

DRAFT PROGRESS REPORT

BY THE

COMMITTEE OF BOARD CHAIRS (CBC)

STRENGTHENING SYSTEMWIDE ACTIVITIES

ICW99

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DRAFT PROGRESS REPORT: STRENGTHENING SWAs WITHIN THE CGIAR

INTRODUCTION

This progress report presents the preliminary ideas of CBC on improving Systemwide Activities (SWAs) of the CGIAR. These ideas are preliminary in three important senses: they represent but one set of views on a set of topics that will be discussed from various perspectives during ICW99; they represent work still in progress by CBC; and they assume the existing structure of the CGIAR in discussing the pros and cons of SWAs. Should that structure change in the future, so too would the opportunities and problems placed on System (versus Center) initiatives.

A second feature of these notes should also be underscored. More than half of the formal SWAs of the CGIAR have an ecoregional character to them, and thus questions about SWAs and ecoregional initiatives are closely intertwined. On the other hand, not all SWAs are ecoregional in character, and not all ecoregional activities of the System are designated as SWAs. The report attempts to maintain these various distinctions, but no doubt does so imperfectly.

Finally, the report is written with two underlying assumptions: that SWAs are an important mechanism for helping the CGIAR fulfill its mission; and that improvement of the functioning and governance of SWAs poses special challenges for Center Board Chairs.

BACKGROUND

During ICW98, CBC focused much of its attention on the need for and improvement of system-wide activities (SWAs) of the CGIAR. The recent evolution of the research agenda of the CGIAR has seen both a broadening of objectives, for example, natural resource management, and a simultaneous need for analysis of different levels (scales) of aggregation. There was unanimous agreement within CBC that SWAs were absolutely vital for meeting these new needs, and more generally, for solving some of the most vexing problems associated with sustained productivity

increases, improved food security, and diminished poverty. However, there was equally strong agreement that several reoccurring problems associated with SWAs needed to be addressed. One year later (ICW99) that work is still incomplete, although significant progress has been made in documenting both the successes and problems with SWAs.

This better understanding of SWAs during the past year has evolved from three sets of discussions. First, several specific funding and governance issues were discussed during the Brussels Consultation, and CBC was asked to look into SWAs more systematically as part of the recommendations surrounding the Strong Report.

Second, the Chair of CBC gave a preliminary (and largely personal) assessment of SWAs during MTM99 in Beijing. His report centered on two problems: governance of SWAs; and funding of SWAs in the increasingly competitive modes of finance being experienced by individual Centers. CBC believes that these two problems continue to be very real; however, in focusing primarily on these two issues rather than on the successes of SWAs, the CBC Chair left some delegates in Beijing with the impression that CBC was against SWAs or was seeking their elimination. That clearly was (and is) not the intention of CBC's involvement with SWAs. Out of the Beijing discussions, however, came a call for further work and the suggestion of a broader (*ad hoc*) committee to provide an assessment of SWAs.

Third, TAC had earlier requested a study (what is now the Henzell Report) of the eco-regional SWAs--a subset of eight of the 15 the explicitly formulated SWAs of the CGIAR. That Report became available in August 1999; was discussed at the September 1999 meeting of TAC; and was circulated, along with TAC commentary on the Report, as a part of the documentation for ICW99. What has evolved, therefore, is widespread interest in improving SWAs, and two complementary efforts within the CGIAR to codify successes, to outline best practices, and to provide more general suggestions on how SWAs might be better selected and operated.

CLARIFYING THE HISTORY AND NATURE OF SWAs

The evolution of SWAs within the CGIAR has been more than a little complicated; consequently, donors, partners, and Centers tend to vary in their rationale for, and conceptual understanding of, these initiatives. To some individuals, they imply a certain type of research, while

to others they signify a particular set of topics or a particular set of research methods. For other stakeholders, the critical component of SWAs involves the number or type of partners. For some Centers, SWAs were perceived as a particular mechanism for funding. For certain donors, the broader problem areas covered by SWAs provided a strategic rationale for all-important contributions to core funding. In some other instances, however, that same breadth posed problems for the development of appropriate research frameworks. Finally, the SWA situation has been complicated further because there are many important multi-Center activities that are not formally designated as SWAs.

Unless common ground is reached on assumptions, rationales and definitions, CBC is concerned that Centers, partners, and donors are likely to have expectations about SWAs that differ. These perceptions and definitions have already caused frictions, which can be expected to grow unless better common understandings are reached. The problem is less a matter of the precise definitions that are chosen for SWAs, and much more the need for communicating these definitions as the basis for current and future agreements about SWAs. Sorting out the “rules of the SWA game” would seem to be an important role for TAC, as part of a broader set of suggested activities outlined in the final section. If the SWA definitions and mechanisms are clearer, and if SWAs are reported upon more systematically at ICW and MTM meetings as outlined in the Henzell Report, the problems of varying expectations among stakeholders should diminish

REACTIONS TO THE HENZELL REPORT AND TO TAC’S COMMENTARY

The existence of the Henzell Report makes it unnecessary in this document to provide a detailed historical review of magnitudes and types of SWAs. It also makes possible summary listings of points on which CBC and the Henzell Report are in agreement. Additional conclusions and suggestions for further analyses are contained in the final section.

Based on its collective experience, CBC agrees with the Henzell Report that:

- Many of the unanswered questions about (formally designated) SWAs arise because they have been in operation for only a brief period—typically from 3 to 5 years;
- Most ecoregional SWAs have made excellent progress in developing partnerships with NARs;

- The most successful SWAs have had a clear focus on a major problem, strong leadership, and effective facilitation of research at the field level;
- There have sometimes been problems in developing adequate research frameworks (of a strategic nature) for INRM initiatives; nevertheless, a continuation of INRM research in a revised format (as outlined in the Henzell Report) is a vital part of the CGIAR portfolio;
- TAC should set up a multidisciplinary task force to develop further INRM frameworks, both for “regular” Center activities and also resource-related SWAs;
- Clearer accounting rules are required to show more clearly the quantities and types of resources committed to SWAs (including an explicit breakdown between research and coordination activities);
- Additional efforts should be expended on benchmarking, evaluating, and reporting on SWAs;
- Particular attention should be paid to the integration of the natural and social sciences within SWAs; and
- SWA mechanisms should be used sparingly, but should indeed be used when there is a problem of great importance, where no Center has a singular advantage, when there are complementary effects from involving two or more Centers, and where there exist potential solution sets for dealing with major problem sets.

CBC further agrees with TAC on the following issues:

- SWAs require careful problem identification, and equally importantly, clarity about the research frameworks for solutions;
- Governance for many SWAs is not well defined;
- Sustainable productivity and management of natural resources are key pillars of CGIAR work on poverty reduction, including work on topics covered by SWAs;
- In cases where SWAs and the work of a Center overlap, the work should be integrated;
- Significant opportunities exist for lowering transaction cost in SWAs by more innovative use of electronic communication;

- Transaction costs tend to accelerate and benefits to decline as the number of Centers (and partners more generally) expand beyond a few;
- Noble as the history of the concepts may have been, use of the terms “ecoregional approaches or ecoregional research” has been confusing to many CGIAR observers. CBC believes that the term “ecoregional zone” is a useful classification device for assessing regional issues, and that ecoregional or ecosystem “services” represent potentially important (positive) externalities of well-maintained systems. At the same time, CBC feels that “ecoregional research” is not a very helpful technical term for defining or prescribing particular research methods. That research instead needs to be problem focused, to use a variety of methods, and to operate at micro, mezzo, and macro geographic scales.

CONCLUSIONS AND SUGGESTIONS

Many of the particular problems that had initially concerned CBC have been covered in the Henzell Report and/or in the TAC commentary on that Report. In addition, CBC wishes to make four additional comments. Before turning to these specific points, however, one procedural point needs emphasizing. CBC is often in a position to offer informed policy and substantive judgments on broad issues and problems. However, because of its composition, frequency of meetings, and lack of staff support, CBC is much less capable of doing thoroughgoing empirical analysis and field research. The points that follow thus offer preliminary judgments on key issues, but in almost all cases, there is also a suggestion for more detailed follow-up work by TAC or the CGIAR Secretariat.

Best Practices: During the past year, it has become increasingly clear that SWAs, when properly organized, have an important role to play in the CGIAR. It is also clear that some ecoregional SWAs have worked better than others. Yet evidence from the field is still very thin—in large part because many of the formal SWAs began after 1993. CBC believes that a task force should be created—presumably by TAC— which would have three central tasks: evaluating the non-ecoregional SWAs in a manner comparable to the Henzell Report for ecoregional SWAs; compiling a list of best practices from within SWA experiences; and completing a comparative assessment of ecoregional SWAs relative to the remaining half of the SWA portfolio that has not yet been assessed. The main goal of the latter activity should be to determine whether the non-ecoregional

SWAs had more, fewer, or different problems and successes than the subset that Henzell analyzed. To take just one example, the problem of transaction costs is not discussed at length in the Henzell report. Nearly everyone associated with these initiatives agrees, however, that SWAs incur more of such costs relative to “regular” projects. But do eco-regional initiatives have more of these costs than do non-ecoregional projects? How can these costs be reduced? And, are there best practices that can increase transaction *benefits* relative to transaction costs within SWAs?

Evaluating the Existing SWA Portfolio of the CGIAR: The Henzell Report describes in some detail the eight ecoregional SWAs. Quite clearly these initiatives have varied in terms of size, success, and access to funds. A few quality judgments about each of the initiatives can be inferred from the Report, but the document is less clear on which of the eight initiatives need to be strengthened and continued, which need to be imbedded more centrally into one or two Centers (under procedures and criteria spelled out in the Report), and which (if any) need to be discontinued via an orderly closure. CBC believes that if the Henzell Report is adopted by the CGIAR (at least broadly), an independent evaluation of the existing SWA portfolio is clearly in order. TAC, or a group commissioned by TAC, would appear to be the most important mechanism by which to accomplish this task. That group should also be on the lookout for SWA opportunities that have been missed in previous processes. Topics such as integrated pest management would appear—at least to several CBC members—to be one such positive example.

Improving SWA Governance: CBC is in a strong position to comment on one particular governance issue. As noted in the Henzell Report, Board responsibilities are not well defined with respect to SWAs—everyone’s business has tended to be no one’s business. CBC thus recommends that for all existing and future SWAs, one of several governance arrangements be put in place: that an existing (lead) Center Board be specifically designated as having supervisory responsibility for a particular SWA; or, that a supervisory (governance) committee be drawn from Centers and/or other organizations comprising the SWA to act as an *ad hoc policy* body. In focusing oversight responsibility from within the CGIAR, the former mechanism is to be preferred; however, the latter mechanism might also be needed, especially if much of the SWA activity resides within organizations outside the CGIAR. CBC believes that the Executive Director of the CGIAR Secretariat, working

with the Chairman of the CGIAR, should have the specific responsibility for ensuring that each SWAs has Board supervision, and that the selected Board (or ad hoc committee) be well informed about its responsibility. That policy body should then be held responsible for its oversight functions of the SWA.

Better Alignment of Objectives, Funding, and Governance of SWAs: The CGIAR in 1999 is a complicated system that is evolving in terms of objectives, structure, types of funding, and partnership arrangements. This evolution has meant that certain institutional boundaries are unclear, and that the legally decentralized nature of the System is not always well suited for all of the relevant tasks at the turn of the 21st century. The Strong Committee proposed a more centralized structure of governance for the CGIAR, primarily to deal with System (versus Center) problems and opportunities. This form of governance was not accepted by the CGIAR; that rejection, in turn, has important consequences for dealing with Systemwide initiatives.

Three “System” problems are especially important with respect to their structural impact on SWAs: a layering of commodity, thematic, and regional Centers, such that several Centers typically have legitimate interests in any given region or developing country; incomplete governance for systemwide activities—given that legal authority resides at the individual Center level; and, increasingly competitive global funding for agricultural research, both nationally and among CGIAR Centers. These circumstances complicate smooth operation of SWAs, especially when individual Centers and individual Directors General are desperately competing to fund-raise for what they perceive as the Center’s priority topics. It should not be surprising, therefore, that tensions about objectives and funding sometimes exist between Center versus System activities.

CBC believes that recognizing the structural source of these tensions is important for everyone in the System. Such recognition does not imply that Center research is necessarily good and Systemwide research is necessarily bad, or *vice versa*. It does imply, however, that special care must be taken in establishing SWAs to overcome the basic facts of how the CGIAR is structured. It was this recognition, *coupled with a pledge on the part of all Board Chairs to do their utmost to make systemwide activities work*, that prompted CBC’s initial concern about SWAs last year. CBC believes that CGIAR acceptance of the suggestions of the Henzell Report (and the TAC

commentary on that Report), and implementing also the suggestions contained in this document will increase substantially the likelihood of greater success with SWAs.

FINAL REMARKS

SWAs represent an important mechanism for increasing the cohesion and synergy among various CGIAR Centers. They have already shown their worth in the fields of genetic resources and integrated nutrient management. Further clarification of concepts, rationales, expectations, and modes of governance can enhance the value of future SWA initiatives. Finally, CBC believes strongly that an analysis of CGIAR's structure on the operation of SWAs should be one important component of the System's forthcoming review of vision and structure.