



Fund

## **First Funders Forum**

**July 15, 2010 - Rome, Italy**

**Funders Forum Minutes**

*Submitted by:*  
*Fund Office*



**FAO, Rome Italy  
July 15, 2010**

## **Detailed Minutes of the Discussion Session**

The Chair of the Funders Forum, Katherine Sierra, welcomed all to the Funders Forum and thanked the Food and Agriculture Organization (FAO) for hosting the event. The Chair thanked donors for their continued support to the CGIAR and for the time that they continue to invest in the CGIAR, particularly in the preparation of the legal documents for operationalizing the CGIAR Fund and for the three day commitment that most spent in Rome for the Funders Forum and Fund Council meetings. The role of the Funders Forum was outlined and progress on the establishment of the Fund at the World Bank was described. (See enclosed opening remarks of the Chair.)

### **Update from the Consortium:**

Carlos Perez del Castillo, Consortium Board Chair (CBC), provided an update on the Consortium's activities. This update is enclosed for easy reference and focused on the following six points: the Strategy and Results Framework; the Mega Programs; the Consortium's interaction with the Fund Council and Trustee; the CEO search; the location of the Consortium headquarters; and the pursuit of international organization status by the Consortium.

On the SRF, the CBC indicated that the Consortium Board (the Board) reviewed the current version of the SRF which the Centers submitted to the Board after taking into account the comments the Board made on a previous version. The Board agreed that the re-submitted version was an improvement and appreciated the Centers' efforts to address the Board's comments. The Board accepted that the SRF was not a 'perfect' document and allowed the SRF team to present it to the Funders Forum. The CBC indicated that the Board will take the lead in revising the document and will draw on the lessons from the last two preparatory years of the current SRF and MP portfolio, and the external advice it may seek on specific issues, including from the ISPC.

On the fast tracked MPs, the Board received proposals for four fast tracked MPs – Rice, Maize, Wheat, and Climate Change. They were each reviewed by external reviewers, in addition to a gender expert. The Board's view was that none of the fast tracked MPs as submitted was ready for approval and it provided specific comments for improvements to the Centers. Based on the

Board's assessment that the GRiSP had adequately responded to their comments and suggestions, the GRiSP was submitted to the Fund Council. At the time of the Funders Forum, the revised program on Climate Change was still being considered by the Consortium Board and the new versions of the Maize and Wheat MPs were not yet received by the Board.

The remaining MP concept notes for the other areas in the MP portfolio were submitted to the Board and were commented on by the Board. Full proposals are expected to be re-submitted in September and lead Centers have been requested to provide further information on the timetable for their stakeholders' meetings. Two scoping studies, one on Gender Research and the other on cross-cutting Genetic Resources issues are being conducted to assess the most appropriate mechanisms for addressing these two important sets of issues in the reformed CGIAR. The Consortium will send to donors a full list of all that is under preparation and the timetable involved.

Interaction with the Fund Council and Trustee is led by Lynn Haight, who heads the Board's Task force on the same. Several useful consultations have taken place and legal counsel has been engaged to address the preparation of the legal documents. On the CEO search, a number of promising candidates have been identified and the CBC expressed confidence that the selection process is moving ahead and that the CEO could be selected by early September. Five sites have been shortlisted by the Board for possible Consortium location, including Addis Ababa, Delhi, Montpellier, Nairobi, and Rome. The CBC indicated that a decision on the location will be made by September.

The Consortium expects to have the status of an international organization with its own legal personality under international law, through an international agreement among a few sovereign states. France agreed to be the depository for the legal agreement, which, when ratified by sovereigns, will confer the international organization status to the Consortium. The Consortium hopes that this status will be conferred in about six months.

### ***Response from Donors to the CBC's update***

Overall: Donors complemented the Board on the rapid progress made on the several issues indicated and complemented the CBC on his leadership.

### ***Specific Comments:***

EIARD expressed confidence that the reform implementation is on track and donors can now speak with one voice to the Consortium.

France recalled GCARD and their satisfaction as host of the event. They reaffirmed their commitment to the CGIAR and their desire to host the Consortium Office in Montpellier. As

evidence of their commitment, France will also act as the depository of the international agreement that will give the Consortium the ability to act on the international stage. France asked all to act quickly and urged all donors to remain committed to the reform.

FAO mentioned that there has been a lot of effort from both sides to increase collaboration between FAO and CGIAR. FAO's own reform efforts, through their Knowledge Directorate, identifies strategic objectives which are closely aligned with the reform efforts of the CGIAR. They expect to continue close cooperation with the CGIAR.

The EC welcomed the news on the international status of the Consortium as its financial regulations require funding recipients to assume financial responsibility and liability for EC funds.

New Zealand indicated that its contribution to the CGIAR will be doubled. Though a small donor, this is significant gesture that they hope will support greater value for money and visibility for the CGIAR.

The Bill and Melinda Gates Foundation (Gates Foundation) expressed its satisfaction with the way the CBC has taken charge of the four fast tracked MPs. They confirmed support for the process going forward and will provide detailed comments on the Rice proposal. They were also pleased with the importance given to gender and look forward to the results of the gender scoping study, which they suggested should feed back into the MP development process. They expressed a need to see a clear process by which the fast tracked MPs are retrofitted where necessary. Clear interest in the study for sustainably funding gene banks was expressed, especially as this is crucial to the work of the CGIAR.

GFAR offered congratulations on behalf of all stakeholders. They reaffirmed the importance of the role of GFAR to secure the expected impacts of the reform. GFAR expressed its view that the CGIAR's growth must be embedded in the growth and development of the wider Agriculture for Development system.

Kenya affirmed the need to keep the spirit of high quality work in all the parts of the system now that the reform is beginning its implementation. Kenya noted that the Consortium Board, ISPC, and Fund Council must all play their roles in a very participatory manner. Kenya, host of two CGIAR Centers, was pleased that there was no gap in the process of decision making in the system, so that fear, which can compromise the high quality of the scientists in the system, is not introduced.

USAID indicated that there was a hunger for Carlos's leadership, which is now welcomed. USAID expects about a 33% funding increase for core (LT) research (MP) funding in 2010. President Obama is commitment to food security and is leading a feed the future program, which is administered by several US departments. This initiative recognizes the CGIAR as a partner with a key role. The CGIAR reform was instrumental in getting this increased level of US

support. Raj Shah, USAID Administrator, who is no stranger to the CGIAR, has taken a strong personal interest in the CGIAR, which will help boost support for the CGIAR going forward. On the SRF, the US understood the challenge the system is under in shifting from a Center focused system to programmatic system. It accepts that the Funders Forum will have to wait for a revised SRF, and hopes that the MPs will have clear objectives with solid analytical thinking on impact pathways that will help to ensure that the objectives of programs are connected to impacts on the ground.

**Chair's Conclusion of this Agenda Item:** The Chair reaffirmed donors' satisfaction with the progress made by and leadership of the Consortium. The Chair asked the CBC to convey this message to other members of the Consortium Board. The Chair noted that the same level of effort is needed in all parts of the system, including the work of the FC and iISPC. Each part of the system will then be able to build on each other's strength, with clear communication across the system. The Chair indicated that receipt of international status of the Consortium will be an important milestone, and that the important role of gender and partnerships must be clearly delineated in the MPs.

#### **Presentation of the SRF and Examples of Impact Pathways:**

Emile Frison made a presentation on the SRF, and Bob Zeigler and Bruce Campbell made presentations on impact pathways in Rice and Climate Change respectively. These presentations are enclosed.

Following the presentations, the interim Independent Science Council Chair, Rudy Rabbinge, provided comments on the SRF. Rudy mentioned that it was important to place the SRF in context in order to understand its importance and the way forward now. He mentioned that the change process was started because of the need to better position the CGIAR, extend the CGIARs activities, make the CGIAR system more cohesive by managing for results, improve operational efficiency, and improve partnerships.

The iISPC's critical factors for success were identified as:

1. Constituencies convinced that the change was needed;
2. Internally, the CGIAR convinced that change was necessary in order to work better together;
3. Financial instruments that moved in the direction of change, requiring all to be disciplined and to work through the Fund;
4. A unifying concept – the SRF; and
5. Leadership

On the creation of the SRF, the iISPC noted that two years ago donors asked for a demonstration of what could be done in the reformed system. This led to the 'Best Bets' paper, which showed how clear results could be achieved. Though it was quickly prepared, the Best Bets paper was

still very helpful. Then in the interest of getting a more comprehensive, evidenced based document, with quantifiable results targets, the SRF process started.

The iISPC commented that these requirements of the SRF are not yet fulfilled. The iISPC noted that it was aware that the SRF is a living document and amendments will be done. However, there was insufficient reference to other bigger players and the demonstrated impacts were unclear. The iISPC felt there was a lack of objective priority setting, evidenced by the need for more explorative studies and modeling. Specific details on results of MPs were very vague and some results are so broad that they will cover any issue on social science related to development. In particular, MP3 is not clear, and MP1 is particularly disappointing especially after the Science Forum which showed that resilience should be included.

Nevertheless the iISPC felt that the process cannot and should not be stopped or restarted at this point. Instead, a mechanism should be in place to make the SRF better sooner rather than later. The revised SRF should convey the passion the system has for agriculture and inspire donors to invest more in the CGIAR. The iISPC appreciated the examples of impact pathways presented and indicated that the relationship between the MPs and the SRF should be clearer.

#### Guidance from the Chair:

The Chair noted that the afternoon session of the Funders Forum would be used to make a decision on the SRF. She noted that the aim of the Forum is to accept the SRF, and that the Funders Forum will not go into the specifics of the MPs.

#### Specific Comments:

IFAD welcomed the SRF and noted that it raised the CGIAR game to focus on impact pathways and small holder farmers. IFAD noted that a third of the farmers on the planet feed the poor so it was important to ask whether the SRF provides the necessary guidance and the unified concept for the CGIAR. Page 33 of the SRF included a short paragraph that articulated that refining concept of the CGIAR, which can be accepted now as a way forward.

FAO queried the procedure for endorsing the SRF and asked whether it was possible to get a revised document in the next few months. FAO suggested that the chapter on impact pathways should make explicit the role of partners.

ADB commented that figure 2.1 provided a logical framework and that the overall SRF should present a clear statement on impact, outputs, etc. The SRF should also have a clear delineation of the time frame of the SRF, so that the achievement of the vision can be easily tracked. On cross cutting themes, the ADB asked whether there will be similar studies on the other cross cutting themes as will be done for gender. The ADB expressed the view that the MPs should not be retrofitted for gender, but that gender must be integrated into all MPs. On assessment of MPs, the ADB suggested that each MP should be assessed on how it will contribute to the overall

CGIAR vision. They pointed to a disconnect between the areas currently being fast tracked and the CGIAR vision, which is to reduce hunger, since the MP that addresses hunger is not one slated to be fast tracked.

EIARD was pleased to have the document in time for consideration at the Funders Forum. EIARD saw itself as a critical friend of the CGIAR, and in that light provided the frank assessment that the SRF needs improvement. EIARD agreed largely with the iISPC comments and was concerned about the lack of an evidenced based logical chain as to how the pieces add up to achieve the CGIAR's goals. In line with the challenge of moving toward greater impact, EIARD noted that the SRF should be able to identify what the CGIAR will not do. The document therefore does not seem sufficiently strategic as it does not give any indication of what the CGIAR will no longer handle. EIARD explained that it is concerned that the reform will be perceived as an administrative and financial reform, rather than a substantive one. EIARD envisaged that one of the roles of the SRF was to provide a way to sell what this big enterprise, the CGIAR, will do. The 'Best Bets' document produced excitement about agriculture research and its impact, much more so than the current SRF, which needs to be revised to do the same. EIARD suggested that during the development of the MPs, it was a mistake to convert what were MPs into what are now termed Thematic Areas. There is also a non-trivial perception that there are now too many MPs. EIARD explained that the 'no brainers' or obvious MPs need to be where the CGIAR has had spectacular achievements in the past, but that it was a mistake to put so much emphasis on commodities. EIARD indicated that the presentation of the new MPs lacks creativity and punch, making it challenging to convince a Minister to buy a 'new Rice' program. Instead, EIARD felt that it would be easier for a Minister to buy into a new CGIAR productivity program that will be executed across several crops. Nevertheless EIARD noted that they are willing to work together to improve the products without further delay. On partnership and the Montpellier Action Plan (MAP), EIARD noted that the SRF must give a sense of ownership to the partners in the ARD community at large and show a relationship to the outcomes articulated in the MAP.

The Pacific offered to present an outside view or reaction to the SRF. It was felt that the Pacific will look at the externality, which are important for the SRF and impact pathways. The Pacific felt that the achievements of external environment needs to be taken into account. In addition, markets, demand and supply, and other systems – must be taken into account before the CGIAR positions itself along the impact pathways.

Switzerland fully endorsed the EIARD position and underscored the following: 1) The reformed CGIAR must be able to convincingly communicate that the CGIAR is a system committed to addressing today's challenges; 2) The vehicle chosen to communicate is the SRF and the document was not convincing; and 3) if the Funders Forum endorsed that document, it would be missing an opportunity to communicate convincingly to the development community.

Gates Foundation indicated that the SRF was an important start, sufficient to move ahead on the MPs. Their view was that instead of struggling to get the SRF right, the system should move on, as the move from a Center based strategy to a system based strategy is difficult and what has been done shows that the Centers have stepped up to the challenge. Gates Foundation endorsed the CBCs position on the revised SRF that will be fully owned by Consortium Board and supported the comments of EIARD with the exception of the comment on the commodity focus. Gates Foundation explained that it supports a new, innovative and sustainable commodity-based farming system program.

It provided the following concrete suggestions to improve the SRF:

1. Include a more detailed stratification of the people the CGIAR should reach, with clear indication of the economic conditions and climatic situations they face;
2. Provide a detailed discussion on impact pathways and pathways to get to detailed segmentation. What was produced for Rice and Climate Change was a good start;
3. Identify all the partners needed along Research and Development chain and impact pathways and describe the ways to work with them. Include incentives and disincentives for them to work with the CGIAR and a plan to address each; and
4. Provide a better assessment of emerging technologies which can be used to improve lives of farmers.

Gates concluded by applauding the effort of the Consortium Board to make the system a gender responsive, noting that Gates foundation will continue to support that effort.

Iran noted that there are natural resource, social and political circumstances that affect stakeholders, which need to be taken into account. Iran also noted that the reform should consider the resources available to address the real problems of NARS and the role of the NARS should be clear in the SRF.

Norway applauded the hard work of the Consortium Board, Science Council and the Centers and accepted that the CGIAR should not cover everything, but make strategic choices. Norway urged the system to get back to basics – research geared toward a common objectives, which is now lost. Norway felt that the structure of the CGIAR needs to be less bureaucratic and the addition of ‘Thematic Areas’ seemed to be another layer. Their concern was not over the number of MPs but that by moving ahead with the proposed SRF, the system would be endorsing a structure that looks very much like business as usual. Additionally, Norway questioned the need for the SRF if MPs were allowed to move ahead without the SRF. Norway disagreed that the impact pathways are to be articulated only in the MPs, and expressed a desire for the SRF to provide further clarity on impact pathways. It was also unclear why MP1 included the three thematic areas or the reason for the commodity focus in MP3.

GRDC commented that they had just been through a reform effort and that it was important for the strategy to be correct, else detractors will find the holes in it. It must set clear expectations of

the stakeholders, articulate the need for change and have an effective review mechanism in place. Doing the change in bite sized chunks was also highly recommended. GRDC commented that the report lacks critical coverage of the public/private coexistence in agriculture research, and that the Strategy has to be attractive to the private sector – to industry.

South Africa noted that their key thematic areas of importance were water scarcity (demand for water is much higher than predicted) and land degradation. The SRF document will never be perfect so it was important to move forward on implementation while improving the SRF.

GFAR felt that the SRF should be aspirational and outline the key role of international public goods. The movement from SRF to MPs is a structural issue that should show how to deliver impacts on the ground. GFAR notes that the comparative advantages of the CGIAR needed more attention in the document, and the advocacy role of the huge groups needed to be outlined. GFAR appreciated the examples of impact pathways presented. It questioned the assumption on page 20, that interventions will drive some farmers out of farming and suggested that the philosophy of this should be debated. GFAR also indicated that the cross-cutting platforms, whether they are in or out, and their function is not clear, and they welcome the expected scoping studies on the same.

The EC endorsed the EIARD position and indicated that it was important to find the right balance between having a good document and moving ahead. The CGIAR reform is about research, but equally important is visibility and the SRF is the business card of the reform. In that context, getting the SRF right was important as it represents all of what the CGIAR does. The EC called for details of the impact pathways in the SRF - a tool that will allow the Consortium to exercise its mandate, both to prioritize and manage. The EC also commented that the CGIAR could not afford to put the cart before the horse.

Kenya indicated that it was important to be reminded of the importance of the SRF so as not to dilute the reform. The CGIAR needs to have better impact in Sub-Saharan Africa and show how the CGIAR will work differently, especially in terms of its regional perspective. Ex-ante assessment of impacts, analysis of system efficiencies, value chain analysis, and a process for leveraging from large NARs needs to be included.

Canada appreciated that there was pressure on the SRF to be all things to all parts of the system. The SRF will serve as a litmus test for assuring that funding will be used efficiently. The document ought to be more strategic and synergistic opportunities must be teased out. Inter MP collaboration must be identified and MP1 and MP5 need clarity. The treatment of Intellectual Property should also be clearly described in the SRF.

The US focused on how to get things right while maintaining forward momentum. In the areas where the CGIAR has a solid track record – say in the commodities, programs should be

manageable and synergies should be identified across commodity areas. The US felt that there has been progress toward a new CGIAR – in the past there were two rice programs and in the new CGIAR there will be one. For MP1 and MP5, the focus needs to be sharpened and the link to the results framework around poverty clarified. The US indicated that it was not willing to slow everything down as important opportunities for linking to other sources of funding would be missed.

Italy stressed the importance of getting the SRF right, as it was absolutely necessary to position the CGIAR in the global ARD community. Italy felt that the feedback on the SRF need first be addressed. Italy noted that the document was silent about the way the system will interact with FAO, IFAD, WFP and other large agriculture based institutions and programs. On the issue of manageable units, Italy felt that what was needed is a manageable system, not only manageable programs. Otherwise, window 1 will not attract funds, effectively undermining the reform. Italy also expressed the view that the comments and outcomes of the GCARD were taken on board only at the MP level, but that the contribution of the SRF to the GCARD road map is unclear.

The World Bank noted that the system needs a convincing SRF that tells what the CGIAR is doing that is new, how it will be done, and who the system will partner with to get the expected outcomes and impacts. The World Bank also indicated that the revised SRF should be presented sooner rather than later.

IDRC indicated that what is needed now is a compromise, which will avoid a situation of SRF drafting fatigue. It was important not to stall now but to get a document that explains what the SRF is about, and how and why this is a better system. IDRC suggested that the development of the MPs could be a learning process. As a result IDRC suggested that the system should accept that not everything will be right in the SRF, but the system must forge ahead rather than risk losing available resources from inaction.

Australia indicated that there was clearly a need for further work on the SRF, but that at this critical juncture the system could not afford the risk of delay. The risk of stalling was greater than risk of moving ahead.

### **Summary by the Chair**

Rather than summarize the session, the Chair thanked all the donors for their frank assessment and suggested that they think of whether the suite of MPs was acceptable, and whether the SRF could be accepted as a way forward pending revisions.

### **2011 Program Costs and Fund Projections**

Lynn Haight of the Consortium made a presentation on the expected costs of the system in 2011. She likened the current CGIAR reform implementation to ‘keeping the lights on while changing the bulbs.’ Lynn noted that as of June 2010, only 33% of unrestricted funding was confirmed to

the Centers compared to 80% last year. The Centers have also over spent over 2.5% of unrestricted funding without confirmation on that funding. Concern was expressed about continuing to spend unconfirmed unrestricted funds. She noted that it was unclear how scientists will be paid in 2011 if all unrestricted funds go through the Fund. The presentation also highlighted a severe financial shortfall, with costs soaring above USD 800 M in 2011, with projected total revenue of USD 640 M. The Consortium sought the support of the Forum on the following:

1. The need for a three year plan on cash flows
2. Need to understand whether for bilateral funding, contributions will be placed through the Fund or sent directly to Centers. Specific Center allocations were also requested.
3. Donors' recommendation for the gap envisaged between the \$800 M in costs and \$640 M in expected funding receipts. Should the system have a reserve fund?

In conclusion the Board indicated that it was willing to work with donors to achieve more transparency on funding in order to manage the preparation and delivery of the MPs in the new system, and provide comfort to the rest of the system that fast tracked MPs will not cannibalize existing programs.

The Fund Office Presentation on projected funding showed that as of July with responses from 17 of the top 20 funders to the CGIAR, giving partial information on their expected contributions, at least USD 360 M is expected to go through the Fund. See presentation attached.

### **Summary by the Chair:**

The Chair noted that it was important for the system to prioritize thinking and planning for 2011 as well as beyond 2011. The Chair re-iterated the need for better financial projections going forward.

### **System Cost Sharing Modalities**

The Funders Forum agreed on a formula to equitably share the non-research cost burden. Two options were presented:

- Option 1: Two Ratios – one for Fund donors and one for bilateral donors
- Option 2: Single Ratio - for ALL donors

Please see enclosed presentation.

Donors were asked to consider these options and a decision was taken in the decision session of the Funders Forum.



FAO Headquarters, Rome, Italy  
July 15, 2010

### **Summary of Decisions**

The inaugural CGIAR Funders Forum took place at FAO Headquarters in Rome, Italy, on July 15, 2010. The Forum is a central pillar of the new CGIAR that provides an opportunity for all CGIAR Fund donors, Fund Council members, host countries of CGIAR Centers and Consortium headquarters, and bilateral donors to come together to discuss strategy and common issues. The first Forum provided an opportunity for donors to hear an update from the Consortium Board on progress in establishing the Consortium of the CGIAR Centers. Forum participants were pleased by the Consortium Board's achievements to date and plans for the coming months. The Forum also had a very constructive discussion on the Strategy and Results Framework (SRF), a key item on the agenda. Other topics discussed included the 2011 program costs and funding projections, System cost sharing modalities, and selection of the Funders Forum Chair. The decisions on these agenda items are summarized below.

#### **Strategy and Results Framework (SRF)**

- Donors commended the Alliance team for their presentation of the SRF, and showed appreciation for the concrete examples of impact pathways presented.
- Recognizing the important revisions to the SRF since GCARD, donors were in agreement that the SRF presented was not ready for endorsement by the Funders Forum. Donors commented on the need for revisions that would, among others, show: 1) a clear link between the SRF and the MPs, and clarity on need/rationale for thematic areas; 2) clear impact pathways; 3) how strategic choices will be made in the production of international public goods, including what the reformed CGIAR will not do; 4) how the CGIAR will interact with other stakeholders (especially the NARs, governments, and the private sector); and 5) some notion of advocacy to promote the Fund. These comments aimed at providing guidance to sharpen the document were well received by the SRF team.
- Donors agreed to accept the SRF as a work in progress, and noted that the fast tracked Mega Programs (MPs) could continue to be pursued for approval subject to final endorsement of the SRF.
- The Consortium Board, hereinafter called the Consortium, will take the lead in revising the SRF and will submit the revised SRF to the Funders Forum within the next 6 months.
- The Funders Forum will have an ad-hoc meeting to endorse the SRF.

- The Fund Office Communications team will prepare a short document to promote the new CGIAR at key events such as the UN Millennium Development Goals Summit in September 2010.

### **2011 Program Costs and Fund Projections**

- The Consortium expressed concern over the gap between Center funding forecasts based on concept notes (over USD 800 M in 2011) and information from donors on their expected level of contribution to the Fund and the overall System. The Consortium, in the interim, asked Centers to work with a budget of USD 640 M for 2011, which will be reinforced to the authors of future MPs.
- The Consortium also indicated that the rate of donor disbursements in 2010 is slower than expected. There is concern in the Centers of an emerging liquidity gap that could affect Centers' operations. Donors were asked to disburse 2010 contributions as soon as possible using the same modalities as in 2009.
- The Fund Office presentation on expected funding through the Fund (all three windows) in 2011 – 2013 showed that at least USD 360 M is expected to go through the Fund in 2011. However, reliable estimates for 2012 and 2013 were not available since only a few donors were able to provide information on their funding for that period. The Consortium presentation on the CGIAR financing status overview for 2011 anticipated the total funding from Fund and bilateral sources to the CGIAR in 2010 and 2011 would increase beyond the 2009 total revenue of USD 606 M to the \$640 million indicated above --- an original estimate of the Fund Office based on available information at the time.
- Donors indicated that there is inherent uncertainty in public funds, given changes in governments, the financial crisis and other factors. At the same time, a number of donors indicated firm expectations for continued increased support and others were cautiously optimistic. While donors pledged continued support to the CGIAR, some indicated that they need clarity on the functionality of windows 1 and 2, as well clarity on the SRF and MPs status in order to justify an increase in funding.
- In the interest of transparency and mutual accountability, donors promised to provide better information to the Fund Office in order to allow the Fund Office to compile more accurate information to the Consortium on expected funding in the next three years, subject to the requests for clarity on windows 1 and 2 and assurance on the SRF and MP status.
- Questions on how to effectively address the funding quantum, sustainability and stability (e.g. through reserves), and the interim period of crossover between the systems were raised and the Consortium requested the Funders to consider the best approach to address these questions. The idea of moving to a pledging system with Promissory Notes was also put forth by the Consortium but no discussion took place of any alternatives proposed. The Consortium Board was encouraged to do a review of how reserves might be handled at the System level as a future agenda item for the Fund Council.

- Donors reiterated the importance for all to remain true to the full cost recovery principle.
- The Fund Office agreed to re-issue the funding projections survey to donors, in order to receive by August 2, 2010 a fuller picture of expected total contributions to the CGIAR (through the Fund and bilaterally) for the period 2011 – 2013.

### **System Cost Sharing Modalities**

The Funders Forum agreed on a formula to equitably share the non-research cost burden. Two options were presented:

- Option 1: Two Ratios – one for Fund donors and one for bilateral donors
- Option 2: Single Ratio - for ALL donors

**Option 2 was chosen<sup>1</sup>, and will be calculated as:**

Total approved Fund related & System budgets / Total projected Fund & bilateral contributions. This again assumes full transparency in donor reporting, including bilateral donors.

### **Selection of the Funders Forum Chair**

Two options were presented for selecting the Funders Forum Chair:

- Option 1: Co-chairmanship by two Fund Donors—one from the South and one from the North—one that serves on the Fund Council and is familiar with issues and can bridge the various groups involved.
- Option 2: Chairmanship by Fund Council Chair in years that the SRF is expected to be discussed and endorsed, and co-chaired by two Fund Donors similar to Option 1 in non-SRF endorsement years.

The Funders Forum proposed and chose another option:

- Option 3: The Funders Forum will be co-chaired by the Fund Council Chair and a donor selected alternatively from the North and South. For the next Funders Forum, a donor from the South should be selected to co-Chair.

**Note:** The selected co-chair will be expected to work with the Fund Office to plan and develop the Funders Forum. The Fund Office will send a request to donors to nominate a co-Chair for the next Funders Forum.

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<sup>1</sup> One donor requested that a reserve be placed on this option, subject to legal scrutiny.