

To: SC via the SMO

cc: SMB

From: Board Chairs of IFPRI, CIFOR, ICRAF, ILRI, IRRI

Date: 14th October & 30th October 2019 (revised)

Given that Center boards must necessarily each make decisions consistent with their Constitutions on recommendations received from the SC we provide this critical information to assist SC deliberations.

We support the direction of the SRG recommendations but disagree with how the proposed ‘One CGIAR’ could operate. We recommend that the SC does not endorse the SRG recommendations as presented but rather agree in principle subject to the below examples of issues being addressed through a detailed analysis and planning.

Recommendation 5 is central to the proposal, which was put to the Centers as a ‘grand bargain’ suggested by donors to increase annual funding from the approximately US\$850 M now to a two billion dollar CGIAR, with most of it being pooled when there is just 20% now. However, we note that Recommendation 5 is seeking much less than this funding commitment with no clear or assured path to get to the target. In addition, it seems to be predicated on reliance on ODA, predicted by experts to be a declining source of development financing, and overlooks Center initiatives with the private sector and innovative financing, growth paths that were forged in recent years. The matter requires urgent clarification since Boards would be abdicating their duty of care if there was no confirmation, before they departed, that the Centres will be in better financial health than they are now.

Recommendation 2 ‘Unified Governance’: We agree to the concept of ‘One CGIAR’ but do not agree that a common board is conceivable by 2020-21. The strategic case and plan are yet to be made and would necessarily involve existing legal entities (centers), which has not been the case in the SRG process. We challenge suggestions that inefficiencies are not greater in non-center entities than in centers which garner significant voluntary contributions through boards. We believe that boards should be professional, experienced, high-calibre persons familiar with research governance. To move to unified governance requires a strategic plan in which these examples and other critical matters (including, asset ownership, reserves designated for specific research support, departure packages, subsidiary companies, non-international organisation units, ongoing contracts) have been analysed and defined in the most beneficial legal terms. Such planning needs to be conducted before final endorsement by the SC or the Centers GA, a process that we suggest will require 12 months.

Recommendation 3(a) ‘Integrated Operational Structure’ & **3(c)** ‘One CGIAR at the Country and Regional Level’: Proposal (a) implies more transaction costs and office support for the MDs and less efficiency, than the Chair’s Rome proposal. That proposal, which is not reflected appropriately in the SRG proposal is based on a small number of clusters with small competent boards, chairs of which would form a revised SMB. The centralization and hierarchical structure runs counter to the decentralization being pursued by other international and corporate bodies. Both (a) and (b) rely on the above strategic plan being developed. In principle we support a small number of research clusters, each led by a CEO/DG with direct donor-center communication and contractual obligations streamlined without a middleman office. As Country Agreements are a significant contribution to research operations, there should be no attempts to renegotiate current agreements.

Board Chairs:

IFPRI, Mari Pangestu

ICRAF/CIFOR, Claire O’Connor

ILRI, Lindsay Falvey

IRRI, Jim Godfrey