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Requirements and Proposed Next Steps

1. There should be a step change in the way in which corporate services are provided in the coming years. Corporate services ensure that Centers are enabled to meet mission objectives while run in the most efficient and effective manner possible. It is also essential that Centers comply with both System-level policies and procedures and the needs of Center Boards and management under the subsidiarity principle. The goal is not to have the lowest cost services, with the fewest people, but to have effective, efficient and low-transaction systems that provide the System and its component entities with the best platform to do the work of the System.
2. This paper identifies a set of phases to progress a Shared Services agenda that will be further explored, prioritized, and developed as the understanding of the needs and opportunities is explored and clarified.
3. It is essential that robust, balanced and achievable business cases and implementation plans are developed prior to any shared services initiatives being taken forward for investment. At various junctures, CGIAR has commissioned assessments and reports¹ from external experts that have identified opportunities and models for shared service collaborations that could increase effectiveness and delivery of certain corporate services with potential cost savings. While the outputs from those engagements have been synthesized and taken into consideration in developing this plan, further large-scale studies are not needed at this time to justify each specific opportunity for Shared Services.
4. The CGIAR has a long history of collaboration and shared services. Centers have explored and implemented several collaborations and shared services, the most notable ones being several years ago (AIARC, OCS, CGNET, Shared Internal Audit Units, ILRI/ICRAF ICT) and some more recently (DanOffice, Vehicle Procurement)². These have not been achieved without challenges and setbacks, hence a 'lessons learned' assessment (via survey) of past shared services and collaborations must be completed as part of a future business case.
5. This ethos of collaboration and shared services is engrained in the Charter of the CGIAR System Organization under various roles and responsibilities of the Centers, System Management Office, and the System Management Board. While these roles and responsibilities encourage shared services and collaboration each Center also retains the right to "participate, at its own discretion and on a voluntary basis, in shared services and other related non-mandatory activities or policies." It is important to maintain the agility and flexibility of the Center model, while working towards creating a well-connected set of corporate services across an efficient global infrastructure. Therefore, under all scenarios, the proposal is not to use the CGIAR System Management Office as comprehensive provider of shared services under a 'head office' model.

¹ 2009 Accenture Report, 2013 follow-up Accenture Report, 2013 ElixIRR Report

² See Appendix A for list of successful shared services and collaborations

6. Early analysis has identified three phases for the delivery of greater operational efficiency and effectiveness across the whole of CGIAR Centers;
 - **Phase 1:** Building Service and Policy Interoperability;
 - **Phase 2:** Shared Approaches to Developing and Implementing More Effective and Efficient Services;
 - **Phase 3:** Shared Services at the Country, Regional or Global Level

7. **The recommendation is to proceed with implementing Phase 1 across potential shared service and collaboration areas, and to create a team that is effectively organized and resourced to create the preliminary business cases to analyze potential opportunities through Phases 2 and 3.**

Coordinating Actions	Timing	Leadership
CSEs reflection and identification of opportunities	November-December 2018	Led by Chair of CSE CoP
Sub-group formed with support identified	November-December 2018	Led by Chair of CSE CoP
Workshop between DG sub-group and CSE sub-group	January 2019	CSE Chair and DG Representative to co-lead
Joint Report to DG's on next steps	By end-March2019	CSE Chair and DG Representative to co-lead
Sharing of evolving plan with System Council	May 2019	CSE Chair and DG Representative to co-lead

Collaboration and Shared Services Opportunity and Options

8. The objective of pursuing collaborations and shared services across CGIAR Centers should be focused on ensuring that Centers are able to meet mission objectives, are financially sustainable, comply with required policies and standards, and are attractive to Funders, staff and partners. By integrating operational and science efficiencies across Centers and CRPs we should aim to realize sufficient economies of scale and scope across the portfolio that justify the investment required and position the System for continuous improvement.

9. By studying examples of implementation of shared services in other organizations of similar structure, the potential opportunity for the overall collaborations and shared services to gain significant scale economies from more integration and shared services could be extensive. Other benefits include the ability to improve service offerings, mitigate risks, develop sustainable platforms in preparation for future changes, and increase focus on our core skills and purpose.

10. Equally, we need to be selective and to choose collaborations and share services where there is a clear financial and service benefit to the Centers and the System. We should also focus on only those Centers or System Entities who wish to join a collaboration effort or a shared service - success will come only when Centers and System Entities are willing

participants and contributors on the basis of the clear benefits realized, including Funder support.

11. We envisage the creation of jointly-owned cooperative models, whereby common services are provided across the Centers and across countries, by the Centers themselves or qualified external providers. This offers an opportunity for Centers to use and grow existing skills and capabilities in their own corporate services, and for using third parties, in cases where these can deliver capability more effectively. Such an approach will build on the strengths of each Center, leverage capacity and cost advantages available across our global operations and use those strengths to generate financial benefits across the CGIAR Centers and improve the overall quality of corporate services.
12. Broadly, three Phases of development of Shared Services across the CGIAR Centers and System Entities are envisaged. The potential for variation by functional area to account for different circumstances is recognized and a combination of the options might be necessary. It is recognized that different Shared Services opportunities will already be represented in the three Phases outlined – each Shared Service opportunity should be considered according to the state of maturity of the status quo and the priority and justification of the need to take the service to the next phase.
13. Depending on the specific service or collaboration, the following options may be considered as a way to pursue the development of each area or type of shared service:
 - (a) **Phase 1: Building Service and Policy Interoperability.** This is the easiest of the options and entails looking at areas of collaborations and shared services to ensure that across the System we have a shared policy framework and common language and processes that underpin interoperability. Achieving this goal positions the Centers to take the shared services process to the next level given that we have common definitions, metrics and all meet threshold levels of policy comprehensiveness and rigor. The collective approach ensures that we are not “reinventing the wheel” in each Center, provides a ready mechanism for benchmarking and cross learning, while allowing for the reality that different Centers have variations in need according to the nature of their work, the regions they operate in, and the culture of their organizations.
 - (b) **Phase 2: Shared Approaches to Developing and Implementing More Effective and Efficient Services.** Building on Phase 1, this Phase leverages the common policy framework, definitions, language and approach to facilitate the development of shared approaches to using systems or system enhancements that deliver significant service efficiency and effectiveness benefits. This phase has the potential advantage of delivering significant cost benefits and can enable development of world-class capabilities. This phase requires a high degree of alignment, cooperation and trust across Centers and System entities and may require substantial investment and commitment over a sustained period.
 - (c) **Phase 3: Shared Services at the Country, Regional or Global Level.** Once common policies are established and there are common systems, definition, processes and

language, transition to the development or outsourcing of shared service operations can be considered, delivering services to multiple Centers and or System Entities. Consolidation can be at the country level, by region (e.g. existing audit services), or at the global level (e.g. the AIARC model) depending on opportunity and need. Implementation of such shared services requires a very clear business case, a shared commitment to success and buy-in by participating Centers, and support for the cultural change and transaction costs involved in moving to shared operations. Centralization can bring with it additional risks (e.g. failure of a common service provider will impact multiple Centers) and these need to be traded off against the potential benefits (such as the opportunity to leverage new technologies or highly skilled and focused delivery teams). Centers will need assurance that the level of service delivered by shared service providers (whether by Centers or outsourced providers) provides the level and flexibility of service required by all participating Centers and allows them to meet the probity and compliance standards required by their respective Boards and the System.

Collaboration and Shared Services “Quick Wins”

14. Across the System there are opportunities to deliver “Quick Wins” by transitioning services from their current state to a higher level of efficiency and effectiveness. Given that some services currently have limited collaboration or shared development, this would entail taking them through “Phase 1”. Other services are already at this stage and ready for development and implementation of process or delivery enhancements that are developed collectively and implemented using shared processes. This is the easiest of the options and would entail looking at areas of collaborations and shared services that the Centers have already identified and prioritizing these activities.
15. This process has already begun at many of the CGIAR Communities of Practice including the Corporate Service Executive, Human Resources, and Information Technology and Communications. Each has identified several quick win collaborations or shared services that would bring the Centers together through best practices, shared policies, shared vendors, and joint procurements.
16. Some of these initiatives (e.g. policy benchmarking) are ready for progression to the next Phase and need multi-Center commitment to proceed. The identification, prioritization, and green lighting of these quick wins would show the commitment of the Centers to a new way of collaborating and working together. While these quick wins would show a continued process of looking for efficiencies across the Centers the potential for additional collaboration and shared services through the cooperative model at either the country, regional, or global levels should continue to be analyzed.

Appendix A - Existing Shared Services

- The One Corporate System (OCS)** is a CGIAR Center-led initiative to implement Unit4's Business World, an Enterprise Resource Planning (ERP) software. All members of OCS implemented a core solution design that includes the main business functions performed by CGIAR Centers. Nine (9) Centers and the CGIAR System Organization, encompassing over 7,500 CGIAR Center Employees, have joined the initiative, each with their own institutional goals and the common objectives to: provide more complete and accurate information for analysis and better decision making; improve operational efficiency; share experiences and expertise and to save costs. The ERP application integrates the Center's business processes, which in most cases, replaces a variety of individually managed systems for finance, budgeting, supply-chain, HR, timesheets, payroll and in-house developed research management applications. This enables a paperless workflow approval system and business intelligence analysis to be performed across different organizational functions. During the most recent fiscal year, 2017, over 5.5 million financial transactions were carried out using OCS which resulted in a total of over \$453 million in total revenue being processed by the system.
- The Operations Support Unit (OSU)** is a shared service center created to provide managed hosting and support services for the OCS initiative. Global coverage from The Philippines, Kenya and Peru provides 24/7 monitoring and support by a minimal team of 4.25 technical experts, a solutions architect and the Unit leader. The result is a high standard of secure hosting services provided equally to all OCS members, to a standard that not all Centers would be able to achieve on their own. This is accomplished while maintaining the flexibility of operation and independence of development strategy required by each Center, a service that cannot be provided by Unit4 or other managed hosting providers. OSU provides and coordinates expert support for the Business World application. With time, the OSU team has developed their capability to support Business World and, in doing so, has reduced the reliance on consultants and are working towards providing backup first line support to Centers with limited resource in this area. For example, to cover absences or lags in replacement recruitments. An important role of OSU is to facilitate common developments of OCS, thus reducing their cost and administrative overhead, and knowledge sharing among the Centers. OSU also provides a single point of contact for all interactions with Unit4, consultant partners and other third parties related to the OCS initiative taking over the burden of all administrative tasks with these organizations.
- Association of International Agricultural Research Centers (AIARC)** was established in 1992 by the Centers belonging to the then Consultative Group on International Agricultural Research (CGIAR). The mission of AIARC is to support and leverage the Centers' resources by providing centralized management of specialized payroll and benefit functions to reduce administrative time and costs. This pooling of resources provides the Centers with benefits and services that would not be available or economical if performed individually. This arrangement allows the Centers to focus on their missions—achieving sustainable food security and reducing world poverty.

AIARC performs the following centralized management functions on behalf of its member Centers:

- (a) Disburses \$152 million annually for payroll, retirement plan contributions, and insurance premiums;
- (b) Acts as the administrator and fiduciary for more than 3,000 participants and \$650 million in retirement fund assets divided between a U.S. 403 (b) plan and an offshore plan located in Guernsey;
- (c) Acts as the administrator and contracting agent for insurance coverage for over 6,700 employees to include: medical, emergency evacuation, life, long-term disability, accidental death and dismemberment, and business travel accident; and
- (d) Serves as the paymaster and administrator for payroll services for over 2,000 employees from many countries worldwide. Related services for U.S. expatriates include tax withholding and deposits, and W-2 and taxable benefits reporting.

4. **The Internal Audit Units (Audit Asia & Audit Americas and Europe)** provide independent, objective assurance and advisory services designed to add value and improve the Member Center's operations. The respective Shared Service Units help the related Member Centers accomplish their respective objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, control, and accountability processes. Internal Audit also provides advisory services to assist management of each of the relevant Centers in meeting its objectives. Examples of such services may include facilitation, training, and research services on prospective issues facing the Center or on external developments regarding governance, risk management, internal control, and value for money, or accountability processes.

Internal Audit provides assurance services as to whether the Member Center's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure that:

- (a) Risks are appropriately identified and managed.
- (b) Interaction with the various governance groups occurs as needed.
- (c) Significant financial, managerial, and operating information is accurate, reliable, and timely.
- (d) Employees' actions follow Center policies, standards, procedures, laws and regulations.
- (e) Resources are acquired economically, used efficiently, and adequately protected.
- (f) Programs, plans, and objectives are achieved.
- (g) Quality and continuous improvement are fostered in the Member Centers' control process.
- (h) Significant legislative or regulatory issues impacting the Member Centers are recognized and addressed properly.

5. **ILRI/ICRAF's Shared Services Unit manages the Information and Communications Technology** needs of the World Agroforestry Centre (ICRAF) in Nairobi, as well as ILRI's Nairobi and Addis Ababa campuses, including infrastructure, customer services, software applications, the Information and Communications Technology network and business continuity plans. In addition to providing ICT to the two individual Centers this group also provides services to all the Centers hosted on their campus.

6. **The Monitoring Evaluation and Learning (MEL)** platform was developed by the in-house team of the CGIAR Research Program on Dryland Systems and ICARDA Geoinformatics, was then launched at the end of 2014. The platform enables better result-based management including: projects planning, reporting, coordination, risk management, performance evaluation, management of legal mechanisms in place among partners, as well as knowledge sharing and learning amongst different groups of stakeholders (Funders, partners, CGIAR Centers and scientists), within and across CGIAR Research Projects, CGIAR Centers and bilateral projects. It has been designed for project/program managers and scientists within organizations to facilitate and semi-automate technical/program implementation and financial processes, thereby enabling timely and informed decision-making, transparent reporting to donors and reduction in administrative/transaction time and costs.
7. **Managing Agricultural Research for Learning and Outcomes (MARLO)** is an online platform assisting CRPs, Platforms and Centers in their strategic results-based program planning and reporting of research projects. It covers the project cycle from planning to reporting and learning. Reports generated by the system support outcome-focused programmatic reporting with additional synthesis at the flagship and cross-cutting levels.
8. **CGIAR Communities of Practice (COP's)** currently include 12 active communities of practice with global representation across all Centers, functions, and regions within the CGIAR. COP's meet periodically, work collaboratively on common initiatives and share best practices. The current active COP's include Corporate Services Executives (CSE), Communications, Data Management, Evaluation, Gender, Human Resources, Information Technology, Legal and Intellectual Property, Monitoring, Evaluation, and Learning, Resource Mobilization, Board Secretaries, and Science Leaders.
9. **CGIAR Board Orientation Program (BOP)** Capacity building program collaboratively led and run by CGIAR Centers to provide orientation to Center Board Members and Board Secretaries.
10. **Active Directory (CGNET) is the Microsoft Identity Management system.** It authenticates and authorizes all users and computers in a Windows network. CGIAR uses a shared Active Directory across Centers to support a shared Office 365 environment and enable CGIAR staff to collaborate using common platforms such as Outlook for email and calendaring, SharePoint and OneDrive for document management, Skype for Business for instant messaging, audio/video conferencing, or to facilitate authentication to shared systems such as OCS. The shared Active Directory delivers several benefits:
 - (a) It allows CGIAR to simplify its ICT services subscription model and to negotiate better rates by reaching critical mass.
 - (b) It enables a high level of collaboration between Centers, out of the box.
 - (c) It facilitates the administration of CGIAR infrastructure using one shared environment hosted in the cloud and managed by one external vendor.
 - (d) It allows to turn on new features on behalf of all Centers in one step. For example, a new backup tool for documents stored on Office 365 was implemented in 2018 across the CGIAR.

- (e) It allows the use of one single domain name (cgiar.org) for email addresses for all staff of participating CGIAR entities.

11. **CGIAR Good Practice Notes (GPN's)** were developed in collaboration with subject matter experts in CGIAR; they build on experience accumulated by Centers and leverage knowledge, tools and approaches developed externally. Their purpose is to support Center and CGIAR System Organization management in their efforts to establish efficient and effective business processes. There are GPN's on Research Data Management, Risk Assessment, Project Management and Control Self-Assessment.