

Towards a CGIAR Resource Mobilization Strategy

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I. INTRODUCTION

At the first CGIAR Consultative Council Meeting, held in Brussels in January 1999, it was noted that "...the system needs a carefully thought out fund raising strategy, including all aspects of philanthropy, which will take into account the overlap between public awareness and fund raising. FC Chairman Alex McCalla was invited to lead the effort to design a fund raising strategy for the system, and develop proposals for a mechanism to plan and coordinate all public awareness activities." This document is intended to contribute to that effort. At its ICW '98 meeting, the Center Directors' Public Awareness and Resources Committee (PARC) constituted a working group¹ tasked with responsibility for developing this paper. The document aims to be a discussion-starter, rather than a fully fleshed out resource mobilization strategy, *per se*. The paper identifies several key components of a fund raising strategy and, more importantly, it raises a number of fundamental resource mobilization issues/questions that, in the view of the task force, will need to be resolved at the highest levels in the CGIAR before an effective strategy can be designed and implemented. We also touch on current corporate CGIAR public awareness activities and their expected relationship to fund raising. Finally, as requested by PARC, some specific ideas are presented for resource mobilization-related initiatives that could be launched in the short term while the overall strategy is being developed (see Appendix I). Several other appendices are included as well which provide details concerning points made in the main body of the paper.

II. WHAT SHOULD A RESOURCE MOBILIZATION STRATEGY ACCOMPLISH?

At first glance, this seems a simple question to answer: it should result in more resources! That is certainly true, but an effective strategy (along with the process of developing it) can achieve more than that, including at least the following:

- A satisfactory level of funding, i.e., sufficient financial resources to meet the reasonable, demand-driven needs of IARC and CGIAR-wide programs;
- A stable level of funding, i.e., relative certainty of funding over time;
- Cultivation of dependable sources of funding, by bringing investors/donors "into the fold" for the long run, in line with the long-term nature of the CGIAR's work;
- Improved quality of funding, i.e., a greater degree of freedom for CGIAR centers to decide how to use funds in supporting their programs;
- Greater diversity in funding sources, not only in terms of a broader base of financial partners, but a truly more diverse set of supporters, including corporate and private foundations and possibly patrons (individual philanthropists) of means and influence;
- Optimization of the investment in fund raising, i.e., not all perceived opportunities can be, nor should be, fully explored and exploited. Cost-effectiveness of specific fund-raising activities needs to be evaluated before undertaking them, as well as periodically as they are pursued.

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Beyond these measures of success, a winning strategy for mobilizing resources will result in agreement and commitment among CGIAR Members and other stakeholders on at least the following key issues/questions:

- First and foremost is a clear delineation of what CGIAR Members and other important potential donors want the developing world to look like 10, 20, or 30 years (or more) into the next millennium, and what the CGIAR's role could be in helping to achieve that vision.
- In order to achieve that better world, what are the priority challenges that the CGIAR will have to undertake, why those challenges and not others, and what will it require - in terms of financial and human resources, as well as social and political will - to achieve success? Related to this is the need to objectively determine the CGIAR's true absorptive capacity for additional financial resources in the short, medium, and long term, as well as a realistic assessment of the system's potential to effect change in developing countries.
- In practical terms, what steps need to be taken to establish a viable, sustainable resource mobilization activity on behalf of the CGIAR and, ultimately, those in the developing world who depend on us?
- Are the current CGIAR Members prepared to consider significant growth in the activities of the Centers (assuming the financial resources can be found to support these) - even if it means significant changes in membership, decision-making processes, and perhaps the very nature of the System? (I.e., we will assume that the System will remain true to its mission and the "agreed agenda", but bringing in a number of new donors, e.g., from the corporate sector and/or individual philanthropists, will almost certainly change the personality and dynamics of the CGIAR.)
- How do we organize ourselves to address the urgent need for development, storage, maintenance, and dissemination of high quality information on sources of funding, both existing and potential?
- How do we more effectively link resource mobilization efforts with general and targeted public awareness activities?
- Who are the primary actors in the resource mobilization arena and what should be their responsibilities, both in general terms and with respect to specific mobilization activities? What should be the role of the Chairman, the CGIAR Secretariat, the Finance Committee (and perhaps other CGIAR Committees), the Center Directors, the Center Board Chairs (and the bodies they represent), PARC, IFAR, Future Harvest, the CG Resource Mobilization Network and Public Awareness Association, not to mention individual Center staff in charge of day-to-day operations?

It is beyond the scope of this paper to attempt to answer these essential questions. However, even as we strive to maintain the commitments of our existing financial partners, we must at least increase efforts to identify new potential sources of funding. Beyond that, to be successful with an expanded effort, we must create a very compelling case that will draw new supporters and resources to our cause. And we must clearly allocate responsibilities among various "players" in the CGIAR in order to bring about the efficient and sustainable implementation of resource mobilization efforts.

III. MAKING THE CASE FOR NEW SUPPORT TO THE CGIAR

A. Envisioning the world we want

It is assumed here that the objective of a scaled-up resource mobilization strategy would be a *major* increase in support to international agricultural research and technology transfer efforts (as opposed to incremental increases to offset inflation, fill funding gaps, or allow for modest growth). The essential first step towards attracting significant new funding from donors – both within and outside our current circle of supporters – will be to engage in a collective visioning or scenario planning process to develop a clear image of the world we want to bequeath to future generations. *The visioning initiative should precede any intensive discussion of tactics.* There is a strong tendency inherent in the CGIAR culture to “leap to action”, but in this instance, the task force strongly urges a stepwise approach. Having said that, there are some activities that can be pursued in the near term that either can help lay the foundation for a collective visioning *process* and/or potentially contribute different perspectives to the system’s vision (see Appendix I).

Such a visioning process would aim to elicit the highest aspirations for the future from a community of people with the financial means to bring this future about. And it would aim to collectively frame the vision in the most positive, evocative terms possible, to create a shared idea of the future we want to *move towards* – as opposed to the threats we want to move away from. Who would take part in this “vision quest”? Certainly all the current Members of the CGIAR. But we should also take advantage of the opportunity to widen the circle to a broader community, allowing potential donors to join the dialogue, see their hopes for the future woven into the picture, and build in their ownership from the very beginning.

This process would complement, but be rather different from, the traditional planning and priority setting exercises the CG is accustomed to. Why stray from our tried and true practices? The CGIAR’s current incremental approach to institutional evolution is perfectly valid, except that it lacks the ability to motivate new partners to enlist in the cause at the levels we seek. Analysis and workplans inspire confidence, but they do not typically inspire passion – and we will need to connect to new donors through their hearts as well as their minds. In other words, the CGIAR needs to be effective in connecting with new donors on issues that they find compelling. Moreover, the proposed highly participatory approach to developing the vision also results in a switching of roles. Donors who buy into the vision (because they have helped construct it) would be inclined to approach the CGIAR and its IARCs as the institutions most capable of delivering on the vision. This is in sharp contrast to the status quo, in which we usually find ourselves pushing our messages and imploring the world to recognize the need for our work. Under the proposed process, the role of the IARCs and their partners would be to act as implementing bodies to help make the vision a reality, insofar as the vision may call for new knowledge, technologies, systems, and policies that promise food for all, increased incomes for farmers and consumers, and a bountiful environment for generations to come.

To actually carry out this kind of visioning initiative will require a certain amount of background preparation – it is not something that can be done on the spur of the moment, with whomever happens to be sitting at the table. Ideally, the exercise would be professionally facilitated to ensure a truly dynamic process involving all participants. In terms of the work leading up to such an event, Appendix II describes one approach to identifying potential participants (beyond current CGIAR Members) and bringing them on board. The Appendix

describes at length a series of proposed steps in a CGIAR major gifts campaign in the philanthropic sector, but phases 1-4 of that process (which culminate in a high-level stakeholders' meeting - see pages 19-21) would be just as effective for bringing about a "CGIAR-plus others" vision summit.

B. Determining the CGIAR's agenda

It would be inappropriate to jump ahead of the process just described to define the System's vision of a better world in the next century. However, the recently adopted mission statement of the CGIAR, with its references to contributing to the eradication of poverty, enhancing the environment, and ensuring food security for the poor in developing countries, provides important insights into what the Members feel the world should look like 25-50 years hence.

Surely the CGIAR envisions a world in which the crushing poverty affecting over a billion people today has been largely overcome, a world in which our soils, fresh water, oceans and atmosphere are no longer threatened by the activities we pursue in order to survive, a world in which - simply stated - there is enough food and fiber for all, and all have access to what they need to develop to their fullest potential as human beings. It is difficult to argue with this kind of vision, but easy to disagree on the means by which it is to be achieved. Once the overall vision is articulated - providing a context for action - the CGIAR would then need to derive a compelling agenda for future work, one that a wide array of stakeholders can buy into.

This next step should involve "blue-sky" thinking about the optimal size and scope of international agricultural research and technology development. Rather than starting from a predetermined funding envelope and deciding which activities would be undertaken, here we would identify the important, innovative and high-impact work that could be carried out by the IARCs and their partners, and then look at the cost implications. As one colleague has observed, "If we really took the CGIAR mission seriously, we would ask first what additional activities need to be pursued, and then address the question of how to mobilize the extra resources required." (This is *not* to say that, in the end, all activities so identified would be carried out by an expanded CGIAR - but at least we would have a clearer idea of what work to choose from.)

In the process of determining the system's long-term agenda, there will be a need to:

- Identify long-term agricultural research needs relevant to improving the circumstances of small farmers, rural and urban poor people, and for the economic growth of developing countries;
- Identify among these, which need to be addressed by public research, taking into account the current and probable future undertakings of the private sector relevant to developing countries;
- Identify among these, which need to be addressed internationally, taking into account what is/will be undertaken at the national level;
- Identify among these, which should be addressed by the CGIAR (by IARCs alone, or in concert with NARSs, NGOs, the private sector, farmers' groups, etc.).

Answering these questions will require CGIAR stakeholders to actively consider and decide on at least the following issues:

- Whether the CGIAR should maintain its existing focus on agriculture, livestock, forestry, and fisheries, or broaden its mandate to include other areas of agricultural research, such as vegetables, vector research (soils, fertilizers, entomology, etc. – beyond the work already being done in the IARCs) and possibly others;
- Whether, within the existing program focus, shifts of emphasis are needed, such as towards water management, fisheries, and more global undertakings;
- Whether all centers have reached or are close to reaching their full potential or, alternatively, if growth is needed to reach it;²
- Whether reorganization of at least some existing centers should be undertaken; and
- What kind of organization the CGIAR is to be, i.e., will the CGIAR operate as a “doer,” as a facilitating body that “gets things done,” or some mix of the two extremes?

All these questions have important resource implications, but the last one is particularly interesting. If the CGIAR remains primarily an organization that is strongly and directly involved in research and in delivering related services (of course in collaboration with many others), then it will be a more costly organization to maintain into the future. The staff mix required will continue to emphasize scientific talent, hiring practices will need to strive for a measure of stability (and thus will be relatively inflexible), IARCs will need to remain close to beneficiaries in developing countries, and greater infrastructure (buildings, land, equipment, etc.) will likely be needed. If, however, the CGIAR mainly acts as a catalyst to get others (ARIs, NARSs, the private sector, regional organizations, etc.) to undertake research and deliver services, then its main function will be managing research partnerships. This approach has a different set of resource implications. The staff mix will tend to emphasize research *managers* over researchers per se, stability in staffing may be less of an imperative, IARCs could become more like the “virtual corporations” of the 1990s, requiring less in the way of physical infrastructure and having their locations – and the locations of their staff – being determined largely by the availability of modern communications’ facilities. And if the CG winds up somewhere between the two extremes, that too has resource implications. We are already seeing a trend of CG Centers channeling (especially project) funding into networks or directly to NARSs or other collaborators. As the focus on impact in farmers’ fields intensifies, it would not be unreasonable to see CG Centers undertake even more downstream linkages (e.g., with seed production and distribution networks, machinery manufacturers, etc.). One can also imagine new kinds of ecoregional and systems research being undertaken through networks or other types of partnerships. In both cases, the CG Centers may find themselves called on to mobilize funds on behalf of all collaborators.

Note that the discussion in this section has intentionally focused on the big-picture and long-term thinking that will be required to catalyze a major new fund-raising initiative. However, in the short- and medium-term, the ongoing planning and budgeting processes of the CGIAR could also be fine-tuned to link them more effectively with fund-raising efforts. Various ideas in this regard are presented in Appendix 3.

² Some have noted that as long as the IARCs and their partners can continue to generate projects that promise economic rates of return well above market rates, there remains significant growth potential for international agricultural research and technology development and transfer.

IV. METHODOLOGY

A. A typology of donors and financial growth potential

It is conceivable that the visioning process and subsequent "blue-sky" thinking about the CG's agenda could justify a total budget that might be double or even triple the current funding levels. Given that possibility, it is important that we analyze where significant new support might come from. This section identifies the different sectors or types of donors that could be approached under a more intensive fund-raising effort, and "guesstimates" the potential for funding that could be tapped from each one. Obviously, to actually mobilize resources from the various donor types will require a significantly greater investment in obtaining information about the particular donor's specific interests, whom to approach and how - all of which is merely the beginning of a long process of relationship building that may eventually pay off in terms of new contributions.

1. Current CGIAR donors

ODA donors: Despite the relative increase in the *share* of ODA allocated to the CGIAR, the *amount* of ODA devoted to the CGIAR is still very low, both in absolute and relative terms (0.7% in 1997, up from 0.55% in 1993). A comparative analysis of donors (ODA, share of ODA to CGIAR, CGIAR as a share of GNP, etc.) would no doubt indicate that, while some are highly supportive of the CG System, others are contributing well below the level that might be expected, especially considering the congruence between their development priorities and the work of the CG Centers. With regard to the latter donors in particular, one would hope that an increase in funding could be obtained if the case for the CGIAR is made convincingly and to the right people.

Further analysis of current ODA contributions to the CG could categorize donor countries in terms of the nature and intensity of efforts needed to maintain, improve or protect their contributions. A more thorough-going discussion of how best to elicit greater ODA support must take place at the CG centralized level and involve the representatives of the particular country, the CG Chairman, possibly CG Secretariat staff and the Chair of the Finance Committee, and certainly the Directors General of the IARCs. Otherwise, the current trend of IARCs competing against one another for increasingly scarce donor funds is only likely to intensify, to the detriment of the entire system. A result of such a strategic planning process might be the development of country-specific action plans to raise the profile of the CG Centers among national decision-makers, as well as the possible establishment of national support groups. (It is recognized that some actions of this type are already underway; more are needed.)

Industrialized country non-ODA donor agencies: In a few cases, ODA-funded contributions are complemented by (generally project) funding from other public sources (e.g., ministries of the environment, agriculture, etc.). The potential for further support from such institutions has not yet been fully investigated or tapped. An inventory of existing contacts by all centers with this type of institution should be undertaken. Some country representatives to the CGIAR may resist such initiatives, so the potential complementarities of this approach will need to be emphasized. In such cases, national support organizations could be helpful in identifying potential sources.

Developing countries: Both existing and potential developing country Members could (and should) become a significant source of additional funding of the CGIAR. Their strong financial commitment to the CGIAR would clearly demonstrate that the CG Centers are responsive to their needs and linked into their overall agricultural research undertakings. As this group is not homogeneous, there is a need to develop indicators to assess the potential for further support (e.g., based on benefits reaped in the past and expected in the future from CGIAR work). Such an analysis should result in a prioritized list of countries to be approached for new contributions.

Considering that some two dozen developing countries could match Colombia's notable financial contribution to the CGIAR, an objective of raising about \$100 million annually from this group over time is not unrealistic. One key to the success of such an undertaking would be to assist developing countries to establish financial mechanisms that would allow them to contribute to the CGIAR in a sustained way without hurting national research systems - examples to emulate could include Brazil, Colombia and Uganda. In the meantime, a system of "sponsorship" by an industrial country or other institution could be developed as a bridging arrangement.

Regional and multilateral organizations (current CG Members): Contributions from some Members in this group have fallen dramatically (e.g., the Inter-American Development Bank and UNDP). Here also there is a need to develop funding indicators based on the institutions' fiscal potential and the degree to which CG Centers contribute to the agency's goals. An urgent issue is the status of the World Bank contribution, which may be threatened in the not too distant future. The Bank is currently studying the possibility of setting up an externally funded foundation that would finance undertakings (including the CGIAR) presently funded out of net income.

2. Funding sources not currently contributing to the CGIAR

Outside the narrowly defined apparatus of the CGIAR but in the framework of a CGIAR Foundation, a number of new potential sources of donations could be approached:

The Gulf region countries and organizations (e.g., GCC): So far there has not been an in-depth and systematic exploration of the potential for these countries to support the CGIAR. CGIAR membership may not be attractive to them, given the human resource requirements of full participation. However, they may be willing to consider providing financial support in the form of periodic donations or contributions to an endowment fund. It might worthwhile to recruit the service of an expert in the region to develop a feasibility study and strategy.

Regional and multilateral organizations (not currently CG Members): In terms of reaching out to this category of potential new donors, priority ought to be given to strengthening the linkages between the CGIAR and the Global Environment Facility (GEF), given GEF's mandate in the area of conserving biological diversity (and to a lesser degree, in climate change). It is also possible that organizations with goals that are congruent with those of the CGIAR (e.g. WHO, UNICEF, PAHO) might find ways to support it by promoting its cause, joint ventures, or even financially (e.g., through contracting out specific projects). There are also several regional financial institutions which may find the CGIAR attractive. Among these are the Caribbean Development Bank and various institutions in the Arab world. Based on specific interests, organizations such as the European Bank for Reconstruction and Development and the European Investment Bank, might assist the CGIAR insofar as it

contributes to alleviating migration from developing countries to EU countries.

Philanthropic foundations: A number of private charitable foundations may be interested in and willing to support the CGIAR financially and otherwise based on a congruence of their respective objectives with the vision and mission of the CG. The 1994 Downes-Ryan study provides a brief description of several charitable foundations that might be interested in the CGIAR's goals. An update will be needed. Alternatively, the Ford and/or Rockefeller Foundations could assist the CG Foundation in establishing contacts with foundations and in exploring how best to approach them. (Some work has already been launched in this area with the help of The Conservation Company [John Riggan et al.] and funding from the Ford Foundation.)

Corporations and corporate foundations: When approached in a sensitive manner (with the right messages and by the appropriate messenger), private firms can and do contribute to "charitable" causes based on humanitarian considerations, especially if donations are tax deductible. In theory, a number of transnational and leading national corporations in the developing world should be interested in supporting the CGIAR, to the extent they perceive a link between agricultural development, poverty reduction, and stronger markets for their products. Other firms in the agricultural and food industry could support Centers through contracts for specific services (there would need to be clear benefits to IARC partners in developing countries associated with such contract work). Such an approach would permit these firms to treat their financial support as business expenses.

Wealthy individuals: The recent donations by Ted Turner and Bill Gates to the UN and for a medical project, respectively, demonstrate that wealthy individuals can be convinced to support humanitarian causes without deriving a personal (financial) benefit from it. A list of prospective individual donors is included in the 1994 Downes Ryan report. Contacts with such individuals and the potential for their supporting the CG System should be explored by the CGIAR Foundation that is to be constituted for fund-raising purposes. (See Appendix 4 for more information on the Foundation per se, as well as Appendix 2 for ideas on how individual philanthropists might be approached.)

The public: Some organizations, such as UNICEF, are quite successful in mobilizing donations from the public at large through mass-media PA campaigns. In general, reaching this category of potential donors would require an approach that is probably too labor-intensive and with too low a financial return (at least in the short run) to justify the CGIAR's targeting them. However, a CGIAR Foundation could certainly receive and acknowledge unsolicited donations and honor the contributors as "friends of the CGIAR." And it should be noted here that the CGIAR employs over 1000 senior staff, about 200 of which leave the system each year. At least some of these CG "alumni", while perhaps not comprising a rich source of potential revenues, might be able to help mobilize resources from others.

B. Division of labor and responsibilities

Allocating specific responsibility for long-term resource mobilization will require careful thought and discussion. In the extreme, all CGIAR stakeholders could become involved in such activities, though this is not a likely scenario. More likely is the "assignment" of roles and responsibilities according to the circumstances of any given situation. This assumes, of course, an express willingness on the part of the stakeholder to be involved in resource mobilization on

behalf of the system, as well as the existence of a formal body that is charged with coordinating such initiatives.

Dealing with each of the various types of donors will not only require a different array of actors and division of labor, but different approaches as well – while still being carried out in a coordinated way as part of an overall strategy. It is important to note that the CGIAR already has considerable expertise and effective mechanisms to manage the interaction with certain types of donor organizations (in particular, governmental and regional multilateral institutions, and to a lesser degree, foundations). We could certainly intensify our efforts here, but the current approach and skills endowment provides a solid platform from which to grow – i.e., we can continue to use the influence of the CGIAR Chair, the Co-sponsors, various CGIAR Member representatives, Center Directors, and others with this group of donors, projecting more broadly but using the same basic strategy.

By contrast, making effective new connections with the corporate sector and wealthy individuals will call for considerably more outreach effort, beginning with the research needed to identify likely prospects. The current Ford Foundation-sponsored consultancy with The Conservation Company is a step in the right direction, but this function might best be consolidated as one of the leading activities of the CG Foundation. To handle this part of the challenge well will require (a) professional fund-raisers on the staff of the CG Foundation, (b) additional training for IARC staff who, as part of their ongoing work, would presumably continue to undertake much of the direct contact with newly identified donors (at minimum, training would be helpful for Center Directors, IARC senior managers, fund-raising staff, and possibly trustees), as well as (c) the possibility of formally assigning additional IARC staff to the task.

C. Centralization vs. decentralization?

As implied above, the question of overall coordination of system-wide resource mobilization efforts must be considered. More successful fund raising at the system level should reduce the pressure on individual IARCs to mobilize resources for their own work (and that of their developing country partners). Nevertheless, it is difficult to imagine Center Directors relying completely on a centralized fund-raising effort; it is likely that they will still want to pursue some of their own financial support. Centers will also probably want to participate (as they should) in the implementation of the system-wide resource mobilization strategy. But with so many actors and interested parties, there is a high risk of fragmentation of effort, of inadvertently working at cross-purposes, of sending mixed or conflicting messages, and of engaging in competitive efforts that may undercut the system-wide initiative.

Ideally, all parties in the CGIAR should agree on and commit to a coherent, integrated strategy that specifies who has responsibility for which activities. Even with such agreement, however, it will still be necessary for some centralized body to monitor implementation of the strategy and make adjustments as necessary.

This centralized body should have at least the following characteristics:

- It should integrate system-wide resource mobilization and public awareness activities;
- It should have the full endorsement and active, participatory support of the Centers;

- It should be governed by a group that includes representation from Center leadership, the Finance Committee, selected CGIAR Members, the CGIAR Secretariat, and "outside experts" in fund raising and public awareness;
- It should not be hosted by a donor or other substantial stakeholder - i.e., it should be of the CGIAR but operationally independent.

The authors urge that this centralized unit be recognized as the CGIAR Foundation, that the present and potential public awareness and resource mobilization activities of Future Harvest and IFAR be brought together under this single, integrated unit, and that PARC (with a slightly expanded membership relative to fund raising) be given oversight or governance responsibility. It is further suggested that this foundation adopt the name *Future Harvest*, a name which has been widely (and very favorably) tested in focus groups and has already achieved some degree of familiarity within key target groups. (For more on setting up the Foundation, see Appendix 4.)

D. Resource considerations

Resource mobilization, including related public awareness support, can be an expensive undertaking. A major, sustained resource mobilization campaign will require a significant investment by the CGIAR system. The CGIAR should be fully aware of this, as well as of the danger that already scarce research dollars could wind up being diverted to fund-raising. Special sources of funding might be sought in the form of sponsorships, targeted specifically for the RM initiative.

Most IARCs are presently understaffed to take on additional fund-raising and public awareness activities even with their current donors, so this area will probably need strengthening. Moreover, further investment will clearly be needed to bring on board additional staff experienced in fund-raising with the corporate sector and individual philanthropists (some of whom will probably work under the auspices of the CG Foundation, while others may be posted to IARCs). As noted above, training at various levels will be required to ensure that the work is carried out with a high level of quality and using a consistent approach. In the short term, the CG would probably be well advised to hire various kinds of consultants to guide strategy formulation and implementation. Funds will also need to be budgeted to cover travel, communications, meeting expenses, media outreach efforts, etc.

When all these costs are added up, the CG Membership may have concerns about the total level of expense. Three points need to be made:

- First and foremost, this is indeed an *investment* in the long-term financial well-being not just of the CGIAR, but of international agricultural research in general. As with any investment, it takes money to make money!
- Second, it is in the nature of fund-raising that costs tend to be higher in the early stages of a new initiative, and returns much lower. It should be expected that, certainly within five years of launching a more intensive resource mobilization strategy (and in fact, probably by the third year), the level of effort would begin to taper off and the flows of new income would begin to take off.

- Finally, we should recognize that the product of all this effort will not only be more financial resources for the cause. If the strategy is executed properly, we will also have expanded the circle of "friends of the CGIAR" to include highly influential institutions and individuals as well as private firms active in agriculture and other sectors. Their commitment to the cause of global sustainable food security will no doubt extend to many other arenas, and their support should be fully leveraged to ensure the greatest possible synergies.

V. CGIAR PUBLIC AWARENESS AND FUND RAISING

Any major non-profit organization that relies on philanthropy, whether from public or private sources, will agree that successful corporate public awareness and effective resource mobilization activities go hand in hand. In today's world, in fact, the first is often a precondition for the second, and the second is often a tangible result of the first.

Despite recent efforts to broaden membership in the CGIAR, it still remains a rather insular - and certainly not yet well known - organization. Additional stakeholders - those individuals and organizations of means and influence - should be involved in the process by which the CGIAR's detailed vision and agenda for the future are formulated. Such a participatory approach implies a significant, coordinated public education/public awareness campaign aimed at a diverse group of institutions, foundations, and individuals.

Under the leadership of PARC and in concert with PAA and the CGIAR Secretariat, the system has begun to implement a CGIAR public awareness strategy through Future Harvest. Still in its early stages (the program began in October 1997), Future Harvest is focusing the majority of its initial efforts on increasing public interest in agricultural research for the poor by formally analyzing the links between such work and several critical issues confronting society: civil strife, economic growth, environmental degradation, population growth, and human health. Global opinion leaders are being recruited as Future Harvest "ambassadors," and include such luminaries as President Oscar Arias, President Jimmy Carter, Nobel Laureate Norman Borlaug, and former World Bank President Robert McNamara, among others. Independent, high-caliber studies are being conducted to identify and analyze the links between agricultural research and the major issues of today and tomorrow. And targeted public awareness efforts are being undertaken based on these studies (involving the ambassadors in various ways) to capture the imagination of broader audiences.

The fundamental driving force behind Future Harvest is, of course, to create a climate favorable to resource mobilization at the CGIAR system level. One important indicator of the long-term success of Future Harvest thus should be its impacts in the fund-raising arena. However, such impacts will be very difficult to gauge as long as public awareness and resource mobilization efforts are pursued along parallel tracks. As advocated in section IV C. above, because these two functions are highly interrelated they should be closely linked under the roof of a single CGIAR Foundation. Doing so would meet the Consultative Council's implicit call for integration of a well-developed awareness strategy with an equally well-thought out strategy for mobilizing resources, a strategy that will enable the system to act expeditiously as a social/political climate more conducive to investing in agricultural research evolves.

VI. WHERE DOES ALL THIS LEAVE US?

An effective resource mobilization strategy for the CGIAR is obviously needed. Since the late 1980s, the CGIAR system has been barely holding its own financially in real terms. The global challenges of the next millennium that the CGIAR wants to address are truly intimidating, and the system surely will not succeed with "business as usual" on either the fund raising or public awareness fronts.

This paper can only raise some of the questions and issues that need to be addressed by the CGIAR as it contemplates development and implementation of a resource mobilization strategy. The point of departure in developing that strategy must be a clear and compelling long-term vision of the world we want future generations to inherit, and an equally clear and compelling case for the CGIAR's role in achieving that vision. It will take time and not an insignificant investment of human and financial resources to do this job properly. The process by which a successful, sustainable fund raising strategy is developed must be inclusive and participatory, involving a broad array of traditional and potential new stakeholders. Roles and responsibilities must be assigned to specific individuals and system entities, and targeted public awareness activities of many kinds and at many levels within the system will be needed throughout the strategy development and implementation process. The process, as much as the resulting strategy itself, will provide the legitimacy needed to successfully undertake long- and medium-term resource mobilization actions. Moreover, if the process unfolds as it should, those who are actively involved in developing the strategy will also be active in implementing it.

Collective strategic thinking is of the utmost urgency, not for the sake of the CGIAR itself or those who work in the IARCs, but rather for the sake of the billions of people in developing countries who will suffer in the 21st century if we fail to attract the resources needed by the CGIAR to achieve its extraordinary mission.

Appendix 1: Near-Term Resource Mobilization Ideas for Discussion at MTM'99

In response to a request from PARC, various ideas are presented below that could be launched in the short term to advance the resource mobilization effort, even while we organize ourselves for a broader and more intensive initiative. In general, these suggestions could be undertaken with only modest investments of time and money (possibly as assignments to current IARC staff, though preferably to someone who has been formally seconded to the task) - with the exception of the last item, which will involve outsourcing work to a consultant. It is not fully clear as of this writing, however, which body in the CGIAR will take the decision on which of these activities to pursue (PARC? The Finance Committee? The CDC?), who will oversee their execution, and who will finance the work.

1. One of the Ford Foundation's stated objectives for 1999 and beyond is to build the capacity of centers in the realm of philanthropy. At this point, activities are being focused on establishing a "consultative function" within The Conservation Company (CEO John Riggan), through a small group of people who are knowledgeable of the Centers, their activities, and the challenges they face in mobilizing resources to support their individual programs of work. The idea is to be able to provide IARCs with advice and guidance on potential sources of funding for particular activities. While this is an extremely useful step forward, it is suggested that more could be done. It is recommended that PARC approach the Ford Foundation with the idea of leveraging their considerable reputation within philanthropic circles by holding a high-level, two-day symposium - under the Ford banner - aimed at educating the leadership of a variety of private and corporate foundations about the need to invest in agricultural research, and to motivate them to include such investments in their portfolios. Such a symposium would likely focus, at least the first time around, on North American philanthropic organizations (as well as individuals), and would involve the highest levels of influentials and opinion leaders in governments, the philanthropic community, the CGIAR, as well as selected Future Harvest ambassadors. An impassioned and compelling case will need to be made for the importance of sustainable agriculture and the role of research as a major means of meeting the food security, poverty eradication, and environmental challenges of the next century.
2. Second, we may want to think about organizing a presentation about the work of the CGIAR for next year's annual meeting of the US Council on Foundations (April 2000). If we succeed in securing a spot during the plenary, we could literally reach hundreds of potential funders in one stroke. The meeting is the premiere event in the US philanthropic sector. While the competition is steep, and the number of available spots is limited, it would be well worth the effort (and relatively small expense) if we were to succeed.
3. UNDP has, in the last few years, considerably reduced its financial support of CGIAR centers. This is no doubt due to a complex set of circumstances, not least of which is a lack of understanding and commitment at the top of the organization to agricultural research (and the CGIAR in particular) as a means of achieving UNDP's development objectives. A new Administrator is due to take over the organization in mid-1999, and it is recommended that once the final selection is made, PARC should facilitate a reaching out to the new leadership with the aim of reinvigorating UNDP's interest in supporting international agricultural research. Peter Matlon and Roberto Lenton are enthusiastic about the idea and urge that it be pursued. There are two likely candidates for the position: one from Denmark and one from

Britain. The strategy would be to make an initial approach to the new Administrator before he took office, using an intermediary such as Klaus Winkel (assuming the successful candidate was Danish). A second element of the strategy would be to produce a first-class briefing note drawing from a variety of center and CGIAR sources. A third element has Peter and Roberto approaching the CGIAR secretariat to suggest that the new Administrator give the Crawford Lecture at ICW99. If that opportunity should materialize, the CGIAR briefing would have to be held prior to the Lecture, probably in mid- to late-September. The briefing itself would be a small affair with a limited number of participants. Peter has suggested Ismail Serageldin as the lead speaker and is supportive of the suggestion to include Alex McCalla, one or two center directors, and a developing country representative.

4. USAID will also be putting a new Administrator in place during 1999, and perhaps, depending on who is selected, a similar motivational briefing strategy might be in order.
5. Considerable effort during the past two years has gone into cultivating the US Secretary of Agriculture, Dan Glickman, and there is now strong interest in the upper echelons of USDA to add to the international dimensions of the Agency's investment portfolio. In the Secretary's words, he is seeking ways to amplify both in-kind and financial support for the CGIAR, and to do so in a sustainable manner. A mini-symposium (approved by the CDC in October 1998) is being planned probably for October 1999 (just prior to ICW) to provide the Secretary with a forum for announcing plans to internationalize some of the Agency's activities. Ideally, the symposium will provide an opportunity to announce the signing of an agreement or framework for continuing investments in the CGIAR, not as a Member (at least initially), but as a close collaborator which recognizes the flow back benefits to American farmers and consumers of research partnerships with the CGIAR. A separate task force has been established to move planning of this event forward. A rough agenda has been developed, but the sticking point has been pinning down a firm date for the meeting. It is hoped that a date will be fixed prior to MTM'99, so that PARC (and perhaps the CDC) can participate in final planning of the agenda and selection of CGIAR scientists who will represent the system.
6. Continued strategic cultivation of EU agencies (contacts both at the highest levels of decision-making, as well as with staff in technical advisory positions) is also urgent, especially given the likelihood of further restructuring following the recent political crisis in Brussels.
7. The idea of seeking corporate sponsorship of the CGIAR system's gene banks has been suggested by one of the task force's members. Since that suggestion was made, Cary Fowler has approached the task force chair on behalf of SGRP suggesting that, while the idea of corporate sponsorship is a good one, SGRP feels that the potential for support will increase substantially if the scope of sponsorship is expanded beyond the CGIAR, per se, and organized along the lines of sponsorship of, for example, the world's potato collection, including the portions held by the CGIAR, but also the portions held by others as well. Cary notes that SGRP is in the process now of identifying where the key collections are held for the top food and fiber crops, and estimating the cost of undertaking such an enterprise, by "commodity" and collectively. He feels that, with that information in hand and a clear plan of action for preserving the world's ex-situ collections in perpetuity, private sector sponsorship should be achievable. However, it will take time and a concerted effort to obtain the kind of long-term commitment needed for such an enterprise.
8. Training in fund-raising (strategy development, as well as in particular skills): It would be

most useful to identify training courses to enhance the skills of IARC fund-raising staff (and perhaps others, e.g. DGs, trustees). Options include proposal development training (e.g., The Grantsmanship Center's 5-day course), the "Fund-raising 101" course offered at Indiana University's Center for Philanthropy (surveys all the approaches in the conventional toolchest of U.S. professional fund-raisers), the Philanthropic Quest workshop, the Brussels-based workshop on interacting with the EU, training in the development of logical frameworks for program and project planning, as well as other good courses which individual CG staff people may have taken and could recommend.

9. Conduct a "best practices" survey of selected leading international NGOs, to learn from their successful experiences of fund-raising, identify appropriate methods that could be transferred to the CG (as well as pitfalls and problems), and possibly to identify some prospective individual donors.

10. Contract a consultant to do the necessary background work to gear up the CG Foundation to act as an international fund-raising body (e.g., to set up the appropriate legal and financial procedures, or at minimum to develop an options paper laying out what alternatives are open to the CGIAR). (See Appendix 4 for various issues that require expert advice with regard to establishing the Foundation.)

Appendix 2: Draft Strategy for a CGIAR Philanthropic Initiative

An alternative to the conventional approach to fund-raising

I. INTRODUCTION

This note outlines a draft strategy which the CGIAR could pursue, through a newly established foundation, to obtain new financial support from philanthropic sources. By "philanthropic sources," we imply a shift in focus for the CGIAR – the seeking of support from wealthy citizens of the world who have a long-term vision and strong moral/ethical concern for the future well-being of humankind. (In practice, this support may come from foundations that are founded/funded by wealthy individuals – but in CG terminology, we would probably seek core unrestricted or restricted funding from these sources, rather than approaching them with proposals for specific projects.)

It is timely that we consider this strategy, for a number of reasons:

- Trends suggest that, within five years at most, current CGIAR institutional support will not keep pace even with inflation, much less allow any real growth in Center budgets;
- The CG Systemwide Review has endorsed a more pro-active effort to tap new sources of funds for the System
- Individual philanthropic support represents a large new "market" for funding – in the U.S., some 85% of all charitable income is from individuals, with foundation and corporate support making up the rest
- The number of "new millionaires" has increased significantly in recent years, in particular due to buoyant stock markets – and many of these individuals are just beginning to consider how they might use their wealth to benefit others (see, e.g., *Economist* article, May 30, 1998)
- A number of fora are currently being organized to celebrate the new millennium by visioning a more sustainable future for the planet. Such fora represent ideal opportunities to promote the CG's role in achieving the goals of global food security, environmental sustainability and poverty elimination, and to reach out to people who share these goals.

The case is made here for launching a high-profile major gifts campaign for the CGIAR, that aims to raise a minimum of \$10 million per year from private individuals by the year 2005 (a figure that we can expect to increase from that base as we gradually extend the fund-raising effort further out into the world). It is argued that not only should the CG engage in this new initiative of philanthropic fund-raising, but that we should do so in a particular way – one based on the innovative approach of the "Philanthropic Quest." Compared to a more traditional approach to raising money, the Quest is especially well-suited to the CGIAR's nature and potential. One way to explain "Why the Quest?" is by contrasting it to what we might expect to achieve via the more conventional method.

In 1994, the CGIAR conducted an exploratory foray into philanthropic fund-raising (based on a feasibility study executed by the international fund-raising consulting firm of Downes-Ryan). The Downes-Ryan study cautiously concluded that there was but limited potential under current circumstances to obtain private support for the CG (and then only if we hired Downes-Ryan to do the work for us!). Those conclusions were predictable within the context of

the standard approach to fund-raising, the strategy of which typically engages individual donors at very modest levels of support, and over time - sometimes, a period of many years - cultivates a relationship with them that eventually leads to a significant contribution.³ The approach is "tried-and-true," having succeeded for countless non-profits around the world. However, those non-profits have several salient features which the CGIAR lacks, viz.:

- ◆ name recognition (either at the local community level, or more widely - examples range from local hospitals to Greenpeace);
- ◆ familiarity - or better yet, personal experience - with the institution (e.g., Boy Scouts, the Red Cross, your alma mater);
- ◆ familiar products, as well (scholarships, community development, disaster relief, etc.);
- ◆ a clear constituency (the homeless, AIDS victims, etc.); and
- ◆ a fund-raising track record and infrastructure.

Note that the first four elements are the "faces" of the cause or institution that attract and connect the donor to the organization, while the fifth element represents the "machinery" that manages and supports the relationship between the organization and its supporters.

Judged against these criteria, the CGIAR seems to have a long way to go. There is very little CG name recognition beyond our current supporters (although the Future Harvest Campaign is already helping on this front); few people in the circle of "influence and affluence" have first-hand experience of the CG System; the CG has a rather abstract constituency (NARSs and poor farmers); and we're probably gravely understaffed to mount a conventional campaign. On the other hand, the CGIAR has several strong points that may make it attractive to the right kind of donors:

- ◆ its unique niche in the world in terms of agricultural technology R&D;
- ◆ its pivotal role in such critical global issues as food security, environmental sustainability, biodiversity/genetic resource management, biotechnology applications;

³ To give an example of one way the conventional fund-raising process unfolds: You, the reader, enter the organization's "donor universe" by making, say, a \$100 contribution to the cause of your choice, perhaps via an alumni network, at a fund-raising special event or in response to a telethon or direct mail solicitation. You are requested annually to renew (and possibly increase) your contribution - which you do. After ten years of contributing (by this time, at \$500/year - you're familiar by now with the organization and its work, you support its cause, and it's also become sort of a habit), you're approached for a "major" gift - much more than you've ever donated before (depending on the cause or organization, perhaps tens or even hundreds of thousands of dollars or more; perhaps eventually, in the form of a bequest). This may be solicited for a "special cause" of the organization, e.g., for an endowment or capital campaign. If you decide to make such a gift, you merit classification as a "major donor."

Note, however, that it took a number of years to elevate you to that level of confidence. Note as well that many "entry-level" donors never reach this point. For this reason, most nonprofits have a broad-based pyramidal structure of supporters - which yields a peculiar equation: the "bottom" 80% of donors contribute 20% of all funds, while the "top" 20% of donors generate 80% of the revenues. One thing the Quest does is focus exclusively on donors with a profile that qualifies them for the "top 20%" level. It also is based on an intensive, highly empathetic process of relationship-building with this elite group of donors, rather than one that evolves more casually over time.

- ◆ its excellent track record of impact;
- ◆ solid and extensive partnerships in virtually every country of the South, and with NARSs, NGOs and the private sector; and
- ◆ the high quality of IARC management and staff – the CG Centers are “smart” organizations, and are committed to getting even smarter (both through use of new tools such as biotech and information technology, and through new approaches to strengthening organizational effectiveness such as the Gender and Diversity Initiative).

While these are not qualities that have a lot of “mass appeal,” they ought to be very compelling to an elite group of potential donors. The challenge of the CGIAR’s philanthropic effort will be to identify people who fit the elite profile, and to communicate with them in such a way that motivates them to invest in the work of the System. The Philanthropic Quest offers a framework for doing so. The Quest paradigm is organized around a thoughtful co-inquiry into the *donor’s* values and priorities, in order to understand what kind of legacy the individual would like to create. Once this vision is articulated, the organization can seek points of congruence with the donor’s priorities, and (where authentic opportunities exist) act as a vehicle to bring about the donor’s goals.

In other words, compared to the conventional (and rather mechanistic) approach to fundraising which is driven by the organization’s needs, the Quest situates the organization as a means to helping the *donor* create a better world. The Quest requires that the organization be prepared to devote more “quality time” per donor in the relationship-building phase – but compensates by imbuing those relationships with greater meaning, which is likely to result in much higher levels of support to the organization. And if we wish to elicit not only the financial support of our elite target group, but their moral support and influence on the world stage on behalf of the CG’s mission, then our potential donor-investors deserve nothing less than to be treated as true partners in the construction of a bolder future.

This may seem like a major departure from our current (institution-oriented) approach to the raising of money for the CGIAR. In fact, in some ways it is only an extension of our current best practices. We already think of our strongest current donors as allies in pursuit of a common set of goals. We already invest considerable effort in understanding and responding to donors’ needs, and we build on the areas of convergent interests (including communicating to donors as to how we are helping to advance their causes). As we look to the possibility of opening up a philanthropic initiative, all the same principles should continue to apply.

So how, specifically, might we go about this new enterprise? The following section offers a draft workplan to stimulate further discussion. Note that carrying out the proposed strategy will require brainwork and legwork from various members of the CGIAR community, including CGIAR, Board and Center leadership and possibly current CG donors – in addition to the time of one or more staff members who will be responsible for most of the behind-the-scenes work. For the initiative to be successful, leadership at the highest possible level of the CG System and individual Centers must be committed to the venture. This commitment would ideally take the form of input into the design of the process, willingness to communicate the importance of the initiative to others, and, in particular, making time available to interact with potential new donors as required (see “Plan of Action” below – especially Phases 3-5 and subsequent follow-up).

A rough cost estimate for the first two years is likely to be, at minimum, on the order of \$300k/year (staff salaries and benefits, operating costs, travel, consultant fees, etc. - in addition to which, as with current fund-raising, senior management time would be called upon as an "in-kind" contribution). In year 3 and beyond, the budget should taper off to stabilize around \$200k/year (as the need for external consultant support and frequent travel declines). This investment should be fully recuperated by the end of year 3, and as of year 4 "program costs" would be far exceeded by new revenues brought in through the initiative.

This is a medium- to long-term process and on par with the CG's most cutting-edge scientific work: a high-risk, but potentially very high-return venture that must be based on a sound combination of strategy, unwavering faith (or stubbornness) and hard work in the face of considerable skepticism, punctuated by flashes of genius and occasionally plain old good luck. Given those ingredients, there is no question but that we can and will succeed.

II. PLAN OF ACTION

Phase 1: Obtain initial support for the initiative from:

- Leadership of the CGIAR System and Center senior management
- Boards of Trustees
- Selected major donors

The purpose of this phase is to ensure that key stakeholders understand what we propose to do under the new initiative. Current stakeholders would be given an opportunity to experience the core elements of the Philanthropic Quest in order to feel comfortable with the overall strategy, understand the potential roles of the different parties (in particular, identify the individuals who will contact potential new donors), agree to the level of investment in the effort vs. expected returns, etc. In the particular case of current CGIAR donors, it will be critically important to ensure that they commit to continued support to the CG System even if we are successful in attracting new philanthropic support (or put conversely, they will not reduce funding to offset any increases we may obtain from new sources).

Timing and duration of this phase, division of responsibilities: This phase is **NOT** intended to be a formal, lengthy process, but rather a series of INFORMAL conversations - with CG and Center leadership, Boards (or at least Board chairs), and selected current donors - to launch discussion of the initiative. The aim is to get a green light (or "flashing yellow") to proceed to phase 2, which will generate stronger documentation of the strategy (but which will also entail some cost!). Could be initiated immediately via telephone and email communications, but would ideally also involve some face-to-face conversations, first individually and then collectively (e.g., at ICW'99). Modest guidance from an external consultant would be highly desirable in this phase (≈ 3 days consultant time).

Phase 2: Lay the groundwork for the new initiative

Several activities are contemplated under this phase:

- a) Identify staff responsible for the activity,⁴ finalize budget and workplan

⁴ For purposes of this appendix, the lead staffer on the new initiative will be referred to as the

- b) Explore possibility of special project funding to support new initiative (highlighting the innovative nature of the Philanthropic Quest approach). Several foundations have already been identified as potential supporters worth approaching in this regard.
- c) Introduce the Philanthropic Quest process to an inner circle of current stakeholders to promote greater familiarity with the approach, begin articulating the CGIAR's case for philanthropic support, identify geographic/interest domains within which new supporters may be found; begin to identify new potential investors (individual philanthropists). (Aim to identify, say, 100 initial contacts to begin process)
- d) Assemble/develop communications materials to help portray the CGIAR to new contacts (scaling up of the Future Harvest public awareness work)

Timing and duration of this phase, division of responsibilities: Could follow on immediately after conclusion of Phase 1. Will require a *minimum* of 9-12 person-months (not including external support on activity 2.c). Step 2.c. could take place in conjunction with ICW'99. Some activities indicated under Phase 2 may also continue into Phase 3 period. PFP plays lead role on activities 2.a-d; works closely with Future Harvest on (e). PARC, the CDC, CBC, and the CG Finance Committee have lead role on 2.f; PFP may facilitate/backstop process, with assistance from external consultant. Assistance from an external fund-raising consultant will be especially important in this phase (≈30 days consultant time).

Phase 3: "Relationship building" with new potential donors - The core of the Quest

Contact potential supporters, conduct preliminary dialogues to understand donor's values and interests using the Quest guided interview format; explore level of interest in the cause served by the CGIAR, present the CGIAR's potential contributions - this is an iterative process, whose goal is to build mutual understanding and engage donors to the degree that they want to take part in the "collective visioning process" of Phase 4 (become a stakeholder).

Timing and duration of this phase: Follows Phase 2.f; will probably require a minimum of six person-months to contact and do necessary follow-up to establish "engagement" with 30-50 potential donors. Board members, DGs and senior IARC management play a high-profile role with new donor contacts; PFP manages all logistics and backstops/follows up on senior level contacts with new potential donors. Moderate backstopping from external consultant will be helpful, especially for general debriefing after first contacts are made and possible fine-tuning of process (≈10 days consultant time).

Phase 4: Hold high-level stakeholders' meeting

Up to this point, most contacts will have been made on a one-to-one basis. The high-level stakeholders' meeting provides a forum for all the new contacts to come together with one another and with other ("veteran") stakeholders of the CGIAR, to articulate a shared vision of the future that the CGIAR could bring into being. By connecting personal aspirations for a better world with an understanding of what the institution (in this case, the CG System) can

"Philanthropy Focal Point" (PFP).

offer, this component of the Quest process consolidates individuals' commitments at the most deeply-held level. A strategy to implement the vision should follow directly from this process – a strategy which is owned by all the participants, and which they will subsequently help make real through their own commitments of time and money. Follow-on outcomes of this meeting will include the establishment of a major gifts campaign with appropriate financial targets, formation of a “campaign cabinet,” development of a detailed fund-raising program (still congruent with all the principles of the Quest in being donor- and values-centered), etc. (see Phase 5, below).

Timing and duration of this phase: Ideally would be timed to dovetail with ICW-2000. Core meeting will require about 2.5 days. PFP and administrative assistant to organize, manage all logistics; Board members, DG, senior management are full participants in meeting along with “new contact” invitees. Meeting co-facilitated by external consultant, one or more CG leaders (previously trained), and/or PFP. Meeting will require several months' lead time to organize; ≈6 days consultant time.

Phase 5: Carry out the major gifts campaign

A very small group of those individuals who appear to have the greatest wherewithal (qualities including passion, conviction, influence and affluence) to bring into realization the vision created in the Phase 4 stakeholders' workshop, will be invited to a subsequent meeting. At this time they will be asked to help identify/recruit the leadership for the program of philanthropy (the campaign). Another very small group will work to connect the image of the future that was articulated at the stakeholders' meeting to the CGIAR's case for philanthropic support, and use this vision to infuse and revise the tentative case that has been used up until this point.

By the time they are enlisted, the campaign leadership will understand the time and money commitments that are expected of them, and they will typically be the first to make those commitments. As they enlist others to join in the enterprise, those individuals, too, will be invited to make investments commensurate with their stake/commitment/conviction in the expanded success of the CGIAR. Each individual who is invited into the circle as an investor will have experienced a process of connecting with the CG that will prepare him or her to make a commitment – which is imbued with meaning – as a true partner. This process leads to people making “meaning-full” commitments *because they want to* – because they can see how their personal hopes, aspirations, and dreams can be realized through the CG (rather than because we need the money).

Timing and duration of this phase: Follows Phase 4; continuous follow-on and fairly intensive activity will probably extend over about a year. Pledges of funds may be spread over several subsequent years. A subsequent phase would continue to nourish relationships with all donors brought into the “CGIAR family” through this process, evolving into a permanent ongoing process. PFP backstops all logistics of “campaign/solicitation” process. CGIAR, IARC and Board leadership as well as the “campaign” leadership will continue to have a high profile (but less time-consuming) role, interacting with new supporters. Will need to develop permanent organizational infrastructure to track and acknowledge philanthropic contributions, and continually seek out/create meaningful ways to honor donors' commitments and keep donors in touch and engaged with the CG's mission, work and people.

Appendix 3: Harmonizing medium- and short-term CGIAR planning and budgeting procedures with resource mobilization

While CGIAR activities are clearly long term in nature, decisions on programs and their financing should be taken in a time frame in which they can be made more meaningful, i.e., a time frame that is short enough for people to grasp, yet long enough to allow flexibility and adjustments if needed.

Medium term (3-5 years) - The CGIAR needs to present a 3-5 year program, and its financing requirements, that the Membership can endorse actively - i.e., a bit more than on a non-objection basis - and commit themselves to supporting throughout the program period.

The CGIAR Membership should accept that a coherent program, with a long-term dimension, can not be kept hostage of year-to-year funding decisions. Also, the Membership should accept that the CGIAR Centers - which are requested to commit themselves to produce results in the long term - can reasonably expect a strong commitment of support in the medium term.

A well-articulated 3-5 year program should go well beyond the current compilation of hundreds of projects and consolidation into artificial "undertakings." It should consolidate projects into meaningful sets of program components - linking step-by-step the project outputs to the societal objectives of the CGIAR (poverty eradication, preservation of the environment, food security).

A firm commitment from CGIAR Members to a 3-5 year program implies some form of multi-year financial commitment. This can take various forms:

- Some Members, including some countries, are already in a position to make formal multi-year commitments;
- Others can make multi-year commitments, pending parliamentarian approval, which means that the commitment is an administrative/executive decision to be confirmed by a decision-making/legislative body;
- The financial commitments that can be made by most Member representatives are guided by political decisions taken at a higher level, and it is suggested that Ministerial level meetings will be needed every three years to ensure continuing political (and financial) commitment to the CGIAR.

In the medium term, the best tool for effective and satisfactory resource mobilization is a well articulated, compelling medium-term program of work, derived from and thus consistent with the system's long-term strategy. It is probable that such well-formulated, comprehensive programs of work will be more effective in attracting medium-term financial commitments as they are easier - in contrast to research projects - to relate to the global, long-term strategy of both the CGIAR and its Member organization.

The discussion of the medium-term program and its financing may reveal funding gaps, which should trigger medium-term fund-raising activities, under the leadership of the Finance Committee, focused on ensuring full/satisfactory funding of specific program components.

Even in the medium term, however, pledges and commitments will contain an inherent

element of uncertainty. Thus, a safety net needs to be put in place in case some Members (or other financial stakeholders) do not come through as expected. This can be done either through a donor-of-last resort mechanism, or through a system reserve mechanism: one or more Members could keep part of their pledge unallocated and place it in a reserve either in a decentralized way, or in a central location (fund) supervised, for example, by the Finance Committee.

As it prepares its 3-5 year program of work, the CGIAR should also prepare a fallback program in case either Members' commitments to the program fall short significantly, or funding of the program falls short during its implementation. This will require a clear identification of the program components and activities that are truly essential to the preservation of the CGIAR's mission and function, i.e., definition of what is sometimes called the "heartland." This is the only way to cope in a rational and orderly way with under-funding or financial crises.

The 3-5 year program could either be limited to that period of time, or be a rolling 3-5 year program in which case each year the first year of the program would be dropped and a new year is added. Logic argues for the second alternative, as it would ensure continuity. It would also give any 3-5 year program of work a degree of flexibility as corrections and adjustments could be made in the following years.

Short Term (1-3 years) - As most of the financial issues would be dealt with in a medium-to long-term perspective, the annual exercise of reviewing and revising IARC work programs and funding needs should be minimized. The review would be limited to checking performance, advising on corrective actions, confirming/adjusting the funding of the next year, and endorsing the new year added to the rolling program. The central or decentralized "reserve" or donor-of-last-resort could come into play in the short term, under the guidance of the Finance Committee, to make up for unexpected financial shortfalls. If this is not sufficient, emergency fundraising activities might be activated at the prompting of the Committee, including peer pressure by the Committee itself.

Appendix 4: The CGIAR Foundation - Issues concerning mandate, structure and governance

(1) Why do we need a foundation anyway? It's useful to write down for the record the various roles the Foundation might fill, and then decide which ones the CG would like to see executed. Among the possible justifications/functions are the following:

- To serve as the central institutional base of a cadre of professional fund-raisers working for the CG system, accountable to the System for results (higher levels of financial support, greater leverage of resources; higher profile in the media regarding key issues related to sustainable agriculture and food security, need for/impact of agricultural research and technology transfer, etc.);
- To provide a vehicle (via the Foundation's Board of Directors) through which non-institutional donors (corporations and individuals) could have a voice in the CG and oversee the use of their contributions;
- To provide a vehicle through which corporate contributions could be channeled (the "blind trust" concept), that minimizes both the risk and appearance of corporate donors receiving preferential treatment and/or inappropriately influencing the CG's agenda
- To offer a nonprofit institutional base in all countries where this is an option, to which corporations and individuals can make tax-deductible charitable contributions
- To provide a legal structure that can manage trust and endowment funds

(2) Start-up/operational questions regarding the Foundation: Whatever "home" is chosen for the Foundation (see points 3 and 4 below), various issues need to be resolved so that it will be ready to act as soon as the CGIAR settles the fundamental questions regarding overall resource mobilization strategy. Most of the operational issues will require input and guidance from fund-raising professionals (as well as possibly legal and financial advisors) to help us sort out the options. Among the questions to be answered are the following (not necessarily in this order):

- What fund-raising strategy should the Foundation follow? (e.g., a focus on an elite group of donors? mass marketing? annual giving? endowment?)
- In which countries do we want to conduct this fund-raising, in the short-, medium- and long-term? (Start with a select few countries and expand outwards as we gain experience?)
- What implications does geographic focus have on establishing international branches of the Foundation? (e.g., a US-based foundation cannot offer tax-deductability to non-US contributors, implying the need to set up various subsidiaries)
- How do we begin to identify potential donors (corporations/individuals)? Who decides whom should be approached? Who contacts them, bearing what message?
- How are Foundation trustees to be selected, and what would their responsibilities include?
- Approximately how many staff will be required, and with what profile of experience? (This obviously depends heavily on the strategy which the Foundation is mandated to pursue.)
- What is required to ensure the "blind trust" nature of the Foundation?
- What will be the relationship between the Foundation and the CGIAR? (e.g., will the Foundation have a "voting" seat as a member of the CGIAR? Will the Foundation be

accountable only to its Board of Directors, or to the CG System as well?)

- How would Foundation funds be disbursed to the Centers? Will donors be given the opportunity to target the use of their contributions (presumably yes)?
- What will be the relationship within the Foundation between fund-raising efforts per se, and public awareness/communications activities?

(3) IFAR and Future Harvest: What are to be the roles of these two institutions, if both are to be maintained? If managed separately, what will be the relationship between the two (e.g., it has been suggested that they might have overlapping Board membership)? If only one institution will be charged with fund-raising activities, will it be IFAR or Future Harvest – or a third distinct option? Who will decide, based on what criteria?

(4) Trust Fund vs. Foundation: One option might be for IFAR to function as a trust fund, while Future Harvest takes on more of a conventional foundation role. Conceivably, there is scope for each of these roles, and ample expertise within and outside the CGIAR that could be drawn upon to help set up and operate the two types of mechanisms. The trust fund mechanism has been used (e.g., by the World Bank) to receive and administer, on behalf of donors, resources provided for a defined purpose and over a time frame that transcends financial year cycles. In contrast, foundations are typically set up as independent legal entities managed by autonomous boards representing the contributors to the foundation. The main characteristics and differences between the two models are summarized below, followed by additional details on each of the two models.

Table 1. Comparison of characteristics of trust funds vs. foundations

Main Characteristics	Trust Fund	Foundation
Objective	Receive extraordinary, one-time public donations, manage them on behalf of donors, allocate funds in accordance with pre-set procedures	Solicit and receive funds, mainly from private sources, but also from public sources not in a position to assume all implications of a regular membership in the CGIAR
Status vis-a-vis the CGIAR	Integrated in the overall system	Independent body linked with, but at arm's length from, the CGIAR
Legal status	Informal	Legal entity, presumably with international character
Governance	Managed on behalf of donors by an institution (member of the CGIAR?) entitled to act in that capacity	Independent Board of Trustees with donor (and presumably CGIAR) representation, and "champion" fund-raisers
Forms	<ul style="list-style-type: none"> • Single systemwide trust fund • Pass-through foundation • Purpose-specific trust fund 	<ul style="list-style-type: none"> • Single multipurpose foundation • Donor-specific trust fund • Purpose-specific foundations (regional, commodity, themes) • Endowment foundation
Accountability	To individual donors and to the CGIAR	To Board of Trustees and (through CGIAR representatives on the Board) to the CG System

Table 1. Comparison of characteristics of trust funds vs. foundations (continued)

Main Characteristics	Trust Fund	Foundation
Screening of donations	Simple, following general CGIAR procedures	Complex, to ensure compatibility with CGIAR mission and goals, and to ensure that acceptance of funds does not create ethical or conflict-of-interest problems
Administration	Simple, using the facilities of the organization handling the trust fund(s); possible modest administrative fee	Need for professional staff to implement active fund-raising, implement Board decisions, assist the "champions," liaise with the CGIAR, etc.
Limitations	Limited to public funds, rather passive recipient	Risk of developing its own IAR support policy, not necessarily consistent with that of the CGIAR

A. The Trust Fund Model

Objective: The purpose of a trust fund will be to receive extraordinary, one-time contributions from donors, manage the funds on behalf of the contributors, and allocate the funds (and the proceeds of their investment) in accordance with preset procedures.

Governance: The trust fund would be managed by an institution (such as the World Bank) whose performance in managing funds on behalf of others is recognized as satisfactory and trustworthy. The institution entrusted with the funds would manage the funds on behalf of the contributors and of the CGIAR, in collaboration with the CGIAR Secretariat. This model is currently used by the CGIAR for the King Baudouin award and for the Special Activities Account (SAA) which receives contributions from a variety of sources to finance system activities for which sub-accounts are established.

The trust fund approach is simple in its concept and operation. By an exchange of letters between the entity in charge and the contributor a set of parameters pertaining to the management of the funds (such as the authority to invest and to retain the proceeds) and allocation of funds are mutually agreed upon.

Forms of Trust Funds: There are a number of models of trust funds, varying in degree of complexity, of purpose and management—e.g., the single trust fund, the multi-purpose trust fund for the CGIAR, or several donor- or purpose-specific trust funds.

- (a) The single trust fund model offers the advantage of easy management, and the allocation of resources could be vested with an entity representative of the contributors (such as the Finance Committee). In that case, the allocation of resources of the trust fund are likely to be used as a complement to the World Bank funds, i.e., as an up-front contribution or in a balancing mode. Alternatively, the trust fund could be used to fund specific activities, such as innovative, high-risk research undertakings which individual donors are not likely to finance on their own. The single trust fund model raises the issue of commingling (and thus pooling of resources from different sources); however, the single trust fund could be an instrument through which various sources co-finance an agreed set of activities within the CGIAR research agenda.

- (b) Alternatively, trust funds could be set up on a donor-by-donor basis. This would avoid the commingling of funds from different sources, and decisions concerning allocation of the funds in trust would remain with each individual donor. It would allow donors to deposit a lump sum contribution that could be disbursed over a number of years, thereby relieving the members who chose this formula from having to make annual commitments. Similarly, it would allow donors who have available one-time or extraordinary resources (e.g., unallocated year-end funds) to "park" their money temporarily for use over a number of years. However, the potential proliferation of donor-specific trust funds raises management issues at the level of the organization entrusted with the funds.
- (c) Another possible model is the purpose-specific trust fund, similar to the sub-accounts of the SAA. This would facilitate the allocation of resources, while it implies the commingling of contributions from different sources but aimed at identical allocation targets. As in the case of the single trust fund, it would constitute an effective way for different contributors to co-finance a cohesive (but more limited) set of activities. Currently, the co-financing mode is partially applied in systemwide initiatives and programs, although the resources not pooled but rather provided by the donors directly to the centers concerned.

Limitations of the Trust Fund Model: The trust fund model seems most appropriate for receiving contributions from public sector institutions, rather than from the private sector, foundations or individuals. In addition, its role would essentially be passive, i.e., as a recipient of contributions rather than a proactive fund-raising apparatus. In addition, trust funds are generally managed so as to optimize their liquidity and availability for disbursement, and not with an eye to maximizing the return on investment of the funds in trust.

B. The Foundation Model

The CGIAR Ministerial-Level meeting, held in Lucerne on February 9-10, 1995, urged the CGIAR "to solicit philanthropic financial participation of the private sector without compromising the public good character of the CGIAR's research, and explore the feasibility of setting up a fund or a foundation which can seek contributions to support agricultural research."⁵ This will require mechanisms that permit the CGIAR to receive support from donors different from the traditional ones (ODA and public), under different modalities (extraordinary, one-time or periodic contributions), and in a way that guarantees that their support of CGIAR is compatible with the System's overall goals and modus operandi.

Objective: The objective of the foundation would consist of receiving and actively soliciting funds in support of international agricultural research. The foundation would mainly target non-public sources such as corporations, philanthropic foundations, and individual philanthropists. The foundation would also act as a vehicle to receive donations from public sources that can not support the CGIAR through regular funding mechanism (e.g., non-UN member countries), or from countries or organizations who are not (or not yet) ready to assume the responsibilities that go with full CGIAR membership but are still willing to support the CGIAR by periodic or significant one-time contributions. Funds attracted by the foundation would support the CGIAR research agenda as it is implemented by the CGIAR Centers, systemwide programs and initiatives, and through collaborations with NARS and advanced research institutions.

⁵ The Lucerne Action Program, February 10, 1995, p. 5.

Role of the Foundation: Established as a legal entity, distinct from the CGIAR, and directed by an independent board of trustees, the foundation will be at arm's length from the CGIAR, its cosponsors and membership. While linked with the CGIAR, the independent character of the foundation would accomplish four desirable aims:

- (a) functioning outside the framework of the CGIAR processes and procedures, it could operate in more flexible and innovative ways in the areas of public awareness and resource mobilization. Indeed, if the foundation's mandate were to include executive tasks besides fund-raising, it could be set up as a NGO;
- (c) in consultation with the CGIAR, the foundation would determine, in its by-laws, the criteria of acceptability of donors and of the modalities of their contributions;
- (d) by determining in the by-laws the rights and obligations of its the donors, the foundation would insulate the CGIAR and its centers from direct interference from the foundation's donors and thereby alleviate possible conflicts of interest; and
- (e) being one step removed from the CGIAR structure, the foundation might be a more acceptable interlocutor to some non-traditional sources.

With a board composed, at least in part, of individuals of a high international stature with access to decision makers in private (and in some cases public) organizations and foundations, the foundation would fulfill the double role of fund-raiser on behalf of the CGIAR, and of provider of additional resources to CGIAR's operations. In its contacts with potential donors, the foundation – and its trustees in particular – would translate the CGIAR vision statement into terms appealing to potential donors and congruent with their own philanthropic goals.

Possible forms of the foundation: The foundation could take different forms:

- (a) A first distinction is between a "pass-through" foundation and an "endowment" foundation. While the first would allocate collected funds as and when they are received, the second would receive donations and accumulate them in an endowment fund which would be invested, the proceeds of which would be periodically disbursed to the CGIAR.
- (b) A single, multipurpose foundation could be set up serving the CGIAR at large. Alternatively, one or more purpose-specific foundations could be set up along regional, commodity, or thematic lines. The latter is likely to be more attractive to private donors as they tend to prefer to contribute to results rather than to ongoing programs.
- (c) A combination of both formulas is conceivable, as a foundation could be set up at the System level, while purpose-specific foundations could be set up at the level of Centers or groupings of Centers. The two types could be linked through cross-representation on boards, and quality control could be exercised by the central foundation over the others.

Status of the foundation: The single, multi-purpose foundation should be set up in such a way that:

- (a) it has an international status, accessible to interested parties from across the world; and,
- (b) it benefits from tax-exempt status on both the receiving and giving end (tax deductibility).

Acceptability of donations: The by-laws of the foundation should clearly set out the criteria of acceptability of donations, as well as the operating principles regarding the disposal of funds, and the rights and obligations of the foundation's donors in this regard. Similarly, the by-laws should clearly define the obligations and limitations on the foundation's public awareness

activities to ensure that they are fully consistent with the goals and activates of the CGIAR.

Relationship between the foundation and the CGIAR: The foundation would presumably be a member of the CGIAR, representing collectively its own membership. Through its board chair or director, it would be represented at the CGIAR table and participate in CGIAR debates as a full-fledged member.

Governance of the foundation: As indicated above, governance of the foundation will be assumed by a board of directors. A number of seats on the foundation's board would be reserved for representatives of major donors to the foundation, designated by the board on a rotating basis. A certain number of trustees might be nominated by the CGIAR on the basis of their capacity to act as spokespersons for the CGIAR at the highest levels of potential donor organizations. In addition, it is likely that CGIAR representation per se on the foundation's will be necessary (e.g., the CGIAR Chairman, the Chair of the Finance Committee, the Chair of the Center Board Chairs, and/or the Chair of the Center Directors' Committee), to ensure compatibility between the foundation's approach to supporting agricultural research and that of the CGIAR.

Limitations of the foundation formula: The foundation, as an independent entity, holds the intrinsic danger of distancing itself over time from the CGIAR and developing a life on its own, rather than evolving in parallel with the CGIAR. These dangers require a close contact between the CGIAR and the foundation to ensure congruence in the foundation's support to CGIAR and in its approach to international agricultural research. A further potential issue is the accountability of the foundation and its board members to the CGIAR. Though set up as an independent legal entity primarily responsible to its donors, the foundation should also be accountable to the CGIAR to ensure the above referred to need for cohesion with the CGIAR.

Operations of the foundation: The foundation will need full-time staff to support the public awareness and fund-raising program of action of its board members, and to execute the financial operations of the foundation (e.g., receiving, acknowledging, managing, and disbursing the resources raised by the foundation). In the early stages, the foundation will need financial support to carry out the operations of its board and staff support functions. However, once the foundation becomes fully operational (within say, three to five years), it should be financially self-supporting (e.g., by discounting a fee on the funds raised, to cover its own costs). Its not reaching that stage within a reasonable amount of time would be an indication of the foundation's not succeeding in its objective, and it should therefore be dissolved without further expense.