as an international organization because, for the time being, it can achieve its objectives efficiently under an **informal framework**.
3. The CGIAR's strength lies in its **scientific excellence and dedication to produce relevant outputs in the form of international public goods**. It should play a scientific leadership role in the international scene also by making scientific inputs to the resolution of policy questions.
4. The CGIAR should continue to carry out its activities through **collaborative programs managed primarily by a network of accountable international centers**.
5. The future governance structure of the CGIAR should allow for much increased **ownership** of the system by developing countries.

The Panel considered five options on the CGIAR's future governance and **recommends** the following:

1. The CGIAR should adopt a two-tier deliberation and decision-making structure made up of **Global/Regional Fora and a Business Forum**.
2. **Global Forum**. The CGIAR should, with the support of the cosponsors, organize a **Global Forum on Agricultural Research for Development**. The forum would include all actors involved with such research.² Meetings every other year would:
 - o identify problems, describe progress, and establish needs for international agricultural research;
 - o assess and clarify global priorities;
 - o suggest roles for various actors;

² *These would include representatives of governments, international organizations, donor agencies, non-government organizations, and research institutions including NARS and the CGIAR centers.*

- o explore ways to strengthen alliances and partnerships.

Regional Fora that meet the needs and interests of each region, and are coordinated with existing similar efforts, could be a valuable complement to the Global Forum. These fora might be organized under the auspices of the cosponsors and regional organizations.

3. **Business Forum.** The business forum of the CGIAR, i.e., the Consultative Group itself, should be constituted of:

- cosponsors;
- representatives from developing countries; and,
- countries or institutions financing activities within the CGIAR's approved agenda through an annual cash contribution above a fixed minimum level.

4. The panel notes that the Global Forum would have some influence on agenda setting and policy formulation for the CGIAR, and enhance to some degree the participation of developing countries in that process. The CGIAR should take the following additional measures to enhance developing country participation within the business forum:

- 4.1 Countries hosting the headquarters of CGIAR centers should be encouraged to become members of the CGIAR, with the proviso that the minimum cash contributions required from them would be one-half the level required from other members.

- 4.2 Groups of countries should be allowed to pool their resources to meet the minimum contribution requirement and have a single membership in the CGIAR.

- 4.3 Through high level contacts efforts should be intensified to encourage other beneficiary countries to become members.

5. The steps recommended above would increase the possibilities for greater ownership of the CGIAR by developing countries. The cosponsors should review progress in this area and assess if there continues to be need to complement representation of developing country views by members making financial contributions with the mechanism of selecting regional representatives.

6. **Decision-making structure of the CGIAR.** The Panel has considered two options:

Option 1: To elect a Steering Committee to conduct the CGIAR's business between CGIAR meetings. The Steering Committee would be chaired by the CGIAR Chair and would have one or more standing sub-committees (such as on finance and oversight.)

The CGIAR would meet once annually. The Mid-Term Meeting would be replaced with a meeting of the Steering Committee.

This option would essentially continue the present Steering Committee arrangement, with delegated powers to enable it act for the CGIAR between the annual meetings.

Option 2: There would be no Steering Committee with delegated powers as in Option 1. But, the CGIAR would form from its membership one or more standing committees (such as on finance and oversight) to facilitate the handling of its business. The current Mid-Term Meeting would take place, but with the attendance of a relatively small group, such as in the form of an Executive Session attended by the heads of member delegations, representatives from developing countries, and (as observers) the chairs of CBC and CDC. Standing committees would be able to conduct their business in parallel session and report to the whole CGIAR during the same week. CGIAR members who are not members of standing committees would be organized into one or more ad hoc committees to handle some of the substantive items on the agenda (such as external reviews).

The chairs of the standing CGIAR committees and the cosponsors would meet under the chairmanship of the CGIAR Chair as a CGIAR Bureau to consult on major issues which may arise between the two CGIAR meetings.

The Panel's preference is for Option 2, which, among other advantages, could facilitate the CGIAR's agenda setting process as illustrated in the following manner:

- o At Centers Week each year, the Group would hold a preliminary discussion in the presence of all of the centers of the guidelines for the research agenda for the year after the coming one. This discussion would be informed by the findings of the most recent Global Forum.
- o In the early part of the calendar year, and guided by the outcome of the Centers Week discussion, TAC would prepare a recommended agenda on the basis of center and program submissions.
- o TAC's agenda draft and its requirements would be considered at the MTM, initially by the committee dealing with financial matters. The MTM Executive Session would then review and approve TAC's recommendations and the tentative financing plan proposed by the committee.
- o In the following months, negotiations would be held with donors on funding the agenda so that it could be submitted to the Group for final approval at centers week with funding commitments well defined.
- o Having approved a funded agenda for the coming year, the Group would then proceed to the preliminary discussion of the next iteration of the research agenda which marks the first stage of the next cycle.

The Panel **recommends** refinement and adoption of a planning and funding cycle along the above lines under the leadership of the CGIAR Steering Committee.

7. **Cosponsors.** The CGIAR should consider expanding the cosponsors group to include UNEP which carries responsibilities in key mandate areas of the CGIAR.

Operating System

The Panel made a number of comments and recommendations concerning the operating system of the CGIAR, that is the set of institutions and mechanisms by which the CGIAR System actually produces its outputs. These recommendations were made in the context of the matrix approach to the definition and funding of the CGIAR research agenda which has important implications for the operating system, implications which will become more profound as the new governance and funding systems mature.

1. The Panel **recommends** a view of the future operating system of CGIAR, under which centers would be considered **franchised institutions**, which would implement clearly defined activities within program areas with specified goals and time-limited objectives, financed by the CGIAR donors. The focus of the CGIAR would be on identifying and planning for program areas, and monitoring and evaluating performance on this basis as well. This change has very important implications for the relationships between the CGIAR and the centers, and the freedom of action of the latter. The Panel further recommends that a measured transition in this direction commence from 1996.
2. The **governance and management of programs** involving several partners will present a fresh challenge to the System and one which may have various answers. The Panel **recommends** that:
 - there should be clear leadership responsibility and accountability for each program, in most cases through a lead center;
 - proposals for program management and coordination should come from the lead institution(s), and should be appraised by TAC and the CGIAR Secretariat before approval for funding beyond an initial phase;
 - once a program is in full operation, it should be subjected to external monitoring and review of its scientific and management aspects as well as its impact, through processes devised by the System.
3. New ways of operating the CGIAR System, such as the shift to a program focus, will place new demands and constraints on centers and may, in some cases, reduce center autonomy. In particular these changes will require Boards to build new strengths. The Panel **recommends** greater efforts to find quality board members and provide them with the information and other support needed to perform their critical responsibilities. The boards should redouble their efforts to serve as vehicles through which developing country concerns can be brought to bear on the CGIAR system at its cutting edge.

4. Evaluation and the measurement of impact are critical areas for strengthened effort, on which the Panel made several recommendations:
- a. Besides taking steps to increase effectiveness, the CGIAR needs to improve the degree of impact achieved, and recognition of that impact. To this end, the System should continue to strengthen its skills in presenting policy choices, and its understanding of social concerns and of development issues and problems. It should take part in international debates and be responsive to international concerns and plans of action; it should not only improve its skills in dissemination, but also become an active partner in the processes of problem analysis, demand identification, adaptation, uptake and impact.
 - b. The system needs above all to maintain credible output and performance measures and evaluation systems, adjusted to changing requirements. The external reviews of institutions should continue, but should be gradually replaced in part by a new system of efficiency assurance and impact assessment focussed on programs that involve several centers and other partners. Center reviews would focus on institutional matters, such as boards, management, and research support.
 - c. The Panel recommends the mounting of a systemwide effort, with inputs from TAC, the CGIAR Secretariat and the centers, to develop systematic and continuous processes for impact assessment, to supplement existing processes for:
 - ensuring relevance of CGIAR activities;
 - measuring outputs and performance;
 - assessing performance incentives;
 - monitoring programs; and
 - conducting ex-post evaluationfor discussion and endorsement by the CGIAR.
5. It is more important than ever for the CGIAR System at all levels, and particularly the centers, to identify and work with partners. In the future, centers can be expected to become both leaner and more flexible institutions, and to carry on their programs to a much greater extent through engaging partners to perform agreed tasks rather than through the efforts of their own staff. This they would do, in part, because working with partners is a way to gain efficiencies. To encourage progress in this direction, the Panel recommends that the CGIAR provide incentives for the formation of partnerships – including those among CGIAR centers – and ensure that funding systems are adjusted to facilitate these collaborative modes of working.

Funding the CGIAR Research Agenda

Securing adequate funding for the CGIAR research agenda on a more stable and predictable basis is one of the goals of the entire process which the CGIAR is undertaking in the period between now and the beginning of 1996. While many others are working on aspects of this problem, the Panel took very seriously its responsibility of looking for ways of moving toward multiyear funding arrangements and defining negotiation processes with that purpose. The Panel started with a realization that there are no simple answers, and that any proposal must take account of the widely varying policies and approaches among donors who are actually or potentially committed to the CGIAR. The assumption that the principal source of funding of the CGIAR System for the immediate future will remain development assistance guided the Panel in making the following recommendations:

1. Efforts to build **public awareness and conduct fundraising** at the highest levels in donor agencies are a critical precondition for success and should continue and be strengthened.
2. The **matrix scheme** proposed by the CGIAR Chair offers a means for defining and funding the requirements of the CGIAR research agenda. The introduction of program areas as major channels for funds should allow donors greater flexibility to select the kinds of commitments they would be able to make to support the research agenda of the CGIAR. The Panel cautions, however, that too rapid a shift to programs and program funding could jeopardize the operations of the centers, particularly if such shifts threaten the core skills and capacity a center would need to carry out high quality, long-term research.
3. Using the matrix as a base, a major effort should be made under the leadership of the CGIAR Chair and the Finance Committee to obtain the commitment of donors to **long term funding** of the CGIAR, and to **negotiate actively** each year for the strongest commitments that can be obtained from each donor, including multi-year commitments. The new financing arrangements should encourage multi-year commitments from all donors, but tolerate annual financing procedures and varying forms and durations of commitments.
4. The use of the matrix approach, in the context of the Panel's preferred option for governance of the CGIAR Business Forum could facilitate the CGIAR's agenda setting and fund raising process as described in the Governance section above.
5. The search for sources of **additional funds**, outside of the ODA area, while not likely to reduce ODA needs significantly in the short run, should nevertheless go forward.

I. INTRODUCTION

The Context and Conduct of the Study ¹

In the report of the Oversight Committee, "CGIAR's Governance and Organization: Is There Need for Change?" (May 6, 1994), the Committee suggested that a study be commissioned on the CGIAR's governance, decision-making and financing arrangements. Following consultations during the Mid-Term Meeting (MTM) in New Delhi, the CGIAR Chairman appointed a Study Panel to examine and advise on these matters.

The Panel's terms of reference are: "to recommend a future governance, decision-making, and financing structure and mechanisms for the CGIAR, taking into account the long-term vision and objectives of the system and the consensus on these matters reached at MTM 94." The specific charge given to the Panel is to comment on at least the following issues:

- CGIAR's membership, deliberation, and decision-making structure;
- participation of developing countries in the deliberations and decision-making mechanisms of the CGIAR;
- structure of CGIAR-IARC relationships in the future, including means of formulating and implementing system-wide policies and mechanisms of accountability;
- multi-year funding arrangements and negotiation processes; and,
- needs and options for formalization in the operations or status of the CGIAR as an organization.

In light of the complex nature of the issues, the Study Panel was constituted to bring together individuals with diverse stakeholder perspectives who are experienced in the functioning of the CGIAR, as well as external management experts who could bring in fresh viewpoints. Annex B provides biodata on the Panel members and the support team.

The Panel met twice (over a three-week span) in Washington, DC, August 22-24 and September 11-12, 1994. It began its work by brainstorming on major problems and issues the members considered as requiring attention, within the context of the Panel's terms of reference. The issues identified fell into four broad, interrelated areas, which constitute the topics of the main chapters of this report:

- research agenda setting
- governance

¹ The panel uses the term "agricultural research" throughout the report as a shorthand for research on agriculture, forestry, fisheries, and management of natural resources. The term CGIAR refers to the Consultative Group, whereas "the System" or "CGIAR System" refers to the entire enterprise which includes the Consultative Group and its secretariat, the centers, TAC and its secretariat, and the co-sponsors.

- the CGIAR's operating system
- funding the CGIAR research agenda

The Panel saw research agenda setting as a natural starting point for the report as how agendas are set has a strong bearing on how the CGIAR and its operating system are organized. Issues of governance at the system level (e.g., the CGIAR's membership structure and its decision-making system) are strongly linked with how the system is financed and how the centers operate. The manner in which the CGIAR's operating system (i.e., the components that produce the CGIAR's products and services) is organized and managed depends to a large extent on the content of the CGIAR's research agenda and basic principles of governance. Finally, how the CGIAR is financed depends on what is to be financed (i.e., the research agenda) and the characteristics of the CGIAR's governing and operating systems.

The Panel benefitted from interactions with the CGIAR Chairman, who clarified the CGIAR's expectations from the study, briefed the Panel about concepts introduced at the New Delhi meeting, and provided insights on strategy questions. Given the brief interim period between Panel meetings, it was not possible for the Panel, as a group, to interact with other stakeholders, which also would have been valuable. The Panel was fortunate, however, to have access to comprehensive documentation prepared by various bodies of the CGIAR on issues within the Panel's purview. (See Annex C for a list of background documents.)

The Panel members prepared a draft report after their first meeting and discussed it during their second. The outcome of these discussions led to the preparation of a summary of the Panel's conclusions and recommendations, which were considered by the CGIAR Stakeholder Panel (chaired by M.S. Swaminathan) and the CGIAR Steering Committee (chaired by I. Serageldin) during 13-16 September, 1994. The full report was then revised in line with the summary document. The Panel members' comments on the revised draft were considered by the Panel Chair and Secretary, who prepared the final version of the Panel's report.

The Panel has aimed to produce a brief document that brings together earlier work by the Oversight and Finance Committees, among others, and presents a coherent set of suggestions. The Panel has not tried to find answers to all governance and finance questions. It has seen its primary role as identifying issues, making some suggestions for the resolution of these issues, and indicating where further work is necessary. It should be noted that, in line with the mandate given to the Panel, the Panel's recommendations are intended for the post 1995 period, i.e., following the completion of the 18-month transition period announced by the CGIAR Chairman at MTM 94.

Starting Assumptions

The Panel started its work with the premise that the CGIAR has been and is an effective organization, with an enviable track record. Thus, the Panel did not see its role as "fixing" something which is non-functional. Instead, it interpreted its mandate as providing suggestions for making the CGIAR perform even better in the future.

Second, the Panel began its work by agreeing on a set of key assumptions upon which their deliberations, and the report that follows, are based. These assumptions include the following:

1. *Vision.* A CGIAR vision statement is being prepared. Its goals will include the alleviation of poverty, food security, and protection of the environment; it will feature the need to improve the productivity of the resources committed to agriculture, forestry and fisheries – while protecting the environment – and will emphasize the major role of improved technologies from agricultural research in achieving these aims.
2. *Global research.* There will continue to be development issues and challenges that can be addressed most effectively through a well-coordinated international agricultural research system that will chiefly benefit developing countries as well as developed countries. [The Panel uses the term "agricultural research" as a shorthand for a system not limited to agriculture only and one that includes research on forestry, fisheries, and management of natural resources.]
3. *Partnerships.* Future research will be characterized by a high degree of collaboration among several actors, one of which will be a strong CGIAR.
4. *Funding.* The CGIAR will continue to rely primarily on public funds. In order to remain competitive, the CGIAR will need to articulate its relevance and priorities clearly and demonstrate its efficiency and impact.
5. *Governance.* The CGIAR's future governance should be efficient and responsive to change.

In the interests of preparing a short report, the Panel also assumes that the reader is familiar with the CGIAR's research agenda setting processes, and its governance, financing and operating systems, or would refer to the documentation listed in Annex C for further information.

II. RESEARCH AGENDA SETTING

The Panel has identified agenda setting as the starting point of its analysis because the future roles the CGIAR and its components could play in research agenda setting have major implications on its system of governance.

The Panel makes a distinction between agenda setting at the global level and that for the CGIAR system only. The former relates to identifying global problems and the needs for international agricultural research, as well as clarifying the roles of various actors in the global scene. The latter takes as its starting point the global agenda. It then analyzes possible outputs by the System, alternative sources of supply for those outputs, opportunities through new science, and the probability of success for the various undertakings that could be considered. The outcome of the latter process is a set of priorities for the CGIAR and an allocation of responsibility for the various activities in the CGIAR's agenda. To use the terminology introduced by the CGIAR Chairman at the New Delhi meeting, the global agenda for research is illustrated by the "actor x program matrix" in which the CGIAR is merely a row; whereas the CGIAR agenda is reflected by the "center x program matrix."

Agenda Setting at the Global Level

It is increasingly recognized that certain research problems are truly global in nature (such as in the areas of germplasm and methodologies for natural resource management). It is also clear that there are many agricultural research issues which are best addressed at the international level but are not suitable for the agenda of the CGIAR. The benefits of international research accrue to both developed and developing countries, while no single institution is likely to possess all of the skills and facilities needed to address any major international research issue.

It is for these reasons that the Panel has made a starting assumption that there will continue to be development issues and challenges that can be addressed most effectively through a well-coordinated international agricultural research system. This assumption begs the question: who would set the agenda of such a research system, and how would it be set?

In the Panel's view agenda setting at the global level is not the responsibility of any one actor or a set of actors. Agendas are set, instead, through the often independent actions of a host of actors. In this sense, the global research agenda is set through a marketplace for research where various actors carry out research depending on their assessment of research needs and availability of funds and other resources. The term "agenda setting" at the global level is therefore a misnomer, as the global agenda is more an outcome of independent action by multiple actors than the result of deliberate action by a few.

Having said this, the Panel also believes that deliberate action to facilitate the exchange of information among the actors in the global research scene can help each actor, including the CGIAR, make more informed decisions about their research agendas and contribute to greater collaboration among the actors.

The CGIAR is an important but small actor in the international agricultural research scene, accounting for only 4 percent of global expenditures on agricultural research. At times the CGIAR has had significant influence on the global research agenda and that of other actors without ever dealing directly with global priorities as such. There are other actors, such as FAO and research systems and bodies in industrialized countries including the United States, France, Japan, Australia, United Kingdom, and the Netherlands. In addition, many universities in industrialized countries and some in developing countries are specializing on problems of tropical agriculture and agricultural development. Finally, national and regional agricultural research institutions and NGOs are playing stronger roles as leaders or partners of international agricultural research efforts.

The institutional landscape for international agricultural research has been widening and becoming more complex. However, there is no global scientific forum where global research agenda issues are discussed with the participation of the major actors. True, the CGIAR serves as one such forum, but in the final analysis the CGIAR is more interested in the research agenda for its own operations than the global research agenda. This is in part because the present CGIAR forum does not incorporate all the major actors that would be needed for discussion of global agenda issues. It is also because it would not be efficient to discuss business issues concerning the CGIAR and global research agenda issues in the same forum.

The Panel considers that the CGIAR, with the resources of its members and the scientific capacity of its centers, has the strength and the competence to play a stronger leadership role in facilitating agenda

setting at the global level. In the past the CGIAR has been relatively inward-looking in its approach to global agenda issues. In the Panel's opinion, this stance needs to change in the future. This means that the CGIAR would assume additional catalytic responsibilities in facilitating discussion of global research agenda issues by all key actors.

Were the CGIAR to assume such a role, the new forum that would be initiated for discussion of global research agenda questions would also enable the CGIAR to subject its own planned agenda to the scrutiny of other actors. The same opportunity would be available to other key actors as well.

The Panel **recommends** that, with the help of the cosponsors, the CGIAR play a catalytic leadership role in arranging a discussion among all of the major actors of the global research agenda which aims to:

- o identify problems, describe progress, and establish needs for international agricultural research;
- o assess and clarify global priorities;
- o suggest roles for various actors; and,
- o explore ways to strengthen alliances and partnerships.

This recommendation has a strong bearing on questions of governance in the CGIAR, and the participation of developing countries in the CGIAR's decision making, which are addressed below.

Agenda Setting in the CGIAR

Agenda setting within the CGIAR involves the determination of programs that should be supported by the CGIAR (i.e., system-level planning and priority setting) and the identification specific programs and projects that should be implemented by each center (center-level planning and priority setting). TAC plays a critical role in this process and in monitoring the implementation of the agreed programs. The process is both bottom-up and top-down. Center inputs are received at various stages in the process, as are the donors. TAC's analysis of global needs for research provides a broad macro priorities perspective within which individual center needs are examined.

Two broad questions on agenda setting in the CGIAR have emerged recently. One relates to the determination of the System's overarching goals (who should be involved), and the other to the scope of the research agenda.

Regarding the former, some assert that developing countries must participate more fully in establishing the System's overarching goals and strategies, and that the perspectives of peasants and farmers should be taken into account. Others are less certain, arguing that these must be largely determined by those who fund the System's activities. Most agree, however, that developing countries must influence the choice of actions into which the overarching goals are translated. This would certainly enhance the legitimacy of the CGIAR and its actions.

With respect to the scope of the research agenda, the CGIAR sets priorities, as noted above, mainly in terms of the activities it has identified for support. At times other activities are reviewed to see if they should appear in the CG portfolio of work. The Panel suggests that in the future the CGIAR

should work more closely with others in helping clarify a global agenda for all such research, and then consider for its support those activities in which it has a cost or quality advantage.

Opportunities for Improving Current Practices. Despite the improvements in recent years, the Panel is of the opinion that the process for setting the CGIAR research agenda can be further improved and that doing so will make the CGIAR more effective. Improvements are required in the transparency of the process, in participation by developing countries, and in the evidence that primary goals are being pursued efficiently.

As evidence that something is amiss, some point to the recent decline in funding for CGIAR activities and to the differing proportions in which recommended budgets are funded. In any case, the Panel considers that improvement in these three aspects would help strengthen the CGIAR.

What Can Be Done. To enhance transparency, a first step is to broaden consensus about the primary goals of poverty alleviation, food security, and protecting the environment. For example, whose poverty is of most concern, e.g., rural peoples only or rural and urban, and are all levels of poverty of equal concern, e.g., how much more weight to the desperately poor than to the evidently poor. Also required is a sharper sense of the relative importance of each goal. Answers here can come from discussion of these issues in global fora as well as from the CGIAR itself. Although such discussion may not yield a consensus, it nevertheless would clarify the rationale for the diversity in views.

With the goals made more specific, TAC, the centers, and others can more effectively set priorities among the many potential activities the System undertakes. All those involved will want to make explicit their assumptions about other critical elements in the decision making process, e.g., other suppliers and the probability of success. Some part of priority fixing would involve analysis and some part would involve judgement calls; care must be taken to report which is being employed. This done, recommendations can be more easily linked to goals.

Participation by developing countries has important implications for agenda setting within the CGIAR and additional implications for other aspects, such as funding. Participation of developing countries in the CGIAR's agenda setting processes will strengthen the identification of high priority problems, provide a more accurate sense of alternative sources of supply for the products needed, and yield better estimates of probabilities of success. Beyond this, evidence of participation will favor effective collaboration among NARS and centers. At this level participation enhances efficiency. Chapter 3 of this report outlines some proposals for enhancing the participation of developing countries in the decision-making processes of the CGIAR.

Evidence of **efficiency** in pursuing the System's primary goals lies first in demonstrating significant impacts in a timely way for the relevant poor or for critical environments through the products identified in the research agenda. (Note that while impact studies reveal most about work done in the past, they also suggest possibilities for the future because of what past impact implies about the quality of staff, about the supporting infrastructure, and about the culture which guides the energies involved.) Obviously, significant amounts of time must pass before significant impacts can be expected. In the interim, donors and clients can be reassured about efficiency through evenhanded monitoring of the quality and relevance of the science being employed and through assurances that the work underway aims at the high priority products of the agenda. In addition, given the emerging sense that science is frequently most effectively practiced in collaboration with others, evidence of such collaboration will reassure funders and clients about efficiency.

Progress in transparency, participation and efficiency will not only improve the process of agenda setting within the CGIAR but will also have implications for other challenges facing the system in governance, operations, and funding. We leave these points until later in the report. We also leave for later discussion possible changes in the roles of prominent actors as the CGIAR's governance and agenda setting are modified.

Thus, the Panel concludes that the CGIAR's current agenda setting practices must be improved through greater transparency, expanded participation by developing countries, more evidence of efficiency in pursuing primary CGIAR goals.

III. GOVERNANCE

Background

The CGIAR has been governed by the same principles that were laid down at the inception of the Group in 1971. The success and rapid growth of the System is one proof that there was much merit in these principles. Above all, they include **non-political operation strengthened by independent technical advice, consensus decision-making, informality and flexibility in operations, center autonomy, and donor sovereignty**. In its previous discussions of governance and decision-making issues, the CGIAR has reaffirmed its strong support of these basic guiding values. The Panel's comments on governance, summarized below, are made in recognition of the significance of retaining these principles.

Since the establishment of the CGIAR, however, there have been significant changes in the political arena within which the CGIAR operates, including a conceptual shift in development thinking. These changes include (1) increased recognition that research collaboration is essential for success; (2) a stronger role played by non-governmental organizations (NGOs) both of developed and developing countries; and, (3) orientation of development aid beyond food production to poverty alleviation and protection of the environment. The CGIAR's future governance structure needs to be studied in full recognition of these changes.

Key Governance Concerns

The Panel's assessment of the principal considerations that should be taken into account in identifying options for the future governance structure of the CGIAR are summarized below.

1. **Expansion and its consequences.** The CGIAR has expanded substantially over the last two decades. This is reflected by the increases in the number of centers, donors, and the annual budget for the system's core operations. Coordinating the operations of the CGIAR has also become a time consuming process, as reflected by the increase in the number of CGIAR-level committees. The complexity of the CGIAR has increased, and the analysis and documentation needed to address that complexity has grown apace. The number of days required for conducting the CGIAR's business has grown immoderately.

The Panel concludes that the CGIAR's future system of governance must aim to improve the quality of its decisions and the efficiency and transparency of decision processes.

2. **Informality.** The informality of the Group has been a great asset for efficiency and stimulated discussion. Over time, the original dialogue between centers and funders in the CGIAR forum has, however, almost disappeared and time constraints have virtually squeezed centers off the floor at official meeting.

At the New Delhi meeting the CGIAR reaffirmed the importance it attaches to collegiality and informality in its deliberations. Nevertheless, some members of the Group continue to believe that it would be better for the CGIAR to constitute itself as a formal international organization. The following reasons are among the arguments usually made to support this change.

- playing a strong leadership role in the international scene;
- speaking authoritatively and with one voice for the System as a whole;
- entering into formal agreements with other organizations; and,
- adhering to a commonly agreed set of decision rules in its work procedures.

A background note was prepared for the Panel on issues involved in establishing the CGIAR as an international organization (see Annex A). It is argued in this note that formalizing the CGIAR is not necessarily the right answer to the concerns outlined above.

The Panel concludes that the CGIAR should not seek to be established as an international organization so long as it can achieve its objectives efficiently under an informal framework. However, as it has in the past, it should continue to introduce formal procedures as needed for good business practice under the current informal setting. Collegiality and informality are valued traits of the CGIAR, which are much admired by other international undertakings, that should be preserved to the extent possible.

3. **A non-political, scientific organization.** The non-political nature of the CGIAR and the fact that it is advised by a technical advisory committee made up of experts serving in their personal capacity have always been seen as assets. These have been much praised, in particular within the Group itself.

In the early years of the CGIAR the System's focus was on using science to find ways of increasing food production; the centers were less involved with politically-laden issues. The changes in the debate on development and poverty and the increased emphasis on germplasm conservation and intellectual property rights (IPR) have introduced a stronger political element to the discussions within and outside the CGIAR. The CGIAR-financed research agenda now includes themes that exceed the traditional area of agriculture and food production and which relate more directly to values and political priorities (e.g., preservation of the environment). This raises the issue of the extent to which the CGIAR should get engaged with political questions.

The Panel considers that the CGIAR's strength lies in its scientific excellence and dedication to produce relevant outputs in the form of international public goods. It should play a scientific leadership role in the international scene also by making scientific inputs to the resolution of policy questions.

4. **Autonomy of the centers.** Carrying out the CGIAR's activities through a set of legally autonomous international centers has been a widely accepted principle. Although clarification of the CGIAR's research agenda in terms of a center x program matrix introduces some complications on managing programs versus centers (see Chapter 4), it would be safe to assume that a large portion of the activities supported by the CGIAR would be carried out autonomously by the centers.

The flip side of autonomy is accountability. The CGIAR should continue to balance the autonomy of the centers with a strong system of accountability. In addition, there is a growing need for wider collaboration between CGIAR institutions and other organizations, emerging, in part, from the growing interdependence among institutions worldwide, and also from the opportunities for greater impact and efficiency that could result from such collaboration.

These considerations lead the Panel to conclude that the CGIAR should continue to carry out its activities through collaborative programs managed primarily by an accountable network of international centers.

5. **Ownership of the System.** The CGIAR was originally a group of donor representatives who decided to meet annually in the form of a "consultative group," collectively supporting aimed towards increasing food production in developing countries. This image of the CGIAR being a "club of donors" still exists, although developing countries have begun to be increasingly involved as donors/funders. Scientists and managers from developing countries have, however, been much involved from the beginning of the CGIAR as members of the Board of Trustees, scientists at the IARCs, members of TAC and other committees, etc. There is a growing sentiment within the CGIAR that, in the future, the need for increased collaboration among various actors would necessitate the broadening of the "club" to more directly incorporate the concerns of "users."

The Panel considers that under the present arrangements developing countries do not participate effectively in the CGIAR's decision-making. The arrangements neither allow for frank and accurate representation of views and needs of developing countries, nor do they foster a strong sense of ownership of the CGIAR System by developing countries.

The issue of representation and participation by developing countries within the CGIAR should be seen at two different levels:

- o At the **technical and scientific** level the need is in greater mobilization of human talent, resources, and specific knowledge which exists in developing countries, and in promoting a sense of partnership and ownership of CGIAR activities by developing countries.
- o At the **political** level the need is in securing support for the System by the developing countries (essential for continued funding and long-term viability of the System), which demands wider involvement of developing countries in the setting of priorities and identifying long term needs.

The Panel concludes that the future governance structure of the CGIAR should allow for much

increased ownership of the system by developing countries.

Governance Options

The Panel considers the following five as distinct options the CGIAR might wish to consider for the future governance of the System. These are presented below in an order ranging from the least to the most formal, in the sense that the last option presented reflects the case of the CGIAR becoming an international organization.

Option 1: Informal CGIAR with two standing committees

This option reflects a return to the arrangements that existed prior to the New Delhi meeting, i.e., an Oversight and a Finance Committee making recommendations to the CGIAR for action. All other components of the CGIAR would operate as now. Representatives from developing countries would be selected through the FAO regional conferences under the new arrangements recommended by the Oversight Committee upon consultation with FAO.

Option 2: Continuation of the present arrangements, with minor adjustments

This option refers to extending indefinitely the governance arrangements agreed by the CGIAR for the interim period (i.e., until the transition is completed through 1995). This differs from Option 1 only with the addition of a Steering Committee, made up of the membership of the Oversight and Finance Committees and having the same terms-of-reference as the two standing committees. The Steering Committee would essentially function as a joint Oversight and Finance Committee, meeting under the chairmanship of the CGIAR Chair.

There are two adjustments that could be considered. First, the CGIAR would delegate decision-making authority to the Steering Committee in some areas. Second, the Oversight and Finance Committees could function as proper sub-committees of the Steering Committee.

Option 3: Global and regional fora and a business forum

Under this option, the CGIAR, with the support of the cosponsors, would take the lead to organize a Global Forum on Agricultural Research for Development and Regional Fora on Agricultural Research for Development. In addition, it would have a separate business forum where the CGIAR's internal business would be conducted. This option would allow separation of the discussion of global and regional research agenda issues which concern many stakeholders, from conducting the business of the CGIAR.

The creation of a Global Forum could be consistent with various forms of the Business Forum. The most appropriate structure in the eyes of the Panel is as follows: membership in the CGIAR would be limited to cosponsors, representatives from developing countries, and countries or institutions financing the CGIAR's core activities through a cash contribution above a fixed minimum level. Participation of developing countries within the business forum would be enhanced by allowing countries hosting the headquarters of CGIAR centers to become members (with some conditions), allowing groups of countries to pool their resources to become members, and intensifying efforts to recruit other beneficiary countries

to become members.

The decision-making structure of the CGIAR would include two or more standing committees, a CGIAR Bureau (including the CGIAR Chair, cosponsors, and the chairs of standing committees) as an informal consultation mechanism on major issues which may arise between meetings, and a Mid-Term Meeting (MTM) of the CGIAR as a critical business session.

Option 4: Turning the CGIAR itself into a global forum

Under this option the CGIAR would extend membership to all countries wishing to join, with or without financial contributions to the CGIAR-sponsored operations. An arrangement like the one recently adopted by the Global Environment Facility (GEF), the large CGIAR forum would meet every two or three years to discuss major policy and priority questions. The real business of the CGIAR would be conducted through an elected Executive Committee, with representation from donor members and non-donor members. Decision rules such as double majority (e.g., over half the donors and half the total membership) could protect the interests of major stakeholder groups within the Executive Committee. Some formalization would be necessary to establish the new forum and its operating procedures.

Option 5: Turning the CGIAR into an international organization

Under this option the status of the CGIAR would be changed from an informal association to an international organization. There are several possibilities here, as identified in Annex A. These range from an organization which takes over the tasks now performed by all the major components of the CGIAR, including TAC and the centers, to one which covers only the functions carried out by the existing CGIAR. The new CGIAR could have universal membership (i.e., similar to that in UN organizations), or restricted membership (such as limited only to donors). Like most other international organizations, the new CGIAR would have a plenary body, a restricted body (such as an executive committee), and a chief executive.

Assessment and Recommendation

The Panel's earlier comments suggest the type of criteria it favors for comparing these governance options. These include the following desirable features:

1. **Maintaining the CGIAR's non-political character;**
2. **Preserving informality;**
3. **Assuming a leadership role in global agenda setting;**
4. **Ensuring active participation of all relevant actors in the CGIAR's own agenda setting;**
5. **Promoting interdependence among research actors;**
6. **Broadening the ownership of the CGIAR to its major users and beneficiaries;**

7. Increasing the efficiency and transparency of conducting the CGIAR's business and improving its responsiveness to change;
8. Improving the stability of the CGIAR's finances;
9. Protecting center autonomy; and,
10. Protecting donor sovereignty.

In the Panel's judgment, Option 3 (global and regional fora and a business forum) satisfies best the requirements noted above. Thus, the Panel recommends this option for adoption by the CGIAR as its future governance structure.

The following outlines the Panel's rationale in reaching this conclusion:

Option 1 provides only a minimum governance structure and has been tried and broadly accepted by the CGIAR. However, it continues to keep the CGIAR inward-looking and barely meets the considerations noted under 3 through 6, above. Besides, this option represents a step back from the decisions taken at New Delhi.

Option 2 suffers from the same disadvantages as Option 1, except that it is not a step backward. It embodies the Steering Committee concept, which some have found objectionable if it were to operate as an executive committee, with decision-making powers between CGIAR meetings.

Option 4 presents the risk of politicizing the CGIAR by mixing in one forum all major stakeholders. Despite the protections offered by voting systems like double majority, this option would reduce the current level of sovereignty of the donors. Also, the added formalization introduced by this option would likely increase the level of bureaucracy (and decrease efficiency).

Option 5 has several sub-options. Amalgamating all CGIAR components into one international organization would create a large bureaucracy, particularly if it were to have universal membership. Neither center autonomy nor donor sovereignty would be protected. If only the Consultative Group were to become an international organization, the CGIAR could lose its flexibility, at varying degrees depending on membership and decision-making structures.

Option 3, the recommended option, meets all the criteria mentioned above, with the possible exception of efficiency in conducting the CGIAR's business. Although separating the business function from the global forum would enhance efficiency, organizing and managing the global and regional fora could be costly. This is a matter that should be studied carefully, in the light of the experience of the World Bank, FAO, UNDP and other organizations in setting up similar global and regional fora.

Description of the Recommended Option

Under this option, the CGIAR would adopt a two-tier deliberation and decision-making structure made up of a **Global/Regional Fora** and a **Business Forum**. The Global and Regional Fora would bring openness to the CGIAR, help build consensus on needs, and facilitate collaboration. The business of the

CGIAR would be conducted within the Business Forum.

The three fora would essentially work as follows:

1. **Global Forum.** The CGIAR would, with the support of the cosponsors, organize a **Global Forum on Agricultural Research for Development.** The forum would include all actors involved with such research and would aim to:

- o identify problems, describe progress, and establish needs for international agricultural research;
- o assess and clarify global priorities;
- o suggest roles for various actors; and,
- o explore ways to strengthen alliances and partnerships.

The **Global Forum** would meet once every two years. Although the timing could be variable, organizing it just prior to the fall business meeting of the CGIAR might be efficient in terms of ensuring donor participation and carryover of conclusions to the business meeting.

The forum would consist of representatives of governments, international organizations, donor agencies, non government organizations and research institutions including NARS and CGIAR centers, all of whom would participate on an equal basis. Each participating institution would cover its own costs, although donors might wish to make arrangements to facilitate the participation of some developing country institutions.

In the Panel's view TAC should serve as advisor to the forum. TAC's analysis of global priorities could form the agenda for the forum every 6 years. Agendas in other years would focus on one or more themes of international research.

2. **Regional Fora** that meet the needs and interests of each region, and are coordinated with existing similar efforts, could be a valuable complement to the Global Forum. These fora would be organized under the auspices of the cosponsors and regional organizations. It would be desirable for CGIAR members with interests and capacity in a region (such as the regional development banks and the regional arms of global institutions) to take the lead in organizing these fora. International centers and NARS from the region would be expected to participate. There would also be some form of TAC participation.

These fora would aim to:

- identify regional problems and needs for international research programs;
- clarify regional priorities and roles of actors (including the CGIAR centers and NARS);
- explore ways of strengthening alliances and partnerships; and,
- recommend policies.

The **Regional Fora** would meet on an as needed basis in years alternate to the Global Forum. Existing organizations and fora (such as SPAAR) could be closely linked with (or serve as substitute for) the CGIAR Fora. This would strengthen links between the CGIAR and initiatives like SPAAR.

3. **Business Forum.** The business forum of the CGIAR, i.e., the Consultative Group itself, should be constituted of:

- cosponsors;
- representatives from developing countries; and,
- countries or institutions financing activities within the CGIAR's approved agenda through an annual cash contribution above a fixed minimum level. (The Panel did not recommend a change in the present minimum of \$500,000 a year.)

To remain as members, all donors should satisfy the System's required minimum contributions.

The Panel notes that the Global Forum would have some influence on agenda setting and policy formulation for the CGIAR, and enhance to some degree the participation of developing countries in that process. The CGIAR should take the following additional measures to enhance developing country participation within the business forum:

- 3.1 Countries hosting the headquarters of CGIAR centers should be encouraged to become members of the CGIAR, with the proviso that the minimum cash contributions required from them would be one-half the level required from other members.
- 3.2 Groups of countries should be allowed to pool their resources to meet the minimum contribution requirement and have a single membership in the CGIAR.
- 3.3 Through high level contacts, efforts should be intensified to encourage other beneficiary countries to become members.

The Panel notes that the steps recommended above would increase the ownership of the CGIAR by developing countries. The cosponsors should review progress in this area and assess if there continues to be need to complement representation of developing country views by members making financial contributions with the mechanism of selecting regional representatives.

Decision-making structure of the CGIAR.² The Panel has considered two options. The CGIAR would have a set of standing committees under both options.

Option 1: To elect a Steering Committee to conduct the CGIAR's business between CGIAR meetings. The Steering Committee would be chaired by the CGIAR Chair and would have one or more standing sub-committees (such as on finance and oversight.)

The CGIAR would meet once annually. The Mid-Term Meeting would be

² *It might be useful to underline one feature of the CGIAR's present decision-making system. Under the present consensus decision-making system, the decisions reached by the CGIAR are as they are sensed and articulated by the CGIAR Chair at the conclusion of CGIAR meetings. The Chair of the committees of the CGIAR do not make decisions for the CGIAR. But the work by the Chair and the committees facilitates the formation of consensus on issues, which speeds decision-making at the meetings of the CGIAR.*

replaced with a meeting of the Steering Committee.

This option would essentially continue the present Steering Committee arrangement, with the exception that the CGIAR would explicitly delegate powers to the Steering Committee to enable it act for the CGIAR between the annual meetings.

Option 2: There would be no Steering Committee with delegated powers as in Option 1. But, the CGIAR would form from its membership one or more standing committees (such as on finance and oversight) to facilitate the handling of its business. The current Mid-Term Meeting would take place, but with the attendance of a relatively small group, such as in the form of an **Executive Session** attended by the heads of member delegations, representatives from developing countries, and (as observers) the chairs of CBC and CDC. Standing committees would be able to conduct their business in parallel sessions and report to the whole CGIAR during the same week. CGIAR members who are not members of standing committees would be organized into one or more ad hoc committees to handle some of the substantive items on the agenda (such as external reviews).

The chairs of the standing CGIAR committees and the cosponsors would meet under the chairmanship of the CGIAR Chair as a **CGIAR Bureau** to consult on major issues which may arise between the two CGIAR meetings.

The Panel's preference is for Option 2, which, among other advantages, could facilitate the CGIAR's agenda setting process as described and illustrated in Chapter 5. In essence, the MTM would gain in significance as it would be at this meeting that the CGIAR would agree on the research agenda and financing plan for the following year, leaving the period between MTM and ICW to negotiations with donors on the financing of the agreed agenda.

Implications of the Recommended Governance Structure

The future governance structure recommended above has several implications on the roles of the existing components of the CGIAR. The Panel's views on this are covered below.

TAC. As reaffirmed by the CGIAR at MTM94, TAC would continue to play an important role in the CGIAR. The governance recommendations, and particularly the addition of the Global Forum add significantly to the burdens on TAC, which would need to provide increased inputs not only concerning the research agenda of the CGIAR proper, but also concerning the global agricultural research agenda which would be considered regularly by the Forum. This has implications for the number and type of members on TAC, and for the length and complexity of the TAC agenda. It also has implications for the type of analytic support needed by TAC to play the enhanced role.

In the Panel's view the institutional resources of the System and its partners should provide supportive analytic services to TAC. This includes CGIAR centers working on global policy and management issues, as well as partners such as FAO, the World Bank, and other organizations. The

proposed new workload for TAC would not be wholly additional, since the priority exercise has always been conducted in a global context.

A second implication for TAC, which arises less from the governance proposals than it does from the related approach to funding the agenda, is the gradual shift recommended from the center focus to a program focus in terms of strategy and monitoring. This might indeed have an influence on the types of individuals most useful in TAC discussions away from those with an institutional focus and toward scientists capable of reviewing programs of work on a more technical basis. The content of the programs will, of course, determine the specific skills required on TAC.

Finally, there is the goal of enhancing developing country participation in the CGIAR. TAC is an important mechanism for this participation in three ways:

- With half of its members from developing countries, TAC takes aboard a developing country view directly in its deliberations. The option recommended does not call for a change here, although the quality of TAC members chosen for their personal qualifications will remain a key element of making the system work effectively. Ability to hear and interpret developing country voices could perhaps be given increased weight in the choice of TAC members whatever their national origin.
- TAC's work program can give greater weight to the issue of relevance of research to developing country needs than it does already, by giving increased attention to that aspect of its range of reviews, and mounting further direct studies of the issue as in the present look at IARC-NARS relationships in West Africa. This would be of significance in both the Global Forum and the Regional Fora.
- Direct consultations with NARS leadership, such as that recently held in West Africa, might be done more often and more systematically, possibly through the recommended Regional Forum mechanism.

Cosponsors. Cosponsors play several extremely important roles within the CGIAR. The Panel sees an increased, not reduced role for the cosponsors, although that role might be played to some extent through the proposed Bureau rather than independently.

First, the recommended Global Forum should be organized under the auspices and leadership of FAO, UNDP, and the World Bank. Their leadership would bring legitimacy to the Forum and help avoid politicization of the Forum.

Second, the Regional Fora should also be organized under the auspices of FAO, UNDP, and the World Bank. However, here the leadership and organizational responsibility should be shared with other relevant CGIAR donors (such as regional banks) and regional organizations.

Third, the cosponsors should continue to nominate the members of TAC and serve as a search and selection panel for the TAC chair. These roles may need to be reviewed if the CGIAR were to give nominations responsibilities to one of its standing committees.

Fourth, the CGIAR should consider expanding the cosponsors group to include UNEP which carries responsibilities in key mandate areas of the CGIAR.

CGIAR Secretariat. The Secretariat would continue to service the CGIAR, its chair, and committee(s). Organization of Global and Regional Fora meetings would be a major addition to the workload of the Secretariat. This responsibility could be shared with other organizations, particularly in the case of the regional fora.

IV. OPERATING SYSTEM

The operating system, that is the set of institutions and mechanisms by which the CGIAR actually produces its output, enters the Panel's specific mandate in two ways. The terms of reference covers:

- "the structure of CGIAR-IARC relationships in the future, including means of formulating and implementing system-wide policies and mechanisms of accountability,"
- needs and options for formalization in the operations or status of the CGIAR as an organization."

These elements of the scope of work are addressed in part in other sections of the report, and in part below. The Panel found that some of its recommendations on governance and finance have implications for the operating system, which need to be spelled out even though they go beyond the specifics of the mandate. Moreover, some issues posed in relation to governance, such as participation of developing countries in the CGIAR, can also be addressed through the operating system.

Operating Implications of the Matrix

The matrix approach to defining and funding the CGIAR research agenda, which the CGIAR decided to adopt at MTM94, while not part of the operating system as such, nevertheless defines the context for that system into the future. For this reason, a discussion of the operating system needs to start with a description of the matrix and some of its implications.

The matrix approach would define the CGIAR research agenda over a period of years in two dimensions. Across the top would be a set of carefully defined program areas, for each of which there would be a clear statement of goals, time limited objectives, and expected impact. Down the side would be the institutions charged by the CGIAR with the primary role in implementing research in the program areas, namely the centers supported by the CGIAR. The program areas would be defined in such a way as to allow characterization of the CGIAR's research agenda in terms of few (say five or six) program areas, which could be sub-divided as required into thirty or more programs.

The Panel foresees that when introduced for 1996 the matrix will have immediate impact on the operating system. It would be some years, however, before the matrix approach exerts its full influence over both the operations of the System, and the responses of donors. The impact of the new governance structure on the research agenda will only be realized once the new mechanisms are in place and functioning. Other reasons for the gradual realization of the potential of the matrix include the time that will be required to elaborate the content of the program areas, the time required to bring on stream the management systems for operating programs, and the long decision cycle in most donor agencies.

At some future point, when the matrix approach is functioning fully, the CGIAR might be viewed as funding a set of programs, and franchising the implementation of these programs to a select set of centers to which it provides essential core support and oversight. The CGIAR reviews would increasingly focus on effectiveness in implementing programs, with decreasing attention to details of center management. The terms of the franchises, and the institutions receiving them would be adjusted over time in response to performance and to the changing needs of the research agenda. In addition to the franchised centers, the action units of the system would include operating programs, themselves made up of centers and/or other institutions, principally national institutions in developing countries. These changes have obvious and important implications for the freedom of action of the centers, and generally for the relationships between the CGIAR and the centers which will occur by degrees over time.

The Panel recommends that the CGIAR gradually move towards a program-based operating system, with a select number of centers as franchised institutions.

Managing System-wide Initiatives

While a large share of the research falling within program areas will continue to be managed in the traditional way by individual centers, it seems clear that there will be an increasing role in the future for what the Panel has called "operating programs," which are included in what TAC calls "systemwide initiatives." There is little experience so far with the management of CGIAR financed programs linking several centers and/or other institutions, but what experience there is suggests that the complex nature of such programs will require ingenious approaches to avoid inefficiency and high costs. In addition, new methods of monitoring and evaluation will be required for such programs, which will not be covered adequately by a monitoring system focussed on centers.

Various models of management include the use of a lead or convening center with an explicit division of labor among participants, collective management through a committee, management by a single center (or by an entity established principally for that purpose) with other participants in subordinate roles, or some variation of a network approach. No single management formula will apply to all cases, but in each case there needs to be clear responsibility for program leadership and accountability for program performance.

Issues that need to be resolved in choosing and applying management models include:

- means for ensuring all participants, centers and others, that their needs are considered on an equal basis with those of the managing entity;
- evaluating the costs of collaboration in programs, and the means for ensuring that the partners are compensated for costs except those they agree to meet themselves;
- identifying relatively low cost methods of conducting effective collaboration within programs; and,
- creating incentive systems encouraging participating researchers to value the total enterprise above their personal interests or those of their own organization.

The governance and management of programs involving several partners will present a fresh challenge to the System and one which may have various answers. The Panel recommends that:

- a. **there should be clear leadership responsibility and accountability for each program, in most cases through a lead center;**
- b. **proposals for program management and coordination should come from the lead institution(s), and should be appraised by TAC and the CGIAR Secretariat before approval for funding beyond an initial phase; and,**
- c. **once a program is in full operation, it should be subjected to external monitoring and review of its scientific and management aspects as well as relevance and impact, through processes devised by TAC and the CGIAR Secretariat.**

The appraisal recommended in (b), above, is to ensure that the program coordination and management mechanisms proposed are sound. Such an appraisal could lead to modification of proposals before they are submitted to the CGIAR for consideration.

Centers

The shift to a program focus in funding will have significant but presently uncertain implications for center management of research, and for the roles of boards and their program committees. New ways of operating the CGIAR System will place new demands and constraints on centers and may, in some cases, reduce center autonomy.

In particular, these changes will require center boards to build new strengths. In addition to their overall responsibility for the operations of the centers, some boards may be assigned the added responsibility to oversee the execution of CGIAR programs. This, when coupled with the likelihood that a shift in the direction of programs within the CGIAR could lead to a reduction in the emphasis the System gives to institutional evaluations of centers, elevates the pressures on each board to strengthen its capacity to handle the new and the old tasks expected of them.

The boards have been singled out in the comment above both because they are the highest authority in the responsibility chain, and because some donors feel that CGIAR boards, in general, need to improve the performance of their current duties. The center directors will naturally be expected to continue providing leadership to their centers, and some also to the CGIAR programs for which their center has the management or coordination responsibility.

Action to strengthen the boards should remain on the agenda of the Oversight Committee, and any future successor. Specific lines of action could include greater attention to the selection of CGIAR nominees on boards, improvement of the ability of the Candidate Information Service to evaluate board potential of individuals, a more effective effort to inform new board members of what the CGIAR expects from them, increased opportunities for board members from different centers to exchange experiences, and more initiative taken to keep all board members, not just directors general and board chairs, informed about CGIAR business.

The Panel **recommends** greater efforts to find quality board members and provide them with the information and other support needed to perform their critical responsibilities.

Center boards, almost half of the membership of which are nationals of developing countries, are also places where developing country inputs can be brought to bear more effectively on the CGIAR at its cutting edge. What is involved is some change in the approach taken by boards to their responsibilities, and more care in the selection of members. The Panel does not agree with the suggestion that developing country governments or institutions should have increased formal representation on boards, beyond the host country representation which is typically the norm. A step of this kind could change the nature of the centers for the worse, by introducing political concerns into management.

The Panel **recommends** that center boards redouble their efforts to serve as vehicles through which developing country concerns are considered in decision-making about center research programs.

Aside from board participation, the breadth and quality of center interaction with developing country research institutions and with developing country governments warrants attention over coming years. Among the aspects to be addressed, in addition to diffusion of research results through application by NARS, are: the possibilities of devolution of functions to NARS (either with or without funding); collaboration in joint programs; and systematic consultation in the process of priority setting by centers. The issue of how to organize efficient liaison between a group of CGIAR centers and a particular national system, also needs to be addressed vigorously.

Enhancing Effectiveness and Impact

Future support for the CGIAR and its centers will depend on the ability of the centers to demonstrate their effectiveness and impact. The imperative is one of survival for the centers and credibility for the system.

For present purposes, **effectiveness** is defined as the ability of the system to produce relevant information and technology (high quality outputs) in a timely and cost-effective way (efficiency or value for money). **Impact**, on the other hand, is measured by the uptake, use and desirable **outcome** of the products of research on production, poverty alleviation and other development objectives. Outputs can be specified and measured as they occur; impact is often assessed at a different location and time.

Effectiveness is very much under the control of the CGIAR and its centers, while **impact** is more dependent on external factors, i.e., those outside its direct control. However, the CGIAR will increasingly need to understand and influence these external processes and to demonstrate its effectiveness in order to sustain its leading position and international standing. The CGIAR system should, therefore:

- continue to strengthen its skills in policy formulation, and its understanding of social concerns and of development issues and problems;
- represent itself at international debates and be responsive to international concerns and plans of action;
- develop its skills in the fields of dissemination and its partnerships in the processes of

problem analysis, demand identification, adaptation, uptake and impact; and,

- develop credible output and performance measures and evaluation systems.

There is a considerable amount of literature available within the CGIAR and elsewhere on factors which influence the effectiveness and impact of research. Clear identification of beneficiaries and their involvement in research planning and implementation; establishing well-articulated objectives on researchable problems; employing an interdisciplinary approach; effective dissemination of results in an accessible format; purposeful partnerships; and efficient resource management are the most common conclusions of most of the analyses.

The current system of External Program and Management Reviews, together with the quality controlling and priority setting functions of TAC, and the organizational and financial scrutiny of the Secretariat have served the CGIAR well. They have been responsive to the changing and sometimes divergent needs of the CGIAR. They have sustained "confidence" within the donor community, but the system is orientated towards Center-based activities.

The movement toward operating programs that may involve several centers and other partners will require a somewhat different system of direction, efficiency assurance and impact assessment. It also provides an opportunity to review the roles, division of labor and responsibilities between players in the CGIAR.

It will be in the Centers' interest to demonstrate their effectiveness and efficiency in the use of resources and in sustaining their comparative advantage by working with their partners. It is in the Donors' interest to demonstrate that the system makes effective use of its resources and that it has a positive impact on development processes. The CGIAR system will need, therefore, to take a greater interest in the design and implementation of programs, dissemination and uptake of outputs and evaluation of the impact of the products of the system. The system's instruments for monitoring and evaluation should reduce their involvement with the internal management of the Centers and judge them by results. There have been periodic evaluations of the impact of the CGIAR's activities but these have tended to be 'ad hoc' and system-driven.

Should there be CGIAR-wide output measures and performance indicators? Experience elsewhere casts doubt on the value of such, as both the outputs and hence the indicators will vary with the program, center and activity.

The panel recommends the mounting of a systemwide effort, with inputs from TAC, the CGIAR Secretariat and the centers, to develop systematic and continuous processes for impact assessment, to supplement existing processes for:

- ensuring relevance of CGIAR activities;
- output measures and performance indicators;
- performance incentives;
- monitoring programs; and,
- conducting ex-post evaluations

for discussion and endorsement by the CGIAR.

Partnerships

The move towards demand-led programs to address development issues, and the need to identify clear objectives, involve beneficiaries in the design and implementation of research as well as the adaptation and uptake of results and technology, makes it even more important for the CGIAR at all levels, and particularly the centers to identify and work with 'partners'.

Partnership should be seen as a means for improved effectiveness and impact, and not an end in itself. Partnerships should be purposeful or demand-led and based on the relative comparative advantages of the partners - namely who does what best and most efficiently.

Partnerships could be a tool to improve the relevance and ownership of research activities; facilitate dissemination, uptake and hence impact of the results; enhance participation; develop constituencies; increase efficiency in the use of resources; spread or minimize risk, and strengthen the continuum between strategic, applied and adaptive research. Partnerships can also help strengthen NARS and avoid duplication.

The centers form partnerships with a wide range of bodies: other centers, developed and developing country research institutions, universities, non-governmental organizations, UN bodies and the private and commercial sectors. However, in forming consortia or collaborative links, it is necessary for the centers and the CGIAR to ensure that there are clear objectives and responsibilities, and that intellectual property issues are considered and clarified at the outset.

The Panel **recommends** that CGIAR provide incentives for the formation of productive partnerships - including those among CGIAR centers - and ensure that funding systems are adjusted to facilitate these collaborative modes of working. Consortia and partnerships need to be built on the win-win principle, and must avoid the danger of forming introverted 'cartels'. The objective must be for the CGIAR to become more extrovert in its mode of operation and accountable to a wider constituency through partnerships.

V. FUNDING THE CGIAR RESEARCH AGENDA

The scope of work given the Panel in the area of finance was limited to: financing structure and mechanisms for the CGIAR, with a focus on multi-year funding arrangements and negotiation processes. It is appropriate that the Panel's role in relation to finance be limited, given the large number of bodies and agencies addressing this topic. Nevertheless, with the objective of helping to promote greater predictability and stability of funding, and a better match between the research agenda and funds supporting it, the Panel decided to consider a broad range of finance issues and possible solutions.

The Nature of the Challenge

In a context of increasing difficulties faced to obtain ODA funds for research, and particularly for agricultural research, in recent years the CGIAR has experienced a decline in total funding for its core programs, which has made it even more difficult to live with the inherent weaknesses of its pattern of

funding:

- Much of it, and virtually all of the most valuable unrestricted part, is provided on a year-by-year basis, with decisions made very close to and even after the actual use of funds, creating great vulnerability to last minute reductions;
- Practices and constraints vary widely among donors, creating management complexities which are compounded by changes in these practices by individual donors with little notice;
- Late disbursement creates cash-flow problems; and,
- Increased funding restricted to specific projects/programs, combined in some cases with reluctance to include reasonable overhead in project costs, distorts programs away from approved priorities.

There has been considerable damage to center programs and center capacity resulting both from the decline in funding and the manner in which it occurred. At this point, however, there is no cash or other looming financial crisis in the CGIAR as a whole. The generous, extraordinary contributions received and expected from the World Bank and other donors, combined with careful management by centers, will prevent such a crisis occurring in 1994 and 1995. The Panel's task is to address the situation from 1996 onwards.

The Panel has examined a number of options, including those offered by other CGIAR bodies, notably the Public Awareness and Resources Committee (PARC) of the CDC and the CGIAR Finance Committee, but has not been able to identify simple and straightforward solutions to the financial problems. There are, however, a set of interconnected measures drawn in part from the same sources, which together offer some hope of putting CGIAR finances on a more stable footing. These measures flow from the initial assumption of the Panel that the principal source of funding for the CGIAR system will be ODA for the immediate future. They include an additional assumption, which is both practical and realistic, of continued donor autonomy with no effort to create treaty obligations that might produce collective multi-year or pooled funding.

The essential elements of this approach are:

- o enhanced efforts at public awareness and fundraising,
- o the definition, presentation and approval of the CGIAR research agenda in the matrix formulation,
- o a concerted process of negotiating funding commitments from donors to the CGIAR system in the context of the agreed matrix, and
- o the pursuit of non-conventional funding sources.

Awareness Creation and Fund Raising

Increasing the public's awareness of the importance of international agricultural research and intensifying efforts to raise funds are key to the improvement of the financial health of the CGIAR. The ongoing work aimed at awareness has the purpose, among others, of laying the basis for a renewed commitment by donors to the CGIAR, based on the System's accomplishments and potential. This should provide privileged access to development assistance resources through the present difficult period and beyond. The Panel encourages major and sustained efforts in this area.

Intensification of fund raising activities is showing some success, notably the appeals of the Chairman of the CGIAR and the co-sponsors to the management levels of aid agencies in the spring of 1994, which is to be followed up at the high level meeting in February 1995. These moves must be accompanied by the continued efforts of all stakeholders of the CGIAR, and in particular PARC, to draw attention of the management level in donor agencies to the significance of the CG system.

Presenting the Funding Requirements of the CGIAR Research Agenda

The Panel is enthusiastic about the matrix planning, budgeting and financing framework proposed by the CGIAR Chairman and approved at MTM94 and further refined in the intervening months. The transparency and clarity of financing arrangements that the matrix scheme engenders is an essential ingredient of the proposed new financing arrangements.

Under this scheme, the research agenda selected for CGIAR support would be presented in the matrix form with centers (and other performers such as operating programs) on one axis, and program areas on the other. The third dimension of the matrix would be time, starting with the current year and progressing by years into the future as far as rational planning of program areas would permit. Separate sets of matrices could be prepared for each donor.

This format would present a clear statement of need in relation to goals. As presented to the donors, it would embody the inputs of centers, the recommendations of TAC and the Finance Committee, the comments of the Global Forum (if that proposal is adopted) and the endorsement of the CGIAR itself.

Donors would be invited to choose within the matrix how their funds would flow:

- Some might choose to join the World Bank in providing funds to be attributed to those areas of the matrix not otherwise funded.
- Donors could continue to provide unrestricted funding to one or more centers. A substantial amount of such funding is essential so long as the centers continue to be a major instrument of CGIAR action.
- Some donors would be attracted by a program area, and provide funding either for the entire column with that heading, or for one or more specific centers or operating programs within the program area. This opportunity is expected to open possibilities for funding from new donors and new sources within existing donors, and may provide an

alternative for donors unable to keep up past levels of unrestricted support because of changes in policy.

- Donors might in addition, commit funds restricted to projects falling in one or more cells, which would thus be considered part of the research agenda. In this way, the CGIAR could tap funding sources not available for the broader purposes listed above. Project donors would be expected to provide for the appropriate level of overhead within project budgets to avoid a situation in which funds from one donor subsidize the project supported by another. They would not, however, be expected necessarily to contribute unrestricted center or program area funding. Centers would be expected not to accept funds that may be offered for activities falling outside of the CGIAR research agenda.

To serve its fundraising purpose, and to attract multi-year commitments, the matrix will need to cover several calendar years. Even for effective annual commitments a span of several years is needed to give donors time to make the decisions required and provide funds in timely fashion. At the same time, the matrix needs to be adjustable as the research agenda changes. The requirements of being reliable over time yet being flexible are not easy to combine, and will challenge in particular the centers and TAC.

The matrix would need to be spelled out very soon in order to fit into the timetable set for the end of the transition period, and implementation of new structures and processes on January 1, 1996. An initial version of the matrix with some detail will be needed early in 1995 for initial negotiations with donors. Managing the matrix approach over time should be discussed by the Group at MTM95. Centers will need early guidance in order to make an adequate presentation to TAC of their 1996 funding needs in the new framework in time for TAC to provide its recommendations at ICW95.

The Panel cautions that too rapid a shift to programs and program funding could jeopardize the operations of the centers, particularly if such shifts threaten the core skills and capacity a center would need to carry out high quality, long-term research.

Negotiating Funding Commitments

One premise underpinning the Panel's proposals is that securing multi-year funding for the system is a viable goal. However, not all donors are in a position to provide multi-year funding in the short run because of internal financial regulations or policies; others may do so at different times and for different periods. Hence, the new financing arrangements should encourage multi-year commitments from all donors, but tolerate annual financing procedures and varying forms and durations of commitments.

The Panel believes that leadership in negotiating funding commitments should come from the CGIAR Chair and the Finance Committee, with support from the CGIAR Secretariat and PARC.

The goals of the negotiation process would be:

- To secure a commitment in principle—actually in most cases a renewed commitment—from as many donors as possible to long-term support of the CGIAR. In making such a commitment, donors would agree to participate from time to time in collective negotiations on how to meet the funding requirements of the agreed CGIAR research

agenda. (This commitment should be obtained from as many donors as possible at the high level meeting in February 1995.)

- To secure a multi-year commitment to provide funds to programs and centers under the matrix approach.
- Where a multi-year commitment is not immediately possible, or might result in a reduction in the level of support, to secure the greatest degree possible of commitment to repeated annual contributions made in consideration of the requirements of the CGIAR research agenda.
- Where a donor has funds that are not available for general CGIAR purposes, but could be used under the applicable donor criteria for part of the CGIAR research agenda, a commitment to facilitate the granting of such funds on a restricted or project basis. This approach reflects the actual practice of several donors, and corresponds to some forms of "co-financing" used in World Bank-led collaborative undertakings (where the project meets common goals, but is managed under its own procedures by the donor). Actual negotiation of individual restricted grants is undertaken by the center or operating program involved.

Additional goals would be early decisions, timely disbursement, acceptance of overhead within restricted funding, and removal of onerous reporting requirements.

The Panel recognizes that to achieve these goals with a large number of donors may require an iterative process possibly lasting a year or more, and then repeated to keep commitments strong or as requirements change. While the specific steps and the order of carrying them out should be determined by the Finance Committee, the process might include:

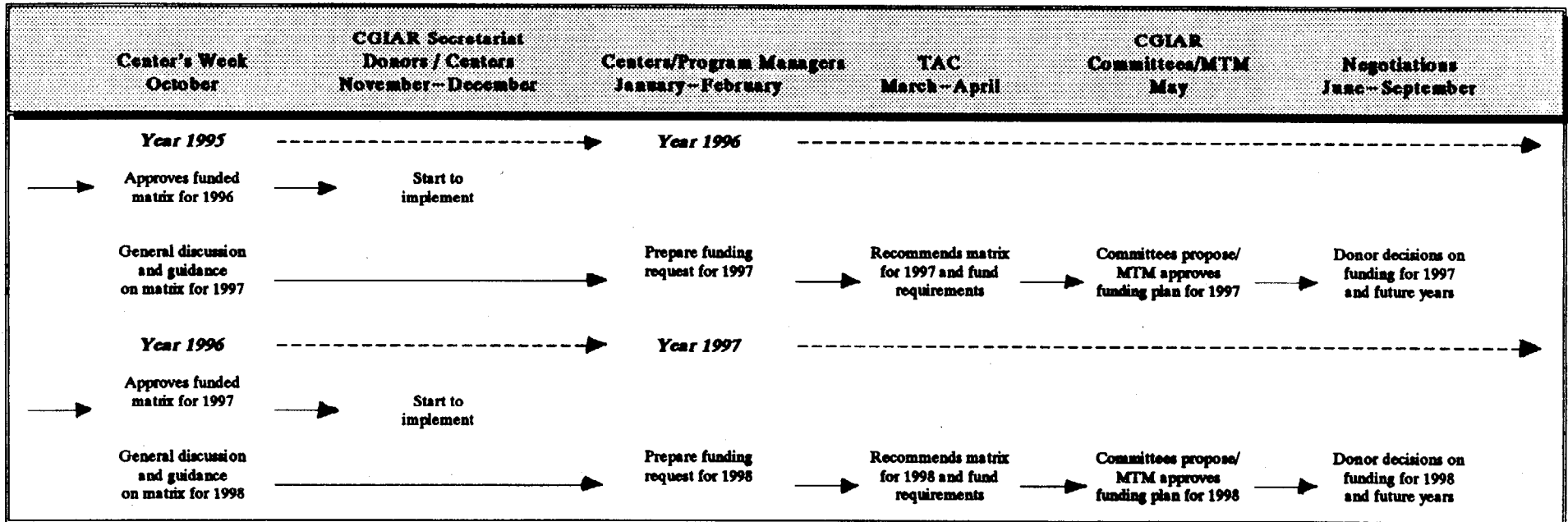
- Careful study of the objectives and procedures of each major donor so that proposals can be tailored accordingly.
- Meetings of all committed donors, so that they can encourage each other.
- Discussions with like-minded donors in smaller groups, i.e. Scandinavian or European donors, multilateral development banks, foundations, or donors with special interest in a specific issue such as the environment, germplasm or public policy.
- Periodic involvement of agency top managers in the decision process.

At each stage in the negotiation process, the matrix and information about the degree to which the research agenda is already funded will be key elements.

Exactly what is proposed may be easier to grasp by reference to the attached chart (Figure 1) showing the process through its various stages, as now envisaged, with the caveat that many details remain to be determined in consultation with all of the actors involved. In the chart the matrix for the year 1997 has been chosen arbitrarily to illustrate the principles.

- The process would start at Centers Week in the year 1995 with a preliminary discussion in the presence of all of the centers of the guidelines for the research agenda for 1997,

Figure 1. Possible Sequencing of Finance Actions



i.e. the year after the coming one. (Note that each matrix would be multiyear in its coverage, although the future years might be less completely covered than the first one.)

- Although not shown on Figure 1, the Global Forum would consider the CGIAR research agenda expressed in the matrix at each of its biennial meetings. At the same time, the discussion of Centers Week would be informed by the findings of the Global Forum.
- In the early part of 1996, guided by the outcome of the Centers Week discussion, the centers, and the managers of inter-center programs would prepare funding requests for 1997. Soon thereafter, TAC would consider these requests and propose a matrix for 1997 accompanied by funding requirements.
- At MTM 1996, TAC's draft of the research agenda and its requirements would be considered by the Finance Committee. The MTM itself would then review and approve TAC's recommendations and the tentative financing plan proposed by the Committee.
- In the following months, negotiations would be held with donors on funding the agenda so that it could be submitted to the Group for final approval at ICW 1996 with funding commitments well defined.
- Having approved a funded agenda for the coming year, the Group still at ICW 1996, would proceed to the preliminary discussion of the next iteration of the research agenda, starting the first stage of the cycle for the year 1998.

The Panel recommends refinement and adoption of a planning and funding cycle along the above lines under the leadership of the CGIAR Steering Committee. If the content of the research agenda is worthy, which the Panel is confident will be the case, this approach should offer a path toward more stable and predictable funding of a research agenda which is technically sound and responsive to donor priorities.

Other Funding Sources

We understand that the study conducted by the Downes-Ryan Group for PARC and the Finance Committee confirms that major replacement of ODA with other funding sources in the short run does not appear to be feasible. The Panel believes, however, that it is nevertheless worthwhile pursuing non-conventional sources of funding, both to secure additional resources and to widen general knowledge of and support for the CGIAR System. As possible mechanisms to be considered along with others, the Panel would like to suggest:

- admitting to membership countries that can only pay a small member fee, but would be willing to pool their contributions to meet minimum CGIAR membership fee (as noted in Chapter 3), and
- the establishment of a foundation to receive non-conventional contributions (e.g., from private firms) and which could be a regular member of the CGIAR.

SOME ISSUES INVOLVED IN ESTABLISHING THE CGIAR AS AN INTERNATIONAL ORGANIZATION

**A Background Note Prepared for
the CGIAR Study Panel on Governance and Finance**

**by Louis Forget
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Introduction

The view has been expressed from time to time that the CGIAR should gradually change itself into an international organization. As the CGIAR is an informal group which functions in a collegial manner, formalizing its status would constitute a major change in the nature of the system and the manner in which it operates, and would raise a number of issues which would need to be carefully considered. This note briefly discusses some of the main issues involved. Should the group decide to move in this direction, further work would need to be done before the draft charter of an international organization could be presented to the Group for consideration.

The note deals successively with the purposes of establishing an international organization, the scope of its mandate, issues relating to its membership, and its governing organs and decision-making processes.

Purposes

The first issue to consider would be the purposes of the new entity, i.e. what function it would serve. Among the reasons to establish an international organization, and the functions it could be entrusted with, the following have been mentioned:

1. To provide a mechanism under which the decisions of the CGIAR may be implemented.

Comment: It has been stated that the CGIAR lacks a mechanism to implement its own decisions, and that it has to rely on other entities to implement them. The Secretariat is responsible for the implementation of the decisions of the CGIAR. In most cases, it discharges this function directly. In the case of certain types of decisions, the CGIAR appoints another organization to implement a particular decision. For example, it has relied on various members to act as "executing agency" to implement its decisions to establish new research centers. The fact that the Secretariat does not enjoy legal personality has led it to rely on the World Bank for support. This may at times be a source of confusion or inefficiency. Nevertheless, it does not seem to have prevented the CGIAR from having its decisions implemented.

2. To provide an independent entity to allow the functions now carried out by the Executive Secretary and his staff to be discharged independently of the World Bank or any other international organization.

Comment: The World Bank provides many services to the Executive Secretary and his staff in addition to funding the operations of the Secretariat. For example it provides the legal basis for the hiring of the Secretariat staff, and provides the staff with pension and other benefits. The Bank also acts as trustee for a number of trust funds used by the donors to channel their contributions to the CGIAR. Should the Secretariat be separated from the World Bank, there would be need to provide the Secretariat with a legal basis for its operations. This could be another existing international organization, or the legal basis could be provided by establishing a new organization. However, since there is no plan to change the present arrangements regarding the CGIAR Secretariat, there is no need to consider establishing a new international organization for this purpose.

3. To be the one voice through which the CGIAR speaks on international agricultural research issues.

Comment: As the issues related to international agricultural research have become more and more complex, and as the CGIAR has become one of the most important components of world agricultural research, it has been stated that the CGIAR should speak with one unified and authoritative voice on the international scene, and that this process would be facilitated by the establishment of the CGIAR as an international organization. Although the CGIAR is an informal group, the Chairman has found it possible to use his position to state the views of the CGIAR internationally. A recent example is the Chairman's statement on plant genetic resources issued at the meeting of the Intergovernmental Committee on the Convention on Biological Diversity in Nairobi in June 1994. It is not clear what would be gained in this respect if, instead of being the Chairman of an informal group, the Chairman was the chief executive of an international organization. The Chairman's authority to speak on behalf of the Group is a function of the consultation and consensus building mechanisms that are used to define the CGIAR's position on the major issues of international agricultural research, and does not depend on the existence of the CGIAR as an international organization.

4. To allow the CGIAR to enter into agreements with other international bodies.

Comment: This function has received considerable attention recently, as work progressed on the agreement with FAO placing the germplasm collections held by the centers under the auspices of FAO's Commission on Plant Genetic Resources. The draft was negotiated on the basis of each center signing a separate but identical agreement. Attempts to modify the agreement so that it could be signed as one instrument by all centers were not successful. This was mostly due to the late nature of the requested change, after the Commission on Plant Genetic Resources and the FAO Governing Council has already approved the original draft. It was not because it was inherently impossible to devise such an agreement. With respect to future agreements of the same type, if it is desired that only one instrument be signed by all the centers, this feature could be incorporated in the first draft.

In any event, the chief executive of an international organization can only act on behalf of his own organization. If, for example, the new international organization did not incorporate the research centers, the chief executive of the new organization could not act on behalf of the centers except to the extent he was authorized to do so by the centers, a situation which is not substantially different from the present one.

It should also be mentioned that as long as the principles of donor independence and center autonomy are maintained, there are certain functions that the CGIAR would not be in a position to undertake, even if established as an international organization. One would be to obligate the donors to provide more funds than they are willing to commit voluntarily; another would be to govern the centers.

Scope of the Organization

As was implied in the foregoing discussion, there would be a range of options as to the scope of the mandate to be entrusted to the organization.

At one extreme, one could consider an organization whose purpose would be to take over all the tasks now performed by the various entities which make up the CGIAR, including TAC and the research centers. Such an organization would obtain the funds necessary to carry out an agreed research program, and would carry it out. Under this option, the research centers would be absorbed into the new organization and would lose their independent legal status. TAC would become an advisory body to the governing organs of the new organization. It would be open to discussion what role, if any, would be played by the co-sponsors in such an organization.

A less extreme option would be to give to the new entity all the functions now exercised in the CGIAR except that of carrying out actual research, which would continue to be done by legally separate research centers. The new organization would decide on a work program, secure funding for it, and ensure that the centers carry out the work programs. In this case, the relations between the new organizations and the centers would need to be defined. Various possibilities could be examined, from one in which the new organization directs the centers to carry out their respective part of the agreed work program, to a more consensual approach, under which the new organization would enter into contracts with each center.

Membership

The informal nature of the CGIAR has helped it integrate non-States, such as philanthropic foundations and national research institutions into its membership. Formalization of the CGIAR structure would highlight the different nature of some of its members. International organizations are normally composed of States. Integrating international organizations into the membership would not present difficult problems, as there are examples of international organizations which have States and international organizations as members. Integrating private foundations would be more difficult.

It should be noted that the model offered by the research centers, which are not "membership organizations" is likely not to be suitable for the CGIAR itself, as many countries involved would probably prefer that, if the CGIAR is established as an international organization, the model used is the traditional one of a "membership" organization, in which countries become members of the organizations and govern its affairs.

One question that would need to be addressed is whether the organization would be "universal," i.e., for example, open to all UN, Bank and FAO member countries, or whether membership would be limited to donors. If membership were to be limited to donor countries, the threshold contribution would need to be defined, as well as a mechanism to eliminate donors whose contributions fall below a certain level. If membership was not universal, the question of the representation of developing countries would arise. The current system of selection of representatives from developing countries, which is already raising concerns on other grounds, may not be acceptable to the developing countries in a formally established organization.

Organs and Decision-Making

Most international organizations have three organs: a plenary universal body in which all members are directly represented, a restricted body and a chief executive (in this respect as well, the research centers, most of which are governed by board of trustees, are unusual). It would be expected that, given the mandate of the new organization, the States involved in its establishment would want it to have a plenary body in which all member States are represented. It should be noted, however, that it is not necessary to establish an international organization to increase the voice of the developing countries in the CGIAR. This can be accomplished within the present informal structure. Conversely, establishing an international organization would not by itself increase the voice of the developing countries.

Whether membership is universal or limited to donors, difficult questions would arise in the definition of the rules for decision-making in the new organization. While many recent international instruments, such as the restructured GEF, emphasize the desire for decisions to be taken by consensus whenever possible, there is a need to provide formal rules for decision-making which come into play when the organ fails to reach consensus. These rules deal with the voting power of members and the majority of votes required for proposals to be approved.

Conclusion

Establishing the CGIAR as an international organization would have profound impact on the nature of the CGIAR and the manner in which it operates. In particular, it would undermine the informality and collegiality which have characterized the system so far, and whose importance has been recently reaffirmed. Whether the advantages that would result would be greater than the disadvantages would be for the members of the CGIAR to determine. The forgoing discussion would seem to indicate that this would not be the case.

It may be also noted that the participation of a country in the establishment of an international organization such as the CGIAR is an act that would involve many parties in addition to the ministry or agency responsible for CGIAR affairs, such as the ministry of foreign affairs, the office of the head of State or of government, and possibly the legislature. These other parties would be expected to ensure that the proposed establishment is consistent with the country's overall policies regarding international organizations, in terms of structure, voting power, governing organs, etc. In this context, it may be noted that over the last few years, many countries have expressed the view that the trend towards an even greater number of international organizations should be curtailed and have raised objections to the establishment of new ones submitted to them for their consideration. While it would be expected that decisions to establish the CGIAR as an international organization would only be taken after due consideration, the reluctance of many countries to engage in such a process would lead to the conclusion that it should be undertaken only if it is clearly demonstrated that no alternative exists to achieve the objectives set for the CGIAR.

September 9, 1994

BIOGRAPHICAL INFORMATION ON THE STUDY TEAM

Panel Members

Klaus Winkel (Panel Chair), of Denmark, is Head of Danida's Department for Evaluation, Research and Documentation, a position he has held since 1986. During his career in the Danish Ministry of Foreign Affairs (which began in 1966), Mr. Winkel has held a variety of appointments, including Deputy Head of Danida's Asia Department and Head of Danida Mission in Tanzania. During 1974-1976, he served as an Economic Adviser to Kenya's Ministry of Finance and Planning. Klaus Winkel received his MA in Economics from the University of Copenhagen.

Andrew Bennett, of the United Kingdom, is the Chief Natural Resources Adviser at the Overseas Development Administration (ODA), UK, a position he has held since 1987. Prior to this position, he was head of UK's Development Division in the Pacific and Natural Resources Adviser to the ODA in Bangkok and in London. He has worked in agricultural research and development in Kenya, the West Indies, Malawi, Nepal, the Sudan, South East Asia and the Pacific. He has a degree in Agricultural Science from the University of Wales, a diploma in Tropical Agriculture from the University of the West Indies, and MSc in Crop Protection from the University of Reading.

Bo Bengtsson, of Sweden, is Professor of International Crop Production Science in the Swedish University of Agricultural Sciences. Prior to joining the University in 1992, Mr. Bengtsson was Director General of the Swedish Agency for Research Cooperation with Developing Countries (SAREC) (1983-91). He received a Diploma in Tropical Agriculture from the University of the West Indies, St. Augustine, Trinidad, his Master of Agriculture from the College of Agriculture, Uppsala, and PhD in Plant Husbandry from Swedish University of Agricultural Sciences, Uppsala. Mr. Bengtsson is currently Chairman of the Board of Trustees of the Center for International Forestry Research (CIFOR).

Donal O'Hare, of Ireland, has been President of O'Hare Associates Incorporated, an international management consulting firm. Prior to establishing this firm in 1988, Mr. O'Hare was in the human resources division of the World Bank, where he designed and led the management development program (1980-87); earlier he was a Manager with Price Waterhouse and Associates, international management consultants in Europe. Mr. O'Hare has a BA from the National University of Ireland and MA in Organizational Development from George Washington University.

Susan Pearson, of the United States, is the Partner in charge of Andersen Consulting's Change Management Services practice in the Washington, DC office. Prior to joining Andersen in 1985, Ms. Pearson was a research scientist at Educational Testing Service and a university instructor. Susan Pearson has over 18 years of experience in organization design, human resource development, technology assimilation and instructional design, both domestic and international clients in a variety of industries. She obtained a BS in Psychology, MA in Counseling, and PhD in Education from the University of Maryland.

Martin Piñeiro, of Argentina, is an independent consultant who recently completed two terms as Director General of the Inter-American Institute for Cooperation on Agriculture (IICA), from 1986-93. Prior to that appointment, he was Research Coordinator at the Center for Social Research on State and Management, Argentina and, earlier, was Undersecretary (Vice Minister) of the Secretariat for Agriculture and Livestock in Argentina. Martin Piñeiro received his PhD in Agricultural Economics from the University of California at Davis, MS in Agronomy from Iowa State University, and completed his undergraduate studies in Agronomy at the University of Buenos Aires.

Donald Winkelmann, of the United States, is Director General of the Mexico-based International Maize and Wheat Improvement Center (CIMMYT), a position he has held since 1985. Earlier Mr. Winkelmann was the Director of CIMMYT's Economics Program (1978-85), a Program which he had founded after joining the Center in 1971. Mr. Winkelmann received a BS in Business Administration and MS in Agricultural Economics from the University of Nebraska, and PhD in Economics from the University of Minnesota. In January 1995, Mr. Winkelmann will depart CIMMYT to assume the position of Chair of the CGIAR's Technical Advisory Committee (TAC).

Support Team

Selçuk Özgediz (Panel Secretary), a Turkish national, is Management Adviser in the CGIAR Secretariat. He received his BS in Economics and Statistics from Middle East Technical University (Ankara), MS in Mathematical Statistics, and MA and PhD in Political Science from Michigan State University.

Curtis Farrar, of the United States is Director of Administration and Finance of the International Food Policy Research Institute (IFPRI). Prior to joining IFPRI in 1989, he was the Executive Secretary of the CGIAR. Mr. Farrar has a BA from Yale University in Political Philosophy, and PhD from London University in Economics.

Elizabeth Field, of the United States is a Management Analyst in the CGIAR Secretariat. She received her BA in Political Science from Amherst College, and Masters in Public and Private Management (MPPM) from Yale University.

Louis Forget, of Canada, is Legal Adviser, Policy and General Affairs, in the Legal Department of the World Bank. He holds a first degree in law from the University of Montreal, a Master of Laws (LLM) from the University of Michigan (Ann Arbor), and French State Doctorate in Law from the University of Paris.

Ravi Tadvalkar, an Indian national, is a Senior Financial Officer in the CGIAR Secretariat. He received his BS in Physics, and Masters in Management from the University of Bombay.

LIST OF DOCUMENTS

Selected CGIAR Papers

1. **Chairman's Opening Address, CGIAR Mid-Term Meeting: New Delhi, 1994.**
2. **Summary of Proceedings and Decisions, CGIAR Mid-Term Meeting: New Delhi, 1994.**
3. **CGIAR's Governance and Organization: Is There Need for Change? (Oversight Committee), CGIAR Mid-Term Meeting: New Delhi, 1994.**
4. **Interim Recommendations on Organizational Matters (Oversight Committee), CGIAR Mid-Term Meeting: New Delhi, 1994.**
5. **Comments by V. Chopra on Needs and Expectations of NARS, (excerpt from Verbatim Transcripts of the CGIAR Mid-Term Meeting of May 24, 1994), New Delhi, 1994.**
6. **Towards a NARS Vision on International Agricultural Research, (memo from Abbas Kesseba to Dr. M. Toure), 13 June 1994.**
7. **Towards a CGIAR Financial Strategy - Issues and Options, CGIAR Mid-Term Meeting: New Delhi, 1994.**
8. **Re-engineering the CGIAR Planning, Budgeting and Funding Systems: An Interim Implementation in 1994/1995, CGIAR, June 1994.**
9. **CGIAR Financial Report, CGIAR, July 1994.**
10. **ILRI and System-Wide Programmes, (memo from Geoff Hawtin of IPGRI), 5 July 1994.**
11. **Responses to the Questionnaire Survey on the Work of the CGIAR Oversight Committee, 25 March 1994.**
12. **Sustainable Agriculture for a Food Secure World, A Vision for International Agricultural Research (Panel chaired by Professor Gordon Conway, Vice-Chancellor, Sussex University), July 1994.**

Background Notes Prepared for the Panel

13. **Reflections on Reforming Governance and Management of the CGIAR (S. Özgediz), August 1994.**
14. **Discussion Paper on Developing Countries in the Governance of the CGIAR (C. Farrar), August 1994.**
15. **Profiles of International Entities – Comparators to the CGIAR (L. Field), August 1994.**
16. **New Financing Arrangements for the CGIAR – Issues for Consideration (R. Tadvalkar), August 1994.**
17. **Some Issues Involved in Establishing the CGIAR as an International Organization (L. Forget), August 1994.**