1st General Assembly of CGIAR Centers
24 – 25 January 2017, London

Session 2: Day 1, Updating ourselves

Focus and progress of the System Management Board's seven (7) *adhoc* Working Groups

System Management Board- ad hoc Working Groups: Overview

- **Pursuant to Article 9.10 of the Charter of CGIAR System Organization**, the Board has the authority to "*establish ad-hoc working groups and task teams of the System Management Board, as it deems appropriate to carry out its work.*"
- **7 Working Groups:**
    - WG1 on Resource Mobilization
    - WG2 on Rules of Governance
    - WG3 on Cost Sharing
    - WG4 on System Costs
    - WG5 on Site/Country Integration
    - WG6 on Genetic Resources
    - WG7 on Former GLDC proposal
- **Key priority of the SMB at the time of formation** – to bring in additional experiences from virtually all of the Centers to help solve some of the challenges
- **Formed in recognition that there was so much that needed to be done all at the same time –** what better way than to draw on the resources of us all

Working Group 1 on Resource Mobilization: Background

Composition*:

- *Members:*
  - Eugene Terry [Chair]
  - Jimmy Smith [Vice Chair]
  - Tony Simons
  - Ann Tutwiler
  - Margret Thalwitz
  - Shenggen Fan
  - Martin Kropff
  - Catherine Bertini
  - Elwyn Grainger-Jones

- *Additional Resources:* Karen Brooks (CRP Representative), Alain Vidal (System Management Office)

Purpose:

To identify mechanisms for system-level resource mobilization and the strategic expansion of funding, including through innovative financing initiatives and mechanisms to stabilize the flow of funds, with a focus on both traditional and non-traditional funding sources, and building on the work of the former Senior Steering Group on funding.

Term: 31 March 2017

Working Group 1 on Resource Mobilization: Update

1. Maintain strong engagement with traditional donors to avoid a significant decline, with a range for 2022 total contributions of US$1.2-2.0bn.

2. Since many funders struggle to maintain current funding, qualitative improvement of funding is key through diversification.

3. Enhanced communication and branding at system level are key, including a restructured forward-looking (10-15 years) CGIAR narrative, emphasizing the 'How', the 'What' and the CRP2 performance management system in place, delivering the right message about CGIAR.

4. Calendar of key events featuring CGIAR at high level with a role for high profile Ambassadors being designed covering 2017-18.

5. Innovative funding mechanisms should be developed.

   - On the scope and potentials of the Returnable Capital Fund (RCF) mechanism, in close collaboration with the Trustee, and
   - On the scope and potential for innovative financing, in close collaboration with Centers with related experience.

6. Next Steps:

   - Resource Mobilization CoP 2 day-seminar in Montpellier end of February 2017
   - Working Group virtual meeting just after to issue final recommendation for SMB5.

Working Group 2 on Rules of Governance: Background

Composition*:*

- *Members:*
    - Margret Thalwitz [Chair]
    - Elizabeth Bailey
    - Bruce Coulman
    - Yvonne Pinto
    - Cristian Samper

- *Additional Resources:* Maggie Gill (Chair, ISPC), Karmen Bennett (CGIAR System Organization)

Purpose:

To strengthen the Rules of Procedure of the Board and support the development of the Rules of Procedure of the General Assembly.

Term: 31 March 2017

Working Group 2 on Rules of Governance: Update

1. Deliberating on and developing recommendations for addressing**Conflict of Interest**
   *Note- this will be more fully presented and discussed in **Agenda item 7.3** "Addressing the inherent risk of System-wide Conflict of Interest- declaring and managing COIs transparently and effectively.*

2. Discussing **Rules of Procedure for the General Assembly** (required under article 5.7 of the Charter)
   *Note- this will be more fully presented and discussed during **Session 9** on General Assembly Core Functions*

3. Discussing and developing recommendations around **Board Composition**
   *Note- this will be more fully presented and discussed during **Session 9** on General Assembly Core Functions*

Working Group 2 on Rules of Governance: Focusing specifically on conflicts of interest

- It should be recognized and considered that the differences between Centers (e.g. in types of science and degrees of dependence on W1-2) will result in differential impacts on them from the implementation of any system-wide policies or actions.

- This could be perceived as a conflict of interest when nominees from Centers are involved in discussions leading to decision-making by the SMB, which decisions, according to Article 7.8 of the Charter, should be made in good faith in the interests of the CGIAR System as a whole.

- SMB agreed in its December 2017 meeting to adopt a comprehensive declaration of interests process

- Will be implemented in advance of SMB5 (March 2017)

Working Group 3 on Cost Sharing for Host Centers: Background

Composition*:*

- *Members:*
  - Gordon MacNeil [Chair]
  - Michael Gerba (delegated by Barbara wells)
  - Syon Niyogi (IWMI)
  - Siboniso Moyo (ILRI)
  - Matthew Morell

- *Additional Resources:* Albin Hubscher, CGIAR System Organization

Purpose:

To develop recommendations for shared corporate services and other means of improving financial efficiency where multiple Centers operate under the umbrella of a Center with a host country agreement or where multiple Centers operate with individual hosting agreements with a host country.

Term: 31 March 2017

Working Group 3 on Cost Sharing for Host Centers: Update

1. **Defining the 'issue'** *and* **Developing a draft set of Provisional Principles** for **CGIAR Centers to possibly agree to abide by and apply in their hosting arrangements:**

    i. The driver for budgeting of hosted staff will be a **full-cost recovery approach**, not a profit center approach.

    ii. All charges should be linked to **actual costs and services**. Blanket overheads or fixed fees should be avoided, with a possible exception being the charging of a general and modest "governance fee" where necessary.

    iii. Costs charged should be **reasonable**, allowable and allocable. The costs calculated should represent a fair share of costs and **value for money**.

    iv. Hosting costs must not result in the **same item being charged twice** – once at the home center and once at the host center.

    v. While hosting arrangements and costs may differ greatly from one country or one Center to another, these **should not differ greatly between Centers operating in the same country context**.

    vi. Hosting arrangements should be robust and fair enough to cover the wide range of hosting scenarios. It should be **clear what services are provided in each scenario**.

2. **Planning engagement with the Centers to further understand various 'hosting scenarios' and challenges**, strengthen the principles and explore whether principles alone will help achieve fair implementation of hosting practices, or if a Policy may be needed

Working Group 4 on Funding System Actions and Entities - Background

Composition*:*

- *Members:*
    - Elwyn Grainger-Jones, Executive Director [Chair]
    - Jimmy Smith,
    - Eugene Terry,
    - Barbara Wells,
    - Tony Simons
    - Matthew Morell.

- *Additional Resources:* Gordon MacNeil and two members of the System Council, Eric Witte (USAID), Samy Gaiji (FAO), attend meetings and act as a 'sounding board', but are not formal members.

Purpose: to identify entities to be supported by system-level investments, identify the administrative costs of the CGIAR System and a fair mechanism for funding these costs.

Term: Ongoing need for adhoc group to be reviewed at SMB5 (March 2017), as topics may now naturally fall within approved mandate of Audit and Risk Committee

Working Group 4
System Entities – Tracking System costs

1. CGIAR Trust Fund or, more specifically, costs associated with the Trustee;

2. Independent Evaluation Arrangement (IEA);

3. Independent Science and Partnership Council (ISPC);

4. System Council;

5. System Management Board;

6. System Management Office;

7. General Assembly of Centers;

8. Internal Audit Function; and

9. Partnership Forum.
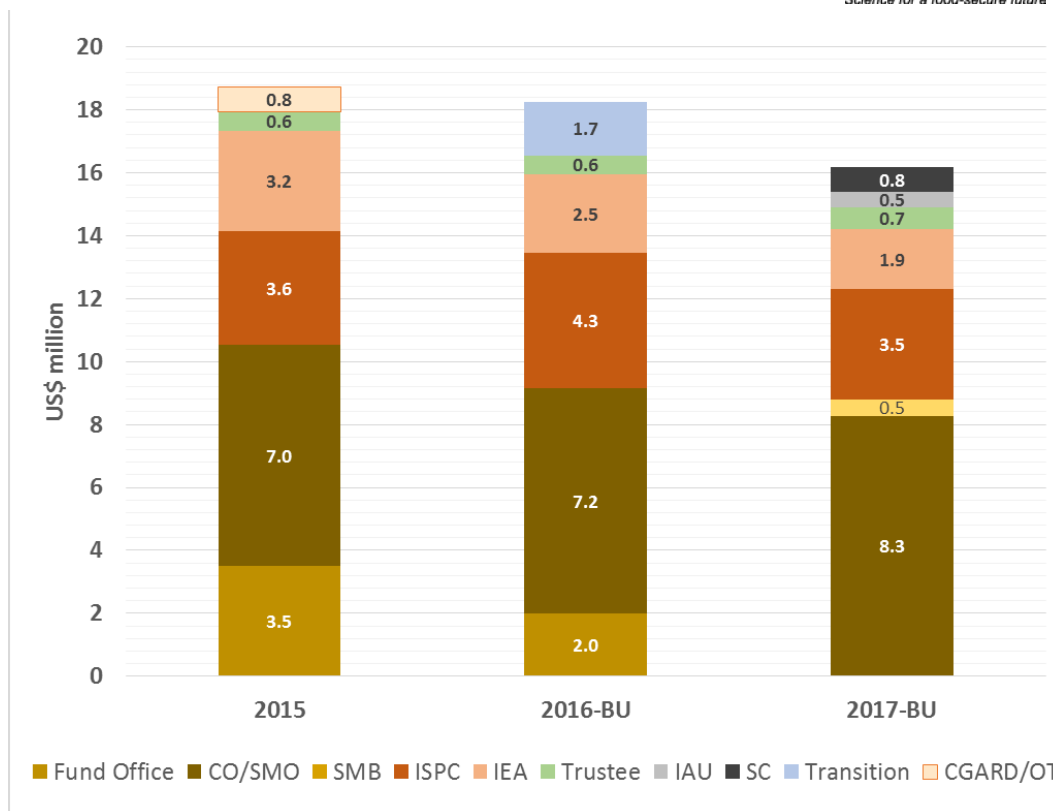
Working Group 4 – System Costs
How are these costs covered?

CSP
- Now set at 2% on all bilateral projects
- Linked to the CGIAR research portfolio
- Or to all CGIAR research

Some notes from the Working Group's Sept 2016 Mexico meeting
- Actual system cost varies annually but CSP will be reviewed every 3 years or so
- Any annual residual of CSP will accumulated for special purpose use
- Holding down system cost is key – but the SMB has no formal jurisdiction over the costs of the ISPC, IEA, Trustee, System Council
- Still to be determined what is the scope of the Internal Audit Function agreed between the SC and SMB – and that will influence costs

Working Group 4 on Funding System Actions and Entities: Update

Work to date:

- As an early outcome of deliberations that started immediately after formation, the working group supported the development of the Board's final budget proposal to the System Council for System-level costs for 2017 in the amount of $16.24m, for financing 8 of the total identified 9 CGIAR System actions and entities. This was discussed by the Board at its 3rd meeting on 1 November 2016.

- That material was submitted, and approved by the System Council at its 3rd meeting on 23 November 2016 (meeting document SC3-04).

- At the time of approving the budget proposal, and the continued use of the cost sharing percentage ("CSP") mechanism for the payment of these System-level costs, the System Council emphasized its requirement that the CSP apply to all bilateral projects, as a means of taking away the "free riding" principle that many Window 1-2 Funders feel exists if there is not a concerted effort to ensure that the CSP applies right throughout the grants that are signed.

Next steps: The System Management Board will consider the ongoing need for the group at SMB4 (March 2017), or whether the role now moves to the SMB Audit and Risk Committee.

Working Group 5 on Site/Country Integration: Background

Composition*:*

- *Members:*
  - Matthew Morell [Chair]
  - Barbara Wells
  - Tony Simons
  - David Bergvinson
  - Ylva Hillbur

- *Additional Resources:* Siboniso Moyo (ILRI) and Tom Randolph (Livestock)

Purpose:

To develop a proposal for improving implementation of Site Integration as an important early element of the CGIAR Portfolio for 2017 – 2022

Proposed output/deliverable: A set of recommendations around 7 topic areas.

Term: 31 March 2017

Working Group 5 on Site/Country Integration: Update

- **Site Integration -> "CGIAR Country Collaboration" (CCC)**

- **Primary focus is on programmatic alignment and synergies**
  - not driving resource-use efficiency (Centers issue)
  - no "gatekeeping" role of CCC with Government or donors

- **Stronger programmatic alignment to enhance CGIAR engagement**
  - between the CGIAR and the country
  - with donors and other stakeholders
  - internally

- **Potential Nature of CCC activities**
  - Annual over-view meeting for country, stakeholders and CGIAR
  - Formation of active teams with proscribed activity areas - eg baseline data collection and M&E
  - Active mobilization of integrating investments

Working Group 5 on Site/CGIAR Country Integration: Update (2)

- **CCC process and investment decisions in each country**
  - should be "bottom up" rather than "top down"
  - move past selection of lists and "+" and "++" ratings
  - decisions made with countries, among CGIAR partners, not centrally.
- **Centers and CRPs have roles in CCC.**
  - Where no existing CCC process, DGs of active Centers need to agree path.
- **Need to re-survey Centers and CRPs on the current status of CCC**
  - survey criteria under development
- **A range of issues still being addressed**
  - Funding issues
  - Roles and responsibilities of individuals
  - Role of the Site Integration Task Force
- **Report to be provided for SMB consideration by early March**

Working Group 6: CGIAR's positioning and engagement on Genetic Resources: Background

- **Key question:** How CGIAR – and particularly its 11 'Article 15' Centers engage on the global stage with respect to genetic resources policy – was identified by the SMB at its inaugural meeting as a key area for focus

- **At inaugural SMB meeting – Paris July 2016 - SMB thus identified a possible 'adhoc' working group with the purpose:** *To work with Centers on identifying appropriate system-wide engagement modalities in regard to the Global Crop Diversity trust ('GCDT'); International frameworks; and improved policy coordination on germplasm issues.*

- **Also identified a possible working group initiator/lead**: Ann Tutwiler

- However, agreed to hold off on formally constituting the working group until the Board could come back to the various issues at its December 2016 (SMB4) meeting

Working Group 6: CGIAR's positioning and engagement on Genetic Resources: Update

- **At SMB4 – Board supported the proposal that Ann Tutwiler and Martin Kropff would prepare a communique to the 11 'Article 15 Centers', with the view to seeking views on the key issues arising**

- **20 January 2016: communique and 'voting sheet' issued to all Article 15 Centers**

- **Sought Center preferences on topics that include:**
    - CGIAR's representation on Crop Trust Executive Board
    - To whom should the Crop Trust report to?
    - Who should serve on the Advisory Committee of the Genebanks Platform
    - To whom the Policy Module in the Platform should report
    - Who is to approve genetic resources policy positions?

- **Collated views shared during General Assembly if available**

Working Group 7 on former GLDC proposal: Background

Composition*:*

- ***Members:*** Eugene Terry [Chair]; Catherine Bertini (SMB independent member); Elwyn Grainger-Jones (SMB non-voting and Executive Director)

- ***Additional Resources:*** Peter Gardiner (CGIAR System Organization)

Purpose: To prepare for Board review and submission to the System Council, a proposed process ("Process") for the development and structure of a future proposal or proposals for the commodities, geographies and communities in the former GLDC proposal, not necessarily proceeding with the consultations that were in 'Option 1' of the Board's letter to the System Council Chair dated 21 September 2016.

Term: 31 March 2017

Working Group 7 on former GLDC proposal: Update

- **Focus**: How the CGIAR System (SC, SMB, Centers etc) can come to clarity on the most appropriate way (or ways) that the critical research questions can be incorporated into the '2017-2022 CGIAR Portfolio', <u>for funding from start of 2018</u>

- **Status**: **SMB has endorsed the appointment of an expert group and a timetable to explore the key questions**, with the following two-phase process: (i) Review and alignment of a call for proposal or proposals; and (ii) Proposal design(s) and review

- **Peter Matlon has accepted to serve as Chair of expert group**

- **Timetable envisages 'check in' with System Council on 30 March** in advance of a formal call for proposal(s) to ensure SC confidence that areas highlighted during SC Sept 2016 meeting are addressed

- **USAID leading concurrent 'friends of GLDC' process:** to ensure 2017 support of critical breeding programs