In recognition of the fast pace of reform in the System, the Center Directors Committee has placed considerable emphasis this year on improving the efficiency and effectiveness of its own operating procedures. We are now embarking on our own renewal path to develop more strategic approaches to serving the vision, goals and operating ambitions of the System. This report will briefly touch on some of the strategic challenges the Committee is addressing.

The Future Harvest Centers are operating in turbulent times, but with hope for renewed awareness of the need for the work of the System, albeit delivered and organized in new ways. The CDC recognized the following key themes for strategic consideration by the CDC and all Centers:

- Partner and stakeholder perspectives on the Centers that are critical to the success of the CGIAR.
- The CGIAR and donor perspectives
- Financial and resource issues
- Internal Center and CDC processes, including human resources and administration.
- The Centers and CDC learning and growth perspectives that govern how we will move forward strategically
- Structural issues for the CGIAR.

We recognize that each of the major pillars of reform of the CGIAR means new ways of doing business for the CDC and the Centers. First, the creation of the ExCo has sped up the CGIAR processes. The CDC needs to be more effectively organized in its representation at the ExCo and to participate more fully in the dialogue. Second, the Challenge Programs are not only "elevating the game" in terms of the research program but are also causing a quantum leap in the extent of partnerships between and among the Centers and NARS, civil society, the private sector and with each other. We are developing appropriate codes of conduct to make explicit how we will operate to achieve the many goals of this program reform, including addressing the twin challenges of competition and cooperation that such research programs demand. The Committee of Board Chairs will also be participating in this exercise. We are also addressing the need for new and additional program support services such as in the areas of Challenge Program IPR, more formal partner relations, research management, financing and public awareness. Third, the System Office presents us with exciting opportunities and some housekeeping matters to sort out as well. We recognize that the CDC must create more synergy and order in the several units for which we hold sole or joint responsibility. We will need to define and refine our role in the governance of the SO and will be an active partner in its longer term development. Although we are not increasing the total amount of Center support to the System Office units for 2003 due to the need to look further at the whole operations and their governance, we will likely make such increases in future. We expect that our review will reveal the value of doing more business together in such a coordinated way. Fourth, we are unclear as to what types of reforms the new Science Council will require of us as its own shape has yet to be finalized.

We will be addressing all of these and other issues in a retreat in February 2003.

The CDC discussed resource mobilization and public awareness and reiterated the importance of these functions and that a coordinated and unified resource mobilization and public awareness strategy across the System collectively and individually, with the Secretariat, Future Harvest and the Marketing Group and the Centers, collectively and individually was a high priority to position the System for future success. Discussion on agreed branding conventions is underway and should be able to be completed within a reasonable time period. The CDC will look into the need for more effective information and communication, and examine the transition to wider ownership of resource mobilization and
public awareness within the CGAIR System. At present the only formal body dealing with this is the Public Awareness and Resources Committee, a creation of the CDC, albeit with wider membership including the CGIAR Secretariat and the Committee of Board Chairs.

The CDC noted with some concern the swift and major changes that are taking place in the allocation of the World Bank support to the Centers and stressed the importance of the Bank providing adequate notice of the changes. The CDC appreciated the constructive dialogue held with World Bank over the options for 2003 and welcomed the Bank’s commitment to work with CDC during 2003 to help shape future year’s rules so as to meet Bank strategic requirements and provide workable arrangements at the Centers level.

The Center Directors had had the opportunity to consider a confidential advance draft of the World Bank’s Office for Evaluation and Development meta-evaluation of the CGIAR. Overall, the CDC saw the OED evaluation as favourable towards the System. A CDC response is being finalized to assist the OED team in finalizing the report. Individual Center responses are also being or have been developed.

Systemwide and ecoregional programs have been around for about a decade and many have struggled to get basic support. Thus is 2002 the CDC was delighted to be given the opportunity to propose allocations of core support to some of the programs, out of the World Bank contribution to the CGIAR. We will be further refining the processes we developed for these allocations in the 2003 round.

Among the more contentious and often polarized issues in the world today is that of the development and use of genetically modified organisms. This issue is one that touches the work of all the Centers, but in different ways depending on the business of each Center. For those Centers embarked on the development of transgenic crops targeted to contribute to the poverty alleviation mission of the System, the issue touches their ‘freedom to operate’ in parts of their program. Other ways that the issues touch the Centers include interests in the roles of genetically modified organisms in policy analysis and advice, e.g. in respect of trade, food safety, biosafety and standards, in the question of intellectual property rights and in the different risks and benefits that may apply to the development and use of genetically modified organisms in different groups of organisms, such as livestock, vaccines, fish and trees. The CDC is therefore working on how best to present a common position that also recognizes the different ways in which the issues touch each Center. The CDC stresses that not only do the Centers have a responsibility to ensure that appropriate and safe biotechnology is directed to address the mission of the CGIAR but that an important part of this responsibility is to keep the products and methods in the public domain.

The Committee of Board Chairs and the CDC met together for half a day and agreed to meet together for an extended time in May 2003. Respecting the specific roles and responsibilities to the System and the Centers, the two Committees wish to ensure that their efforts are fully synergistic and capable of best serving the System. We will be reviving the collaborative efforts that served us well during the intense period of CGIAR reform discussion in 2000.

The joint meeting discussed the handling of grievance procedures within the Centers and emphasised that, especially in the case of grievances by senior staff, the Board of the Center held ultimate legal responsibility. The fact that some staff in some Centers had gone to the central units of the System, perhaps because they did not feel that the internal processes were working well, is taken as an alert by the Centers to take more steps to ensure that the mechanisms in the Centers are well developed, well understood and trusted, as well as more transparent to staff. Boards and senior management should take steps to address any potential grievance matters as early as possible, seeking suitable advice inside and outside the Centers as early as possible.

The joint meeting stressed the growing importance to the Centers of actively managing intellectual property rights so as to keep results available in the public domain. In addition to continuing support to the Central Advisory Service on Intellectual Property, several Centers have employed or regularly use IPR specialists. The Centers recognize that intellectual
property rights, their use and establishment will be a central issue to be addressed in the successful implementation of the Challenge Programs.

The joint meeting discussed the concerns that Challenge Programs would simply draw funds from existing donors resources presently going to the core activities of the Centers, despite the original purpose having been to attract additional funds. Centers should work with existing donors to ensure that this does not happen and the System should undertake efforts to mobilize new resources, including those from other ‘pockets’ of their agencies. For example, we were pleased to hear of the example of USAID mobilizing funds from the health budget for the Biofortification Challenge Program.

The joint meeting also discussed the need for better African program coordination among the Centers and among the Centers and their partners and emphasised a commitment for greater consultation and collaboration.

With respect to the Gender and Diversity Program, the Centers appreciate the importance of the work of this valuable program and expressed a strong desire that the handling of gender and diversity be mainstreamed in the Centers. Efforts should be made to achieve cultural diversity as well as better gender staffing balance and find new ways to establish mentoring within the CGIAR system.

Finally, the CDC wishes to thank the Philippines for its outstanding organization of this AGM and warm hospitality, the Secretariat of the System Office for their untiring support for the business of the meeting and one of our member Centers, the International Rice Research Institute, for their hosting of our meetings and for all their general support to the Centers for this AGM.