

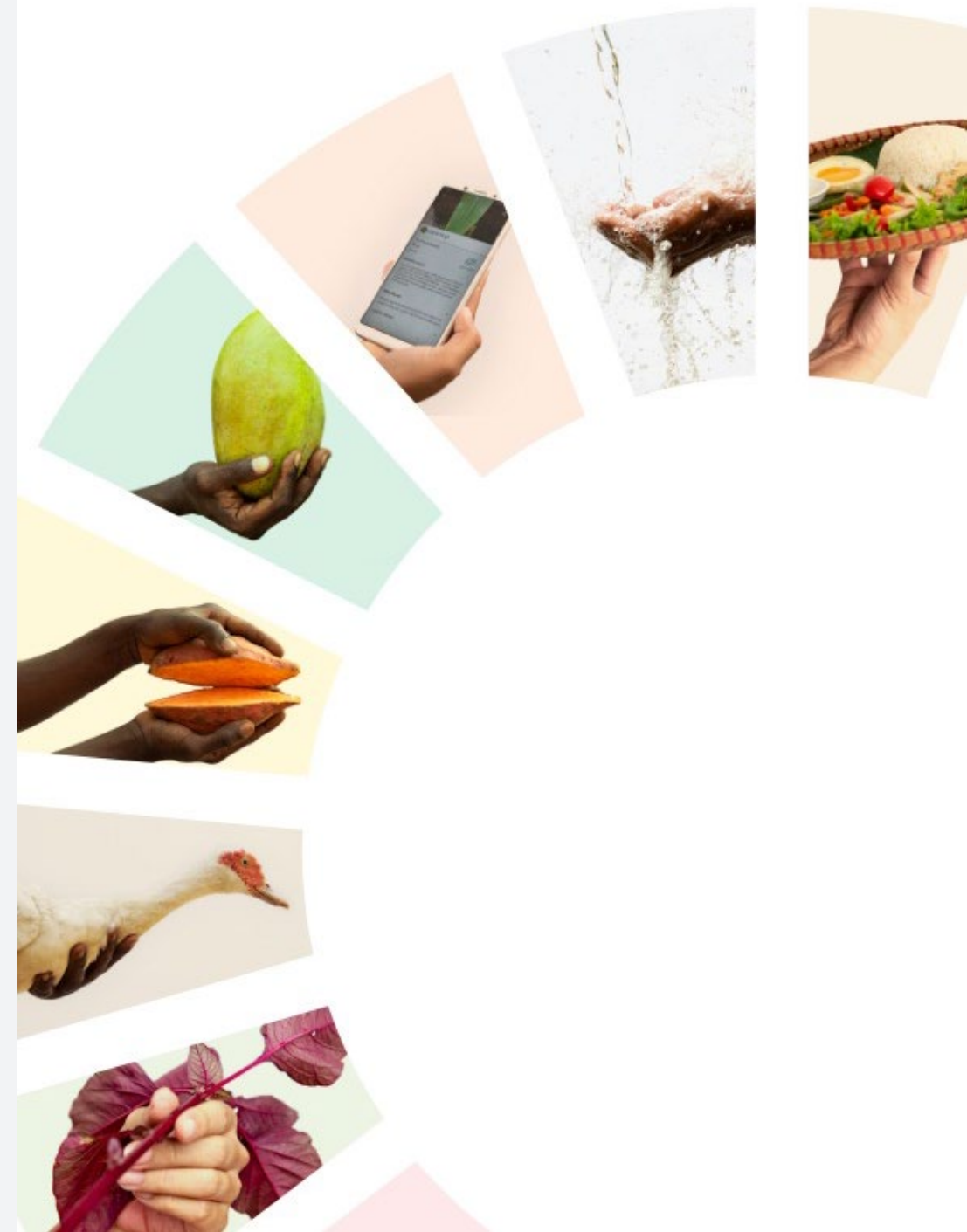


Agenda Item 7
Document SC18-07
For discussion (Article 6.1 n) and t), CGIAR
System Framework)
Issued: 5 October 2023

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).

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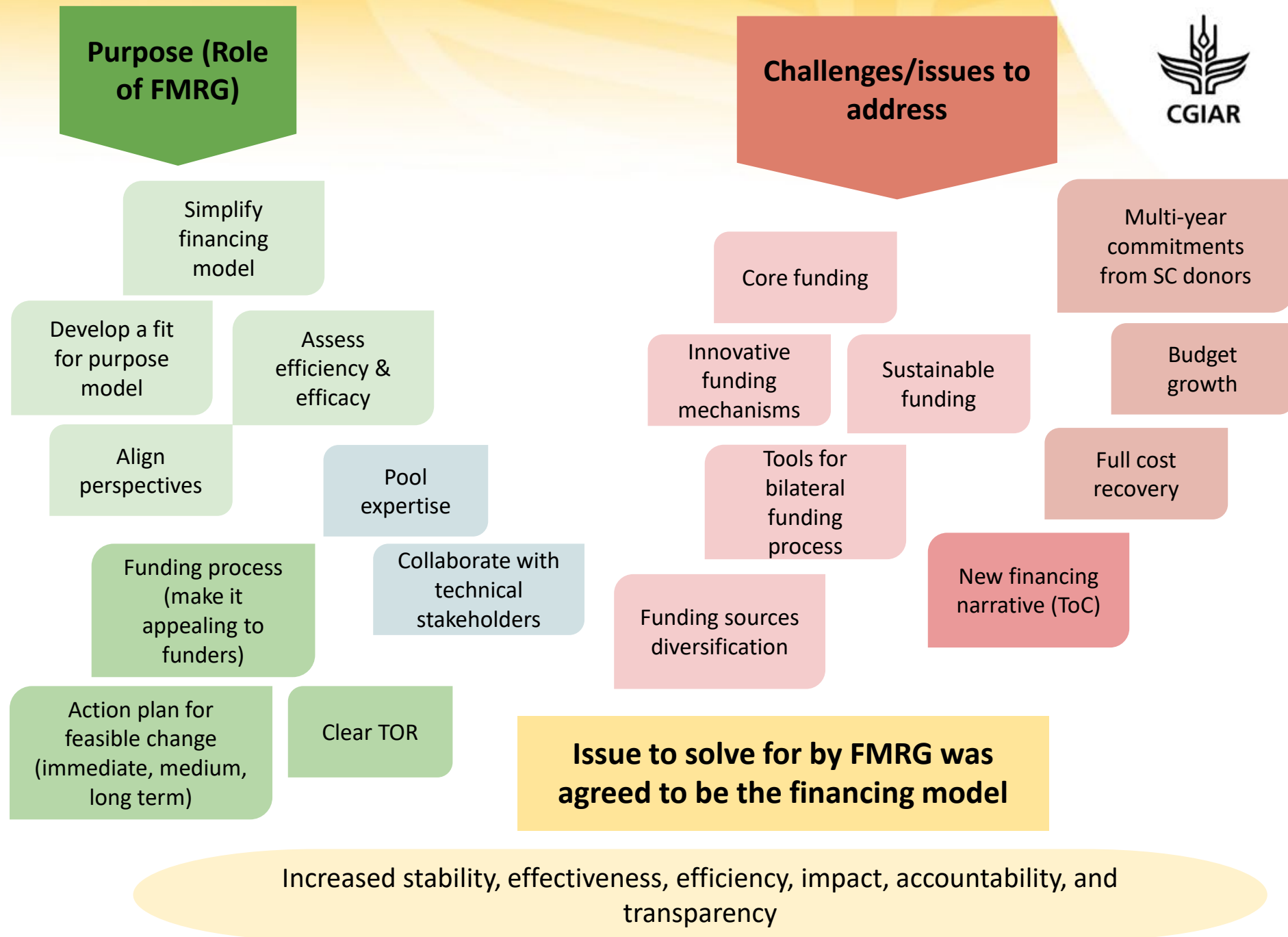


FMRG Questionnaire
Summary of responses



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.



FMRG Terms of Reference and Modalities

EMT, SB, SC

FMRG Financial Model Reference Group

Chairs: IF&RM & BO&F
Global Directors

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

Big Questions that need solved for

How can One CGIAR optimize cost-recovery from all funding sources?

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

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

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

Does One CGIAR have the necessary resources to do this?

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



Examples to solve for

Facilities Challenge

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

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

Prices increase

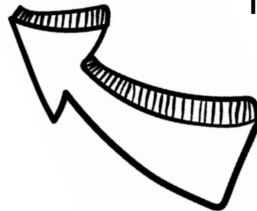
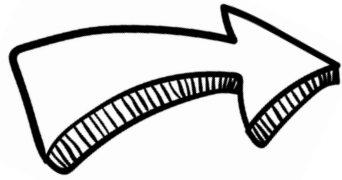
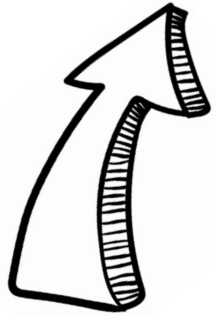
Prices have to increase in order to keep up

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

There is less demand for facility usage.

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

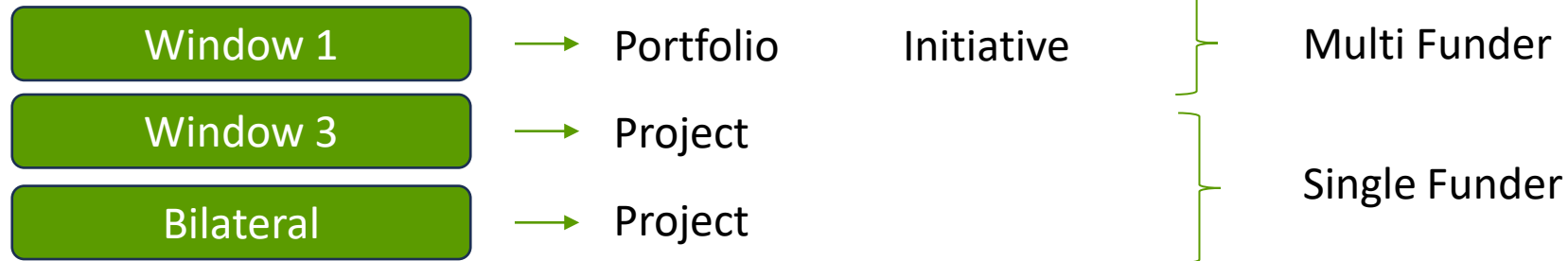
Facilities fall into disrepair or fall below the required standard because insufficient funds were allocated for planned preventive maintenance, or maintenance was deferred too long.



Funding Modalities - Understanding the Challenges



Current Funding Modalities



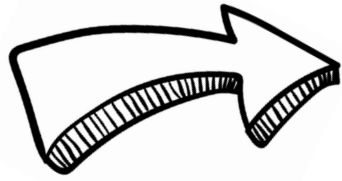
Missing Opportunities

- 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**



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

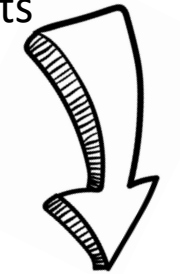


Prices increase

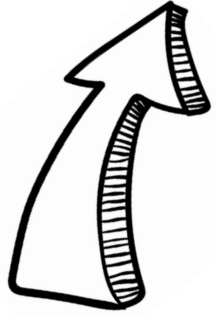
Center tries to subsidize true costs



Overheads go up



Funders feel we are expensive



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.

There is less demand for facility usage.



Prices have to increase in order to keep up



OR

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



Next steps: indicative roadmap

