

Preliminary Consultation Draft: Options for CGIAR Governing Structure and Decision Making

Comments from Australia

General Comment

This preliminary draft has provided a useful synopsis of the drivers and purposes of the CGIAR reform commenced by general consensus of the donors and other stakeholders in 2008/2009. Perhaps one relevant observation however is that the initial agreement to proceed with reform was guided by broad objectives and generalised features of the envisaged structures, funding and accountability systems. As such there was not necessarily common understanding across all donor parties on the details and, despite progress, these have emerged in the implementation phases and with experience gained as new mechanisms have been implemented. The split of funding between CGIAR windows and the level of forward funding commitments are one example of ongoing donor differences in the system. Similarly the expectations of non-donor stakeholders have proven to be variable. The MTR and this governance options draft provide a timely opportunity to move forward with greater common purpose building onto the previous steps of the reform agendas.

Recommendation # 4 of the Mid Term Review (MTR) has recognised that the principles espoused in the initial reform have encountered a number of practical problems at the implementation stages with consequential piecemeal responses to meet emerging challenges. The MTR is therefore recommending a single Board and administrative unit as a reflection of best governance and organisational practice. In general having a decision making Council and a Board is unusual and destined to lead to duplication and blurred lines of responsibility which is further complicated in the CGIAR by having fifteen centre Boards with fiduciary and governance duties and obligations.

While the single Board recommendation is logical in terms of streamlining structures, governance principles and managerial clarity, the requirement for donor and other stakeholder inclusiveness remains an important matter given the expectation of respective donor governments to be directly involved in a multi-donor setting. Unless the single Board/administrative unit approach can effectively meet this dual organisational efficiency and donor participation role there is a risk that funders may withdraw or reduce financial commitments in future. Comparisons with other global partnerships should therefore be instructive in finding the most suitable model to meet potentially conflicting requirements, bearing in mind that scientific research oversight would need a multi-skilled Board rather than a purely representational selection process. The present Fund Council and Consortium Board structure meets the various requirements, but with the associated ambiguities over duties, roles and responsibilities in the governance and decision making chain.

This draft consultation draft has helped to more closely identify the reasons why reform outcomes to date have not matched expectations with consequent frustrations in some stakeholder and CG centre cases. Concern over governance and the processes of decision making has been elaborated in

the paper. While some of the concerns will likely improve if the next SRF is more directional and can give clearer guidance to the second round CRPs, it is also apparent that a more wide ranging adjustment to structures and processes are required to meet future strategic and operational demands.

As noted in Brussels, Australia suggests that the Options Team should go beyond deliberations regarding the proposed constituency-based Board and address other issues as well, such as the structure of the Fund (i.e. operation of Windows); relationships between the Consortium Board and Centre Boards, and CRP governance arrangements; and how governance is distributed throughout the system, not only at the top levels.

Options for CGIAR Governing Structures and Decision Making

The Options Team regards this paper as a preliminary draft and it plans further analysis and deliberation after receiving stakeholder comments. It would therefore be premature to identify a single preferred reform option until the next elaboration is presented. It may well be considered that no single option is favoured, but that a mix of two or more options is identified as most suitable in order to best meet the essential requirements of donor oversight as funders; clearly distinguished duties, roles and responsibilities of governance; and streamlined system processes without ambiguity and duplication.

Option 1: Modifications of the existing system structure and decision-making processes and accountabilities

This is the least radical option which is less likely to address the MTR concerns. Greater clarity on roles and responsibilities of the Fund Council and Consortium would help, as would including centre representatives on the Consortium Board but the numbers on the Board could become unwieldy.

The intention to reduce the size of the Fund Council is understandable, but the term 'adequate donor representation' and a last resort voting system with weightings based on financial contributions is likely to marginalise the smaller contributors. This is contrary to the inclusive character agreed for the CGIAR at Maputo, and risks losing the medium/smaller donors or giving more funding to Window (3) allocations in future.

Option 2: Modifications of the existing system structure and decision-making processes and accountabilities, including an annual joint meeting of the Fund Council and the Consortium Board

As with option 1 and the single joint meeting not really a solution to structural deficiencies. The Funders' Forum and biennial GCARD meetings are designed to address some of these matters. A further meeting of the parties likely to have limited results without more fundamental organisational and governance adjustment.

An observation here is that both the donors and the CG centres are not all on the same pathway and there is a need for greater coherence in both the Council and Consortium approaches. This is improving gradually but remains a source of contention as outlined in the MTR.

Option 3: Modifications of the existing system structure and decision-making processes and accountabilities with strengthened Fund Office and a Consortium of the centres

This option has the advantage of seeking greater clarity over the division of authority between the Fund Council and Consortium in the CGIAR network, and more inclusiveness of the centres in the Consortium operations. It does help to address the supervisor/representative tension apparent in the present Consortium construct.

It is suggested that this option needs more assessment for the following reasons:

- a Consortium Board of centre DGs and Chairs would be some thirty plus members which would be excessive and cumbersome for decision making purposes
- having centre Chairs on an overarching Consortium Board does have managerial implications and possible conflicts, and the time that part time Chairs can realistically allocate is worth discussion and feedback
- a Consortium Board with centre membership only may lack the multi-skill character that modern Boards require (this maybe fixed by rotating a number of centre DGs onto the Board complemented with say five special skill members from a wider field of recruitment)
- a Fund Office contracting with CRP Lead Centres can work, but will need new skills in the office and perhaps further advice on legal requirements
- the makeup of the ISPC and its skill base may need revisiting if its role is to expand and be strengthened
- an annual meeting between funders and centres should be less necessary if the centres are included on the Consortium Board and the Funders' Forum can be used for this purpose

Option 4: Two governing bodies (Fund Council and Consortium Board) with one administrative/management office for the CGIAR

This suggestion has advantages in terms of avoiding managerial confusion over roles and responsibilities that occasionally arises in the current two office situation. The paper correctly identifies potential conflicts in servicing two governing bodies. If it is assumed that the Fund Council is to be the final decision making body then the Consortium Board can operate as a skills based subsidiary entity giving coordinated advice on research issues to the Council. This decision making hierarchy, if agreed and implemented, should minimise the chances that the single office would be conflicted in a situation of ongoing disagreement between the two governing bodies.

This option depends on complete understanding that the Council is the final decision making authority and the Consortium coordinates, implements, advocates and advises in partnership with the Council. The MTR correctly emphasises there cannot be two equal decision making or governing bodies in the CGIAR network. A single administrative office can assist to make this common understanding work in practice.

Option 5(a): One governing body with one administrative /management office in one location

Option 5(b): One governing body with one administrative/management office with units in two locations

These two versions of Option 5 most closely reflect the intentions of the MTR Recommendation #4. The establishment of a 'Centres Committee' provides the connectivity from the Council to the centres. Clearly this approach would avoid the claimed complexity and confusion involved in the present two pillar system, and the scope for duplicative administrative functions with associated time and cost reductions.

In terms of governance and management, these two versions represent best practice in a normal commercial or public corporate scenario. The challenges of adoption in the CGIAR context will need to include further considerations of:

- the size of a CGIAR Council to cover the essential representational requirements of donors and other stakeholders while being effective in decision making
- the skill sets needed on a CGIAR Council and single office to effectively address the range of research technical, administrative and managerial outputs currently handled by the Consortium Board and office in liaison with the fund office (this matter also depends on the precise functions of the proposed centres committee)
- the additional time that members of the envisaged CGIAR Council members would need to allocate compared to present arrangements
- the envisaged co-location or separate location of the single office units is not a major hurdle, and could work in either manner provided there is a single director or chief executive position responsible for the instrumentality's operations in all locations

A further option for consideration under this approach could be that the CGIAR Council assumes overall authority as a single entity, but members elect a smaller Board (or management Committee) from the Council membership to take responsibility for the day to day matters on behalf of, and subject to approval by, the larger Council. This could prove more effective for all stakeholders rather than dealing with a large and diverse CGIAR Council on matters of detail. It could also help the single administrative office in its daily functions.

If a single CGIAR Council with an appointed Council based Management Board / Committee were to be an additional option, the proposal for a Centres Committee to work on a more regular basis with the Council Committee would be advocated. There would need to be an added role for ISPC in this model to advise on the added work load of the Fund Council.

Cross Cutting Issues that should be applied under all options-CRP Funding

As noted in this draft paper these matters will be elaborated further. On funding it should be noted that any elaboration will need to consider with donors individually and collectively the reality of forward budget commitments by governments. Australia is able to give some reasonable assurances for three years in budget terms, but many donor governments are not able to give more than annual commitments under their budget processes.