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CGIAR Fund Resource Mobilization Strategy
(Working Document - For Discussion Only)

Document presented for Agenda Item 14:
Predictability of Funding

Submitted by:
Fund Office
CGIAR Fund Resource Mobilization Strategy

A Compact Between Donors and Centers

**Introduction: Linking funding to results**

A major component of the CGIAR reform process is devise mechanisms to provide sustained and predictable funding for the CRPs, which are multi-year in nature, so that they can generate the necessary outputs and outcomes to achieve the CGIAR SRF and its four development outcomes. This note sets out a proposed approach to develop a resource mobilization strategy (RMS) providing multi-year funding of the CGIAR Fund, so that the centers can plan and implement the CRPs.

The RMS should be seen as a part of a “compact” between donors and centers, linking donor funding to CRP results. In this approach, the Consortium and the Fund are both key instruments of the compact, with the Consortium focusing on the monitoring, assessment and dissemination of CRP results, and the Fund on the development of mechanisms for generating, monitoring and increasing predictable financial contributions from the donors as well as bringing up donors’ interests and concerns to the CGIAR community.

The note develops an approach to the RMS based on periodic (e.g. three-year) voluntary replenishments of the Fund, with continuing work by all the parties during the intervening periods. It also focuses on a program of activities to be carried out during 2012, culminating in a first funding agreement (replenishment) in late 2012.

**The three main principles of the RMS**

Following on the recent Fund Council discussions in 2011, the proposed RMS follows three major principles. The three principles are:

1. **A voluntary, multi-year replenishment.** The proposed RMS starts from the assumption that the funding model will be a voluntary (as opposed to “burden-sharing”) replenishment model, with continuing resource mobilization efforts by the Fund (particularly with the objective of increasing the number of donors), and periodic discussions and agreements on three-year funding programs to provide predictable three-year work programs and budgets to the centers. The first such agreement would be sought in late 2012 to provide resources for the 2013-2015 period. Not all donors are expected to provide formal three-year contributions, and a variety of modalities are expected to coexist, particularly in the early years of the new model (see also the discussion of the multi-layered approach by different types of donors, below).
Contributions obtained from new donors, or increases in the level of contributions by existing donors during each three-year period will be allocated to the Fund’s periodic replenishment, even if they are not of a multi-year type. The proposed RMS is consistent with the current structure of the Fund, including the three “windows” providing untied aid for strategic use, funding for specific CRPs, and more specific funding directed to pre-identified activities and Centers. The RMS is part of a transitional program with a gradual move towards increasing the size of Windows 1 and 2 and away from Window 3 and bilateral funding.

2. - A multi-layered replenishment approach. Contributors to the CGIAR Fund have different interests, different levels of commitment in terms of volume of funding, and different mechanisms for providing the funds. The proposed RMS recognizes these differences, while maintaining the concept of a triennial Fund replenishment. Thus, replenishments will collate, and coordinate, contributions of different nature. The new approach will be introduced gradually, and the 2012 replenishment will include a core group of donors who would participate fully in the three-year funding program, as well as other donors, some expected to join the core group at a later stage, while others remain as more ad hoc donors. In all cases, however, their contributions would be considered as part of the periodic replenishments.

The funding model and RMS proposed here is based on a formal periodic replenishment of the CGIAR Fund, with a three year replenishment cycle, and including contributions from donors with variable levels of commitment to the formal periodic replenishment. Three groups of donors would provide the funds. The three groups overlap partially with the three “Windows” of the Fund but they are not synonymous. The resource mobilization strategy would include specific actions for each of the three donor groups. These include:

(i) Formalizing the core donor group. A core donor group would provide maximum predictability and most untied funding to the Fund. This group would consist of donors that have been consistently providing resources to CGIAR, mainly of an untied nature. An initial target for 2012 could be for the core group to provide at least one half of the total funding for windows 1 and 2, for the 2013-15 period.

(ii) Strengthening the “second layer” of replenishment donors. Many current donors to CGIAR may not be able to make firm contributions for a three-year period, for the first replenishment period of 2013-15. In the initial years, this group would continue to provide annual contributions as they have done until now, while the RMS would focus on moving them gradually to the core group of donors.

(iii) Seeking new donors. A major component of the Fund’s resource mobilization strategy would be to expand the number of donors to CGIAR. The Fund would organize a systematic process for identifying potential new donors, and a communications action plan to provide information on the CRPs, expected outcomes, and impacts.
3. - Linking funding to results: (a “compact” between donors and centers). A main objective of the CGIAR reform process is to achieve the four development outcomes, which in turn requires careful definition and monitoring of CRP results, as well as predictable funding for the CRPs. Thus, replenishments of the Fund, and expansion of funding for the CRPs, are closely linked to the progress in achieving the CRP objectives. Progress reports on the achievements under the CRPs, based on individual CRP results frameworks, and detailed M&E programs would be part of the background for the periodic replenishment discussions.

The linking of funding to results is a major concern of the donors, particularly at this time of tight fiscal budgets and of pressure for budget reductions. Thus, the Fund and the Consortium need to work jointly to provide the necessary support and information flows in both directions. The “Strategy and Resource Framework for the CGIAR” (SRF) approved by the Funders Forum in April 2011 this needs to be expanded and complemented by the specific results frameworks of the individual CRPs, and by detailed M&E programs, including quantifiable indicators for each CRP.

At the aggregate CGIAR level, two Annexes in the SRF of April 20111 could help measure overall progress under the SRF. Yet further development and reporting on the specific indicators for each CRP will be needed as support for the funding requests and the replenishment of the Fund. At the CRP level, each Lead Center will need to update and prepare progress reports on the results framework for the CRPs under their management, with sufficient indicators, objectives and results, to be presented prior to the Fund replenishment meeting for review by the donors.

**Reporting on results in 2012.**

Although 2012 may be too early for the CRPs to show specific outcomes, convincing existing donors to increase their contributions and new donor to join in will require a strong argument that the funding of the CRPs will allow the achievement of objectives.

The first formal replenishment in late 2012 will provide an opportunity for reporting on the earlier achievements by the research programs that became the basis for the CRPs progress, on early outputs for the CRPs, established mostly in 2010 and 2011, and on the quantifiable indicators in the results framework for each CRP. This will set the tone for the expanded resource mobilization sought by the Fund.

**Work Program Summary for 2012**

The immediate agenda of activities to introduce the above funding approach and RMS would include the preparation of a work program based on five categories of tasks, and allocating responsibilities for each of them. The five categories would be

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1 Annex 1 (“The contribution of agricultural research to system level outcomes: evidence and prediction”) and Annex 2 on “Comparing System Level Outcomes with Elements of CRPs”.

• Defining the initial component of formal multi-year financing by a group of core donors. This would include setting the target amount and composition (in volume of resources and diversity of donors) as well as operating modalities for commitment and disbursement of funds.

• Seeking larger (and untied) contributions from other current donors. During 2012 these donors should be contacted to provide them with information on the new funding approach and to explore their gradual movement toward full participation in the multi-year funding.

• Increasing the number of donors to the CGIAR Fund. This process would include the presentation of a clear operational and funding model (periodic replenishment of the Fund, links to the SRF and CRPs), and a systematic and expanded search for new donors.

• Preparing materials on achievements so far, and expected outcomes and impacts from the CRPs, to be provided to the donors at the replenishment meeting. This activity will require close coordination between the Fund and the Consortium with Centers, as well as with some major donors who may have specific requests for information.

• Preparing the logistics, including preparatory discussions (and meetings) leading to the formal replenishment meeting.

Work Program Beyond 2012

The work on the Fund’s resource management strategy beyond 2012 will be a continuous process along three main areas of work, as follows:

   (i) maintaining (or increasing) resource mobilization efforts to achieve the funding levels needed by the CRPs; this includes seeking additional contributions from existing donors and expanding the donor base;

   (ii) allocating additional resources obtained during an ongoing-three-year period on the basis of needs and timing of the CRPs, and

   (iii) following up, together with the Consortium on the achievements of the CRPs, including definition and monitoring of performance indicators.

What is required of the Fund Council

The Fund Council will be asked in the Seattle meeting to endorse the principles outlined in the Resource Mobilization Strategy. If the principles are acceptable, the FC will also
be required to endorse the way forward towards a replenishment meeting in November/December 2012, and beyond 2012.

The upcoming DG meeting and Consortium Board meeting in Montpellier during the week of February 27 – March 2 will provide opportunities for the Executive Secretary and the Fund Council representative on the Consortium Board to receive feedback from the Centers and Consortium Board on the current thinking on the RMS.

A more detailed paper on the RMS will be shared with the donors who will attend the donor meeting in Seattle. The outcomes of that donor meeting will be reported to the Fund Council, as input to its decision on the RMS.