

Resource for the 2<sup>nd</sup> General Assembly of the Centers:

## System Council endorsed integrated business planning cycle for the CGIAR System

### Background:

#### **Decision Ref. SC/M5/DP34: Adopting a strategic business cycle approach**

At SC5, the System Council endorsed a business planning cycle concept for the CGIAR, with a proposed multi-year business plan for the CGIAR System being brought or final approval to the System Council's November 2018 meeting (and launched from 1 January 2019), with an update on progress being provided to the System Council's May 2018 meeting.

### Purpose for the General Assembly:

This document is provided in support of discussions in Agenda item 5. Returning to the August 2017 Centers' Workshop discussions on system architecture and specifically 5.2 The System Council has requested the SMO bring to the SC's November 2018 meeting a multi-year business cycle plan for approval. How could this concept be developed to maximum effect in the context of any changes to the System Architecture, by aligning the right activities with the right timing within the business cycle?

**Document category:** There is no restriction on the circulation of this document

Prepared by: System Management Office



## An integrated business planning cycle for the CGIAR System

### Purpose

This document sets out a proposal for the CGIAR System to adopt a business planning cycle as a mechanism to deliver a systematic approach to the sequencing of major operational, financial and institutional decision-making at the system level. It is an important companion document to SC5 meeting paper “An Allocation strategy for the CGIAR System” and the 12 proposed building blocks involved.

### **Document category: Working document of the System Council**

There is no restriction on the circulation of this document

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## Part A - Rationale for a 4-year planning cycle concept

1. Most multilateral organizations and partnerships operate according to a multi-year business planning cycle. As of now, CGIAR as a system has a 6-year Research Portfolio that is funded by an annual funding cycle, a scientific foresight function that requires further definition, and a multi-year plan for evaluations (currently under review). There is a major opportunity for greater alignment and completeness.
2. It is proposed that CGIAR adopts a 4-year business planning cycle. The first cycle would incorporate the remaining 4 years of the current CGIAR Portfolio of CGIAR Research Programs and Platforms (from 2019-2022). From January 2023, the System would transition to research programs of 4-year duration as part of an integrated 4-year cycle.
3. A 4-year cycle is proposed because this is a manageable period in which to:
  - a. Plan and implement research, funding and institutional decisions;
  - b. Indicate longer funding streams to support the Portfolio - for those Funders who can work within a multi-year funding cycle within their own settings; and
  - c. Re-assess and make significant reprioritization of research priorities.
4. This period is within the norm for other multilateral institutions, which typically range from 3 years (IFAD, IDA) to 4 years (GEF). Given CGIAR's business area of research, a 4-year cycle may be more appropriate than a 3 year one.
5. There could be several benefits from adopting such an approach:
  - a. For Funders, this could have a positive impact on the value for money of contributions by creating a clear process for effective planning for the Portfolio – including for integrating performance information and strategic foresight thinking into Portfolio planning and decision-making. It also identifies the pivotal role for the System Council, with a high degree of transparency providing Funders with a clear planning horizon through which to engage and influence strategic decisions for the benefit of the System as a whole.
  - b. For CGIAR Centers, researchers, and partners, this could have a major impact on introducing greater stability to their working environment while at the same time facilitating an orderly process for managing change, including ongoing innovation in the Portfolio over a 4-year cycle and, when necessary, within that period. A further benefit might be greater stability in financing if this approach leads to a higher share of multi-year contributions at the CRP/platform level.

Table 1: Indicative Business Cycle for the CGIAR System 2019-2022

Business Planning Cycle Concept

	<i>Preparatory year (2018)</i>	<b>Year 1 (2019)</b>	<b>Year 2 (2020)</b>	<b>Year 3 (2021)</b>	<b>Year 4 (2022)</b>
<b>Business plan/SRF</b>	<i>4-year (2019-22) business plan prepared</i>	Launch implementation of business plan	November SC – mid-term review of business plan implementation	Planning for 2023-26 business cycle November SC – more detailed review of business plan implementation and lessons learned + initiate SRF review	Finalization and initial green-light of 2023-26 business cycle at Spring SC meeting November SC - agree new 4-year SRF and business plan for next cycle
<b>Budgeting</b>	<i>Implement the building blocks for the allocation strategy, and November SC agree 4-year CRP + platform + system entities forward indicative budgets</i>	Light forward looking annual budget review for 2020	Mid-cycle forward looking budget review for 2021-2022	Light forward looking annual budget review for 2022	November SC - Agree next 4-year CRP + platform + system entities forward indicative budgets - informed by deep budget review to drive efficiencies and cost-effectiveness
<b>Funding</b>	<i>Voluntary multi-year pledging process (total amounts + at CRP/Platform level)</i>	Annual contributions (and annual pledging for relevant funders)	Annual contributions (and annual pledging for relevant funders)	Annual contributions (and annual pledging for relevant funders) Planning of multi-year pledging process for 2023-26 cycle	Multi-year pledging process (total amounts + at CRP level)
<b>Scientific Programming</b>	<i>For first cycle: continue with 2017-2022 Portfolio (amended and improved as appropriate)</i>	[* In second cycle – launch updated/new research themes/programs]	Mid-cycle discussion at November SC on whether to make within cycle strategic adjustments to Portfolio	November SC - Commission development of next round of 4-year research themes/programs + set criteria for independent review	Independent review + November SC decision on a new round of 4-year research themes/programs
<b>Performance reporting</b>	<i>Pilot Annual performance report</i>	Annual performance report on 2018	Annual performance report on 2019 (mid-year) – and mid-cycle stock take discussion at November SC	Annual performance report on 2020	Annual performance report on 2021
<b>Evaluation</b>	<i>Agree evaluation plan for 4-year cycle</i>	Carrying out planned evaluations	Carrying out planned evaluation, including any cross-cutting thematic evaluations as planned	Completion of planned evaluations	Agree next 4-year workplan as part of new business plan
<b>Foresight</b>	<i>Foresight event at November 2018 SC</i>	<i>Potential specific foresight questions to address if specially requested by SC</i>	Brainstorming event on foresight in advance of distilling in 2021 CGIAR focused advice to inform trajectory of evolving portfolio	End-year – major foresight publication/science event to help to frame SRF revision + strategic focus of next 4-year research cycle	
<b>Impact Assessment</b> (past research)	<i>Align funding and work plan for SPIA to 4-year business planning cycle</i>	Ongoing capacity strengthening for impact assessments across System	Capacity strengthening + one major cross-cutting thematic review	Lessons learned from SPIA + 1 or 2 major impact assessments of past research to inform broader conversation on CGIAR’s role	Ongoing capacity strengthening

## Part B – Key elements of a 4-year cycle

6. A 4-year business planning cycle could consist of alignment of core elements of CGIAR System planning – from foresight, to evaluation to performance reporting, to research programming to funding and budgeting – all planned in advance under a rolling 4-year business plan for the CGIAR System, incorporating impact assessments and capacity building for such assessments at relevant times.
  7. An indicative model for a CGIAR System business planning cycle is **set out in table 1 above**. With System Council support, 2018 would be used to develop a business plan based on agreed elements, and present that for System Council approval at its November 2018 meeting.
  8. The System Council’s November 2017 discussions on the future needs for independent scientific advice and evaluations and on the risk management framework will be integrated into the proposed business plan to give an integrated approach.
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