Agenda Item 05
For Strategic Direction

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Critical Interim Research Initiative: Draft note for consideration at CGIAR SC 4

Purpose

This note provides information regarding an important interim dryland cereal and legume research opportunity to be discussed in conjunction with the SC 4's consideration of future Grain Legumes and Drylands Cereals (GLDC) CRP.

Action Requested

Three possible options are presented for the System Council to consider and discuss the best way forward.

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Prepared by: Group of interested donors

Part A - Background

1. **Background:** This note provides information regarding an important interim dryland cereal and legume research opportunity to be discussed in conjunction with the SC 4's consideration of future Grain Legumes and Drylands Cereals (GLDC) CRP. At CGIAR SC 2, the System Management Board decided not to advance the GLDC CRP to the System Council. At that time, several donors expressed concern about the impacts of no funding for on-going, well-reviewed crop improvement efforts. Points raised included the inability to stop/start breeding programs, their long-term nature, and their roles as sources of international public goods that the CGIAR alone provides to developing world agriculture. Moreover, the affected crops are essential elements of food security in vulnerable regions, where they also are critical contributors to resilient production systems. The SC Chair agreed that interested donors should consult and explore the potential for an interim, gap-year support via bilateral arrangements that would ensure continuity in support of these essential CGIAR activities. An update of the progress to generate interim proposals from affected centers was provided by USAID in the SC 3 virtual meeting, and in several subsequent emails.

2. **Issues:** During the course of discussions over the last several months, the following matters have emerged that can contribute context to upcoming System Council deliberations.
    a. ***Scope:*** The proposals received are considerably larger than the amounts that would have been requested in the GLDC CRP, which only requested $2.7 million for breeding and trait identification across 8 crops. The difference reflected the fact that the centers were urged to provide proposals that realistically met the critical needs of the breeding program and some essential related activities in agronomy, entomology, pathology and IPM.
    b. ***Separation:*** Initial discussions among donors indicated that several could consider some, but not all, of the various pieces that would have been included in the CRP. Differential donor preference reflected, for example, varying priorities among regions or target environments. Thus, four separate proposals were prepared: Semi-Arid Tropics Crops (ICRISAT); Beans (CIAT); African legumes (IITA); and Barley (ICARDA). In soliciting four separate proposals, no assumption was made regarding future arrangements of CGIAR support. The program and budget documents (attached) are for one-year, interim activities.
    c. ***Funding vehicle****:* As noted above, the SC Chair indicated that bilateral arrangements could be used when the interim approach was initially discussed in Mexico City. During the course of discussions since then with potential donors, it has become clear that some cannot consider funding via Window 3 or another bilateral mechanism, while other donors relied on the approval of a CRP in order to commit aligned funding in a bilateral arrangement. Still other donors indicated that the issue was one that the System had created and thus a System-led solution was needed, in other words a response that was somehow sanctioned by the System.

3. A possible solution that would permit more funders to join an interim collective effort on legumes and drylands cereals could be a one-time, special case earmarking of Window 1 contributions. There is some precedent for earmarking when approved by the Fund Council

during the earlier phase of the reform. For example, in order to respond to urgent needs using atypical means, the FC had previously agreed that donors could earmark Window 1 funds for impact assessment, gender programming and possibly other non-CRP activities. These were clearly labeled as one-off opportunities associated with a specific program objectives, not a wholesale invitation to label Window 1 contributions.

Part B – Options for Consideration

4. **Options for Consideration:** What was clear from recent consultations with Donors to the CGIAR was that the research on these crops is critically important and simply leaving a gap in funding was not a desired outcome. What was less clear was the way this need could be met in a temporary way, but one that also promoted collective action. Key aspects of the above analysis were shared with the office of the Chair of the CGIAR as well as the leadership team in the System Management Office. Based on initial, informal feedback, USAID attempted to capture both potential benefits but also concerns under various approaches. Three possible options are presented below for the System Council to consider and discuss the best way forward. For each one there are both benefits and weaknesses that we have tried to identify; you may see additional issues when reviewing them.

I. Expanded interim proposals (4 proposals as Annexes) funded with a combination of earmarked, *additional* Window 1 funding from interested donors, possibly in combination with other donors via Window 3 or bilateral (non-CGIAR Fund) arrangements.

Pros:

- System-level solution to a system created problem sends positive signal regarding support of critical, on-going CGIAR programs.
- More fully funds realistic costs of research programs.
- Allows the largest number of donors to support a critical part of the portfolio that is currently missing.
- Allows for development of joint reporting.
- Provides an opportunity to grow shared funding via Window 1 that fully responds to donor demand/prioritization.

Cons:

- Transitional aspects relating to forward planning around an eventual replacement CRP program and budget are not clear.
- Rules and regulations regarding Window 1 donors may not be fully reflected.
- Proposals have not had a full review by ISPC review, and no commentary is available.

Budget

Position	Basic cost	Cost, assistants	Cost, technicians & workers	Operations	TOTAL
Breeder, Colombia	150,000	120,000	120,000	160,000	550,000
Breeder, Uganda*	150,000	60,000	40,000	150,000	400,000
Breeder, Malawi*	150,000	60,000	40,000	150,000	400,000
Pre-breeder, Colombia	150,000	60,000	60,000	140,000	410,000
Molecular biologist	150,000	120,000	30,000	140,000	440,000
Bioinformatician (0.25)	38,000	45,000		10,000	93,000
Pathologist	150,000	60,000	60,000	60,000	330,000
Virologist (0.5)	150,000	30,000	30,000	40,000	250,000
Physiologist**	150,000	90,000	60,000	110,000	410,000
Postdoc, physiology	80,000	30,000	10,000	50,000	170,000
Entomologist	150,000	30,000	20,000	80,000	280,000
Research &Technical Support****					821,260
Overhead***					500,969
					5,055,229

* Positions are currently financed by SDC, Switzerland, and GAC, Canada, with partial operational support.

** Position is expected to be funded by BMZ, Germany, without operational support.

***CIAT has an internal policy for Indirect cost which charges actual percentages derived from the Schedule of Indirect Cost Rates reported in our FY Financial Statements, which was audited by Ernest & Young. For 2016, the overhead rate was 11% which we maintain for 2017.

****CIAT Institutional Support is a cost that is only charged to research positions, considering that this support is fundamental when research activities are conducted. Charges include services for Contracts Management, Project Management, Project Communications, Knowledge Management, Intellectual Property, Monitoring & Evaluation, and Partnerships.