

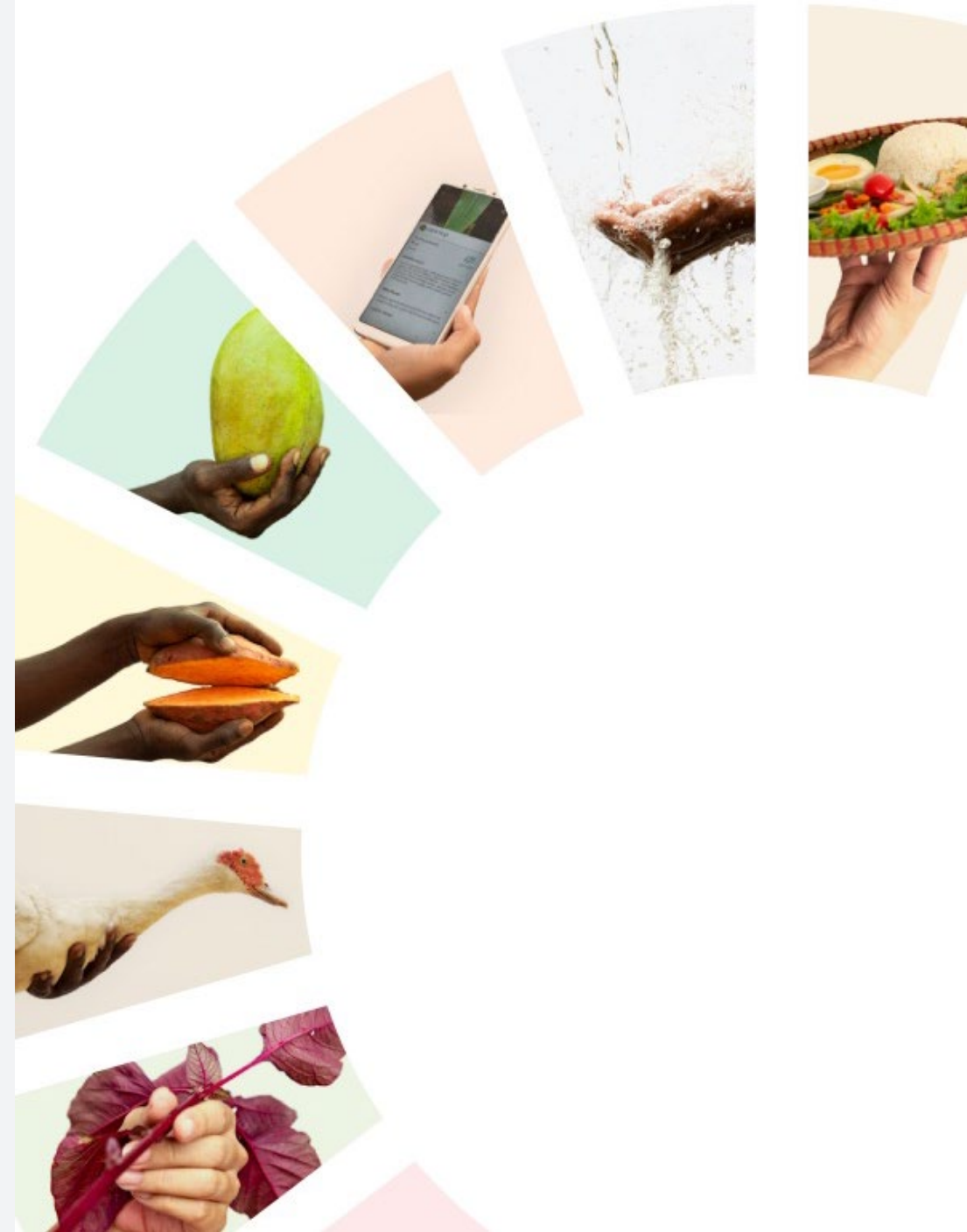


Agenda Item 11  
**Document SC18-11c**  
**For discussion and guidance**  
**(Article 8.1t) CGIAR System Framework)**  
Issued: 27 April 2023

## Financial Model Reference Group

**Purpose:** This document sets out a proposed solution to help address, at a macro-level, what financial model is needed to accelerate CGIAR's impact, efficiency, accountability, and transparency.

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ISS



# Proposal: A Financial Model Reference Group



**Context:** CGIAR faces a number of challenges around funding, investment modalities and financing model, as listed on the right. It is evident that:

- While various elements of the challenge are being explored in various ways, the challenges are interconnected and need to be brought together as a coherent effort.
- The current model is sub-optimal in many ways – with many deficiencies existing for years and a need to further evolve our funding model in line with the evolution of One CGIAR.
- Changing CGIAR’s funding model requires a high level of collaboration between different CGIAR stakeholders
- This work is needed in 2023 to inform the next cycle of Initiatives and to generate ideas for implementation including in the next business plan (2025—2027)



**Examples of key challenges across CGIAR**

# Proposed Financial Model Reference Group



**Scope:** *what financial model is needed to accelerate CGIAR's impact, efficiency, accountability, and transparency?*

The scope of the reference group is deliberately broad – it is looking at the macro-view of CGIAR's financial business model which inevitably has many elements. The term CGIAR in the scope is used as in the IFA – hence while the group will not look in detail at any one Center, it will be looking at the financial model as it serves both axes of the matrix.

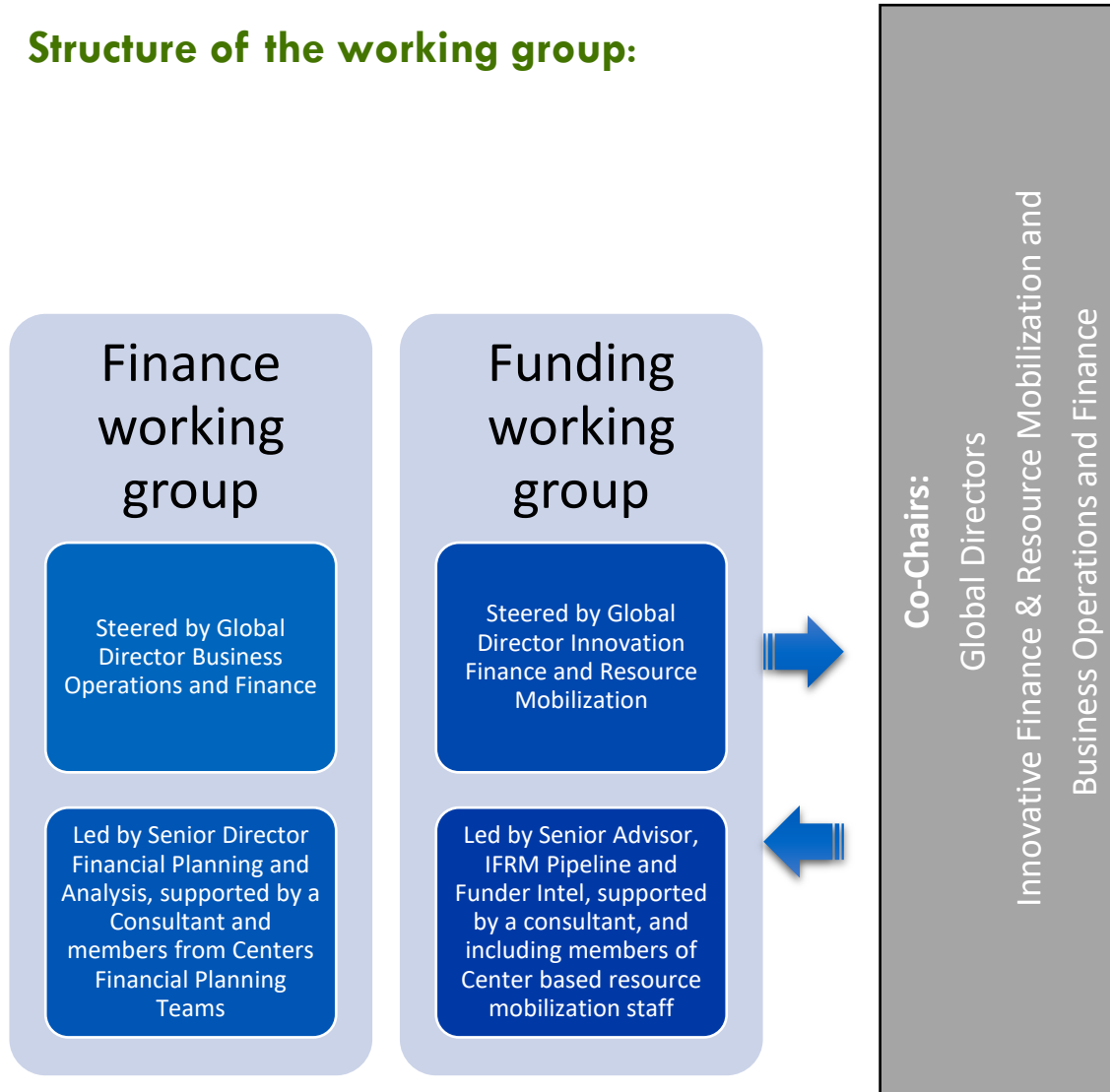
The first meeting of the reference group will discuss a more detailed scope definition – and the pros and cons of limitations. Key questions the group could, for example, be:

- Overall, what are the main challenges in CGIAR's financial business model and how could these be addressed?
- Should there be any changes to funding modalities for the next business cycle starting 2025 (e.g. how the Windows and designation process works)?
- Are there potential financing streams for CGIAR's infrastructure?
- How to optimize cost-recovery for all sources of funding and for fair and effective internal cost-sharing?
- Are there major opportunities for efficiency gains across CGIAR and how might these be realized?
- How can CGIAR configure itself to receive more innovative funding?

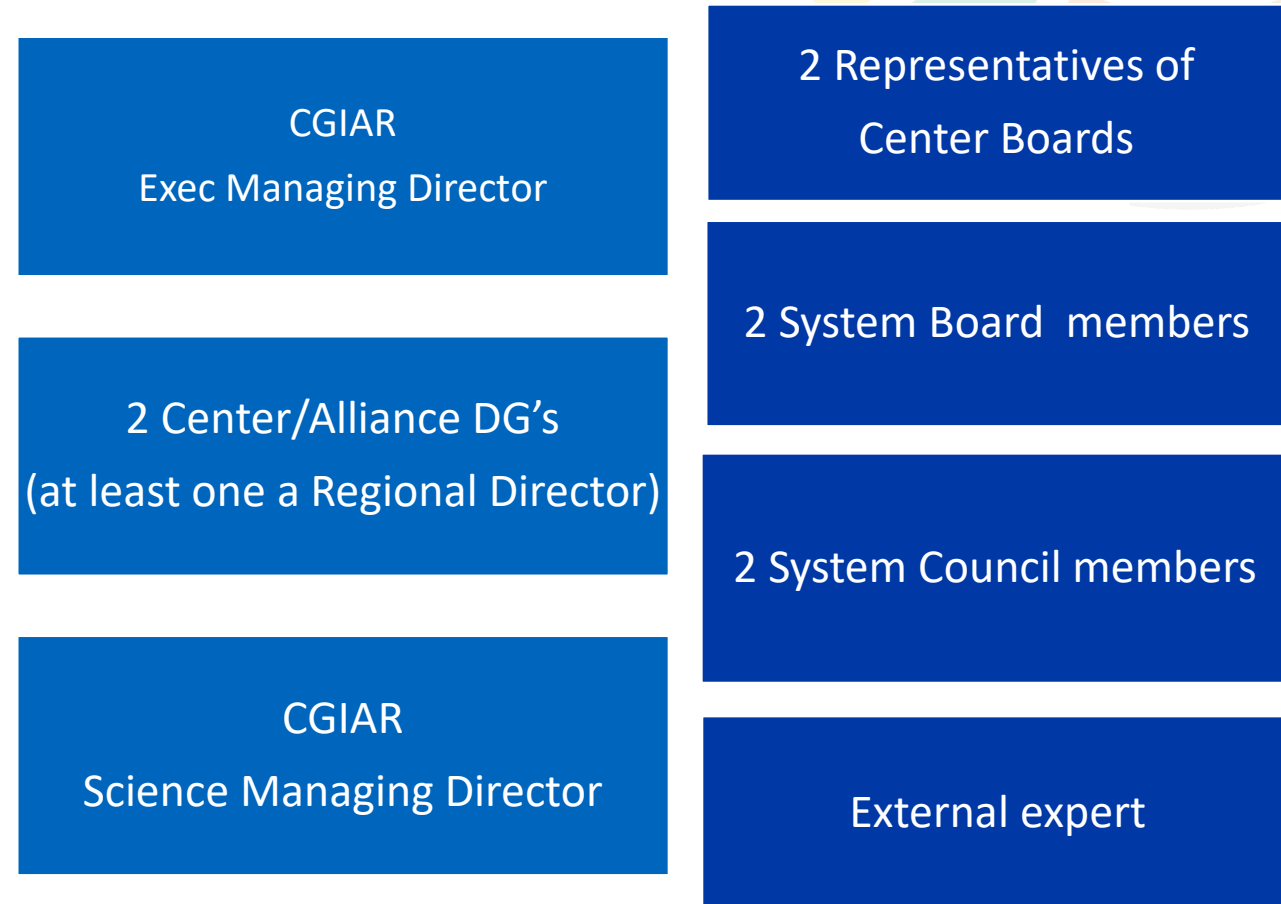
**Format:** meet on average once a month, over a maximum of 12 months. Not a decision-making group but advisory. Proposed participation overleaf.

# A Reference Group and working arrangements to support it

## Structure of the working group:



## Proposed composition of Reference Group:



## Next steps

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- ✓ • Discuss with System Board and AFRC
- ✓ • Discuss with System Council at SC18
- Discuss with SLT
- Invite participants
- Launch reference group – May 2023
- Prepare ideas by System Council 19 on financial modalities, reporting back with recommendations by end-2023.