Funding modalities

**Purpose:** This document sets out the current challenges faced in the current financial and funding model. It also outlines the outcome of the two meetings held to date by the Financial Model Reference Group (FMRG).

**Prepared by:** Co-Chairs of the FMRG: Marion Barriskell - Global Director of Business Operations and Finance & Andre Zandstra - Global Director of Innovative Finance and Resource Mobilization
The Financial Model Reference Group (FMRG) have met twice (July and September).

In these two meetings the FMRG have considered the landscape of challenges and agreed their purpose and scope of work.

Issue to solve for by FMRG was agreed to be the financing model

Increased stability, effectiveness, efficiency, impact, accountability, and transparency
FMRG Terms of Reference and Modalities

Purpose
Advisory role on the 2025-2027 Funding & Financial Model:
- Purpose-fit & aligned with new business cycle and CGIAR and Funder needs
- Delivering actionable, feasible, relevant recommendations
- To drive impact, stability, effectiveness, transparency, accountability and value

Scope & Representation
- To provide strategic advice on actionable recommendations within the Funding and Financing Model
- Focus on better serving the CGIAR 2030 R&I Strategy
- Address prevailing current challenges of the funding model while looking forward to the next financial business cycle

Operating Modalities
- Monthly meetings, over 12 months, with active participation of all members
- Constant consultation and engagement with other parties and key stakeholders
- Rolling packages of recommendations to socialise, test & adopt throughout FMRG life
- Regularly reporting to EMT

Membership: CGIAR EMD, 3 Center/Alliance DGs (of which at least 1 Regional Director), 1 CGIAR Science Managing Director, 2 Reps of Center Boards, 2 Reps of System Board, 2 Reps of System Council, the Special Advisor to the System Council Chair, and up to 2 external experts.
Big Questions that need solved for

What is the alternative model that can be operationalized from January 2025 that will align with CGIARs mission, vision, and needs?

How can a funding model adequately account for and support the maintenance and investment of One CGIAR infrastructure?

What is the scope of the opportunity for new innovative funding sources and how will One CGIAR capitalize on this?

Does One CGIAR have the necessary resources to do this?

Is the funding model adequate to support operations required to enable integrated science delivery?

How can barriers to various funding sources (governments, IFIs, private sector, and individuals, for example) be removed in order to attract more funding to CGIAR research?

How can One CGIAR optimize cost-recovery from all funding sources?
Examples to solve for
Facilities Challenge

We understand the true costs of maintaining our facilities at standard.

Facilities fall into disrepair or fall below the required standard because insufficient funds were allocated for planned preventive maintenance, or maintenance was deferred too long.

Researchers feel they can get better value for money by going outside of the system.

There is less demand for facility usage.

It is not sustainable, and facility closes or falls into disrepair.

Prices have to increase in order to keep up.

We recover the full cost of running, managing, and maintaining facilities at standard.

Prices increase.
Funding Modalities - Understanding the Challenges

Current Funding Modalities

- **Window 1**: Portfolio → Initiative → Multi Funder
- **Window 3**: Project
- **Bilateral**: Project → Single Funder

Missing Opportunities

- Asset and Capital investment
- Emergency Response
- Research Chairs and Fellowships

Constraint Examples

1. Feed & Forages: One Program: Two Funders (W3 and Bilateral): Three Centers
2. Genome Editing: One Initiative: Four Funders (W3): Six Centers
3. ASEAN: One Regional Program: Many Funders (Programmatic + Country): Many Centers + Partners
Understand true costs of maintaining our facilities at standard

Facilities fall into disrepair or fall below the required standard because insufficient funds were allocated for planned preventive maintenance, or maintenance was deferred too long.

Recover the full cost of running, managing, and maintaining facilities at standard

Prices have to increase in order to keep up

There is less demand for facility usage.

It is not sustainable and facility has to close or falls into disrepair

Researchers feel they can get better value for money by going outside of the system

Funders feel we are expensive

Prices increase

Center tries to subsidize true costs

Overheads go up
Next steps: indicative roadmap

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<thead>
<tr>
<th>Date</th>
<th>Activity</th>
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<tbody>
<tr>
<td>September 2023</td>
<td>FMRG members endorse TORs and roadmap. Deep dive to explore current model and its challenges.</td>
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<tr>
<td>October 2023</td>
<td>Progress update #1 to the System Council by FMRG Co-Chairs</td>
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<td>Ad hoc meeting of the FMRG at System Council to generate feedback.</td>
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<td>November 2023</td>
<td>Prioritization. Agree proposed prioritization of a limited number of workstreams that address identified challenges and fall within the FMRG scope of responsibility</td>
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<td>December 2023</td>
<td>Progress update #2 to the System Council by FMRG Co-Chairs, in collaboration with agenda item on the Next Portfolio.</td>
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<td>January 2024</td>
<td>Constituency check-in. Members to consult with their constituencies on initial direction of travel and assess support for the identified solutions.</td>
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<td>February 2024</td>
<td>Potential FMRG in person meeting.</td>
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<td>First set of recommendations proposed by FMRG.</td>
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<td>March 2024</td>
<td>Critical paths. Formulate early recommendations for further internal validation of technical, financial and juridical feasibility by CGIAR senior management.</td>
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<td>April 2024</td>
<td>Close coordination with SMDs related to Next Portfolio</td>
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<tr>
<td>May 2024</td>
<td>Delivery of Recommendations. Formal delivery of FMRG recommendations to the EMT for support and implementation.</td>
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<td>June – December 2024</td>
<td>FMRG Phase 2 if needed.</td>
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