

One CGIAR: System Reference Group Recommendations to the System Council

Purpose

This document presents the System Reference Group's recommendations to the System Council. It presents these at a high level but with sufficient clarity in terms of detail so that they are actionable. The recommendations aim to create a rapid step-change in CGIAR so that it is fit for purpose to work with national and international partners to address the integrated challenges of the 21st century.

System Council Action Requested

The System Reference Group requests that the System Council consider and endorse the recommendations set out in this paper in full as a package of interconnected and interdependent elements.

Prepared by: System Reference Group, submitted by the Co-Chairs Tony Cavalieri and Marco Ferroni.

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One CGIAR:

A bold set of recommendations to
the System Council

Table of Contents

Executive Summary	4
Introduction	6
Recommendation 1: A Compelling Mission for One CGIAR	8
Recommendation 2: Unified Governance	10
Recommendation 3: Institutional Integration	13
Recommendation 4: A New Research Modality	20
Recommendation 5: More, and Pooled, Funding	23
Recommended Next Steps: Initial Actions Towards One CGIAR	26
Setting the course for One CGIAR and managing inherent strategic risks	31
Annex I. A New Research Modality	34

Executive Summary

- 1. One CGIAR is a dynamic reformulation of CGIAR’s partnerships, knowledge and physical assets – building on an energized, interconnected, and diverse global talent pool.** It aims to drive major progress in key areas where innovation is needed to deliver on the SDGs by 2030, anchored in more unified governance, institutions, country engagement, and funding.
- 2. Delivering CGIAR’s mission requires an integrated approach to research and partnerships – which the climate crisis makes even more imperative and urgent.** CGIAR’s governance and institutions need to be united as ‘One CGIAR’ in order to tackle the complex and interrelated challenges of the 21st century. These recommendations by the System Reference Group (SRG) reflect an unprecedented, System-wide process over the past 18 months to achieve this with urgency.
- 3. The SRG’s recommendations come as a coherent package in which each recommendation – and its timing – is essential to achieving the others:**

Recommendation 1 – One Mission: Develop a 2030 Research Strategy anchored in a unifying mission of “Ending hunger by 2030 – through science to transform food, land and water systems in a climate crisis”, focused on five Impact Areas of nutrition, poverty, gender, climate, and environment. *Target date: 2030 Research Strategy, reflecting agreed Mission and Impact Areas, by end-2020*

Recommendation 2 – Unified Governance: Establish a One CGIAR Common Board to provide a unified governance system for all CGIAR’s legal entities (CGIAR Centers and the CGIAR System Organization) and serve in effect as the single governance body for these legal entities.

Target date: by 1 July 2020 a two-thirds majority of discretionary¹ members of each Center/Alliance Board consists of members of the reconstituted System Management Board

Recommendation 3 – Institutional Integration

Recommendation 3.a – Integrated Operational Structure: Form a One CGIAR Executive Management Team (EMT) composed of three Managing Directors to drive System-level leadership, coordination, and a transition towards an integrated operational structure under the One CGIAR Common Board.

Target date: Executive Management Team in place by 30 April 2020, reverting to the One CGIAR Common Board and System Council with a proposed integrated operational structure by end-2020

Recommendation 3.b – One CGIAR Policies and Services: Harmonize CGIAR’s policies and internal business services in Human Resources, Information Technology, Finance, Procurement, Communications and Resource Mobilization, and Research Performance and Results Management. *Target*

¹ Discretionary is used to refer to those voting board members who are not nominated by a stakeholder government or other partner body.

date for priority action areas: business case development 2019/2020, build and implement 2021/2022

Recommendation 3.c – One CGIAR at the Country and Regional Level:

Organize CGIAR's presence and engagement at the national and regional levels under a new One CGIAR engagement model based on a country strategy in support of national priorities and a country coordination function, and clear partnership management with key regional bodies. *Target date: Executive Management Team to develop implementation plan, with commencement of new approach from end-2020*

Recommendation 4 – A New Research Modality: Implement a phased approach to research delivery that aligns structure and accountabilities with the imperative of seeking multiple benefits across CGIAR's Impact Areas, anchored in large integrative CGIAR Projects, co-creation with partners, and enhanced performance and results management. *Target date: New arrangement ready for implementation from 1 January 2022 with key preparatory steps taken in advance*

Recommendation 5 – More, and Pooled, Funding: Alongside increased investment into CGIAR Projects, implement a major change in the way CGIAR is funded – most importantly an increase in overall investment and a shift to greater pooled funding (at least 50%). *Target date: 50% pooled funding achieved by end-2022, 70% by the end of the 2022-2024 business plan period, with Funder commitments made at the November 2019 System Council meeting*

4. The envisaged **speed of implementation matches the urgency of the needed change** in terms of delivering on CGIAR's mission and demonstrating value for money. The SRG recognizes, however, that timely implementation of these recommendations entails a far-reaching, System-wide change process that addresses people, culture, values, systems, policies and structures, with a critical need to ensure business continuity and successful delivery of ongoing research. Funders will support the implementation to see this through to success.
5. The SRG believes that these recommendations will better harness the passion of **CGIAR's staff and the commitment of its partners**, creating an institution that enables scientists to do their best work to improve the life of farmers and poor consumers who are bearing the brunt of the climate crisis.

Introduction

6. **One CGIAR is a dynamic reformulation of CGIAR’s partnerships, knowledge and physical assets – building on an energized, interconnected, and diverse global talent pool.** It aims to drive major progress in key areas where innovation is needed to deliver on the SDGs by 2030 – anchored in more unified governance, institutions, country engagement, and funding.
7. **CGIAR’s governance and institutions need to be united as ‘One CGIAR’ in order to tackle the complex and integrated challenges to food, land, and water systems in the 21st century.** CGIAR’s institutional structure reflects its formation in the mid-20th century, and now limits its ability to provide the level of integration and collaboration needed to address today’s inter-connected challenges. CGIAR’s excellent leaders, scientists and staff can deliver more when they are configured within fewer institutional boundaries and with clearer, unified and empowered management and governance – creating an institutional environment in which a research program modality based on integrative thinking on food systems and land- and waterscapes can truly thrive.
8. **These recommendations reflect an unprecedented, System-wide process of co-creation – between Funders, clients and Centers** over the past year to position and equip CGIAR for the future. They build on the governance changes that were implemented by the Centers and Funders in 2016.
9. **The System Council, at its 6th meeting in Berlin, Germany in May 2018,** acknowledged that there was *“funder appetite for an expanded shared agenda with increasing shared agenda/pooled funding over time”* and that *“[e]fforts to deliver on these elements are directly linked to the System’s capacity to rationalize itself to remove ongoing fragmentation in effort”*². The System Council agreed to take these conversations forward through a system reference group.
10. **The SRG was thus formed in late 2018.** It is co-chaired by Tony Cavalieri of the Bill & Melinda Gates Foundation and Marco Ferroni, Chair of the System Management Board. It comprises 22 members³: ten members of the System Council, including Funders as well as representatives of regional constituencies; all ten members of the System Management Board, including six Center-affiliated members; and the conveners of Center Boards of Trustees and Directors General. Representatives of the CRP Leaders and the Independent Science for Development Council (ISDC) have also participated in the SRG’s deliberations. The work of the SRG has been facilitated by the System Organization, with support from external experts.
11. **From September 2018 to October 2019, the SRG has held five in-person meetings along with numerous virtual meetings.** From April to July 2019 the SRG formed three working groups on (i) research objectives and focus, (ii) research delivery, and

² Meeting Summary, 6th System Council Meeting, 16 and 17 May 2018

(https://storage.googleapis.com/cgiarorg/2018/04/SC6-09_MeetingSummary_APPROVED-1.pdf)

³ Composition available at <https://storage.googleapis.com/cgiarorg/2019/10/58dd83d6-srg-composition-for-website-11oct2019.pdf>

(iii) institutional arrangements with a view to moving towards focused proposals. Considering inputs prepared by these working groups, as well as further work carried out by Center Board Chairs and Directors General, the SRG converged on an ambitious set of draft recommendations at a three-day retreat in July 2019. Those draft recommendations were structured around five interconnected elements:

1. A compelling and aligned mission
2. Unified governance
3. Institutional convergence
4. More and better funding
5. A new way of organizing transformative research programs

12. Those five recommendations were further developed by the SRG over the intervening period. These final SRG recommendations are high level but with enough detail to enable swift follow-up by the relevant decision-making bodies. As such they are intended to provide appropriate space for the System – particularly the proposed One CGIAR Common Board and Executive Management Team – to manage the transition process, informed by risk analysis during implementation and consistent with a principle of adaptive management.

Recommendation 1: A Compelling Mission for One CGIAR

To enhance the focus, relevance, and impacts of research, the SRG recommends that CGIAR develop a 2030 Research Strategy anchored in the following mission statement and Impact Areas:

- a. **One CGIAR mission:** *Ending hunger by 2030 – through science to transform food, land and water systems in a climate crisis*⁴
- b. **Five Impact Areas:**
 - i. **Nutrition & food security**
 - ii. **Poverty reduction, livelihoods & jobs**
 - iii. **Gender equality, youth & social inclusion**
 - iv. **Climate adaptation & greenhouse gas reduction**
 - v. **Environmental health & biodiversity**

Target date: 2030 Research Strategy, reflecting agreed Mission and Impact Areas, by end-2020

Value Proposition

13. **Global changes have become more rapid than institutional abilities to respond:** environmental decline, technological innovation, demographic shifts, economic growth in Africa and Asia, geopolitical change, etc. – the list is long. CGIAR is changing to retain its leadership and impact.
14. CGIAR's original mission – to solve hunger – must now address wider **21st century challenges for food, land and water systems** to deliver wide access to healthy diets and decent employment within environmental limits.
15. **Addressing the food system's role in the climate crisis is the new great mission for CGIAR.** Climate change is today's pre-eminent global challenge and a unifying theme of an urgent food, land and water systems transformation. The accelerating crisis threatens the achievement of global ambitions, including CGIAR's. Agriculture and food systems are a leading cause of climate change, as well as the largest human imprint on biodiversity, land and water systems – but also a leading solution to the climate and environmental crises and their impacts on human welfare.
16. The **One CGIAR mission will unite several narratives** that collectively ensure that the expertise and priorities of Funders, clients, partners and scientists are included. This is important because CGIAR contributes to food, land and water systems transformations by close work with partners, who will co-design integrative CGIAR Projects to enhance research impact.

⁴ A strapline will be developed, drawing on additional communications expertise as appropriate, to capture the essence of this mission.

17. CGIAR’s three goals defined in the Strategy and Results Framework (SRF) – to reduce poverty; improve food and nutrition security; and improve natural resources and ecosystem services – remain relevant to this decade’s challenges. But the narrative, mission, and lower-level targets lack focus and connectivity to global agendas like the Sustainable Development Goals (SDGs). **Therefore, CGIAR needs an update of its narrative and research focus to:**
- a. reflect a 21st century assessment of the challenges
 - b. clearly explain our offer to the world
 - c. create greater focus and cohesion
 - d. support impacts across multiple Impact Areas
18. **CGIAR research will continue to contribute across all SDGs, particularly SDG2 on “Ending Hunger by 2030” but also others such as SDG5 on Gender, SDG13 on Climate Action, SDG14 on Life Below Water, and SDG15 on Life on Land.** One CGIAR itself will be an important element of SDG17 – Partnerships for the Goals. CGIAR’s targets and key areas of work map particularly well to the SDG2 targets - to end hunger and malnutrition, double incomes and productivity among small-scale producers, particularly women, to ensure sustainable production, maintain genetic diversity and adapt to climate change.

Table 1: CGIAR’s 5 Impact Areas – the Challenge

<p><u>Nutrition & food security</u>: More than 800 million people are chronically undernourished, while two billion suffer from micronutrient deficiencies. To meet the needs of growing populations, agricultural output must diversify and increase in harmony with the natural environment.</p>
<p><u>Poverty reduction, livelihoods & jobs</u>: Poverty is concentrated in rural areas, with many of the world’s poor reliant on agriculture and natural resources for incomes, employment and livelihoods.</p>
<p><u>Gender equality, youth & social inclusion</u>: Women’s unequal access to resources and power holds back prosperity for all. More than 85% of the world’s 1.2 billion youth live in low-income and middle-income countries, and many of them face limited opportunities for employment or entrepreneurship.</p>
<p><u>Climate adaptation & greenhouse gas reduction</u>: Climate change and climate shocks put the most vulnerable people at risk. Heat, drought, flood, new pests and unpredictable growing seasons harm farmers and production systems. Agriculture, land and food systems also produce almost a third of global greenhouse gas emissions, yet could be a global carbon sink</p>
<p><u>Environmental health & biodiversity</u>: Water, land and forests are precious, yet finite, natural resources. A third of the world’s soil is classified as degraded. Agriculture accounts for about 70% of global water withdrawals. Agriculture is the biggest driver of forest and biodiversity loss – including of diversity crucial to food security.</p>

Recommendation 2: Unified Governance

19. **To move CGIAR to a unified governance approach under which a ‘One CGIAR Common Board’ provides strategic direction to an empowered One CGIAR Executive Management Team, the SRG recommends that:**
- a. **All discretionary roles on each Center/Alliance board be filled by the same group of individuals who are also members of a reconstituted System Management Board.**
 - b. **The number of common board members be kept as small as possible** (i.e. 8-10 people) without compromising on good governance needs, and with due consideration of the necessary range of competencies for the future governance of One CGIAR as well as diversity in gender, age, and regional experience.
 - c. The One CGIAR Common Board members **be identified by a nominations committee appointed by the General Assembly of Centers** that includes equal representation from the System Council and Centers.
 - d. **All governance operations across CGIAR be facilitated by a common secretariat team**, mandated to provide the operational framework by which decision-making can take place with as few Center-specific decisions/sessions as possible, while fulfilling each Center’s legal responsibilities.
 - e. **Unified governance also be adopted for essential CGIAR committees** as determined by the One CGIAR Common Board (e.g. a single common audit committee to which external experts in assurance be appointed).
 - f. The **One CGIAR Executive Management Team report to and attend One CGIAR Common Board meetings** to support decision-making.
 - g. Each **Center/Alliance’s non-discretionary⁵ board members** will continue as members of their respective board, as well as in an annual consultative forum with the One CGIAR Common Board.

A hand-over process will be developed to ensure effective knowledge transfer and ongoing discharge by each Board of its fiduciary responsibilities as Board member changes take place.

Target date:

- (i) *Facilitative decision-making of the General Assembly of the Centers at its meeting in December 2019 to form an inclusive Nominations Committee and agree to take all relevant steps for the appointment of the persons who will*

⁵ These are members of a Center/Alliance board based on their nomination by a stakeholder government or other partner body of that Center/Alliance.

serve as the members of the reconstituted System Management Board, with an effective appointment date of 31 March 2020;

(ii) By 31 March 2020, relevant enabling amendments to the Charter of the CGIAR System Organization ('Charter') are made pursuant to Article 15 of the Charter;

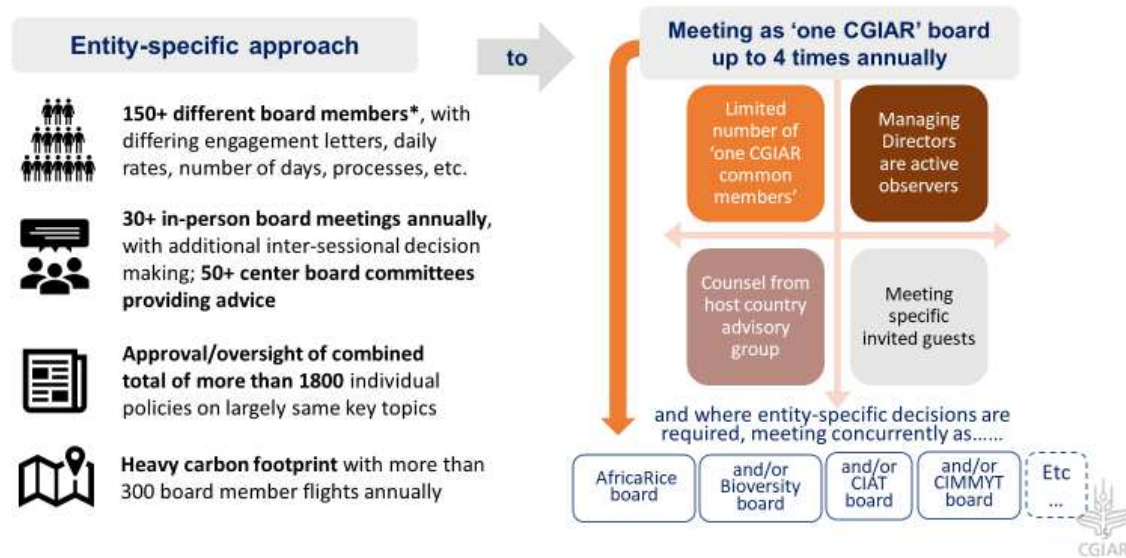
(iii) Based on facilitative Q1-Q2 2020 decision-making by each Center/Alliance⁶, by 1 July 2020 a two-thirds majority of discretionary members of each Center/Alliance Board consists of members of the reconstituted System Management Board, with a clear road-map for the appointment of the remaining balance of common board members to each Center/Alliance Board progressively over the period from 1 July 2020 and by not later than 31 December 2021.

Value Proposition

20. The transformative nature of this recommendation (Figure 1 below) means that CGIAR's revised operational governance arrangements will:
- a. **deliver a forward-looking governance framework that empowers more efficient and effective management of bold, cross-disciplinary research.** The CGIAR System will move from operating with a group of Center/Alliance Boards plus the System Management Board, to a common board that provides dynamic governance and strategic direction for One CGIAR to deliver its impact
 - b. **send a powerful external and internal signal of a universally shared commitment to One CGIAR,** including by providing an opportunity for Centers' host countries to engage in a strategic consultation on how CGIAR is working globally, regionally and locally
 - c. **present a stronger rationale for CGIAR's Funders to increasingly provide their funding through pooled mechanisms to set up One CGIAR for greater impact,** thus reducing incentives to accept small project funding on a bilateral basis
 - d. **reduce duplication in decision-making on cross-System strategies, policies and processes,** whilst ensuring full compliance with each organization's legal, statutory, and contractual requirements, including by separately minuting and recording entity-specific decisions
 - e. **retain the legal personality of each of the Centers/Alliances,** as well as privileges and immunities afforded to them by their respective host countries to facilitate the conduct of their business

⁶ This decision-making may require amendments to Center governance documents.

Figure 1: Moving to One CGIAR operational governance for Center/Alliance Boards + SMB



Recommendation 3: Institutional Integration

21. **Delivering CGIAR’s mission requires an integrated approach to research and partnerships – which the climate crisis makes even more imperative and urgent.**

This section describes an institutional transformation towards One CGIAR across three inter-connected elements:

(a) operational structure, (b) policies and services, and (c) country and regional engagement.

Recommendation 3.a: An Integrated Operational Structure

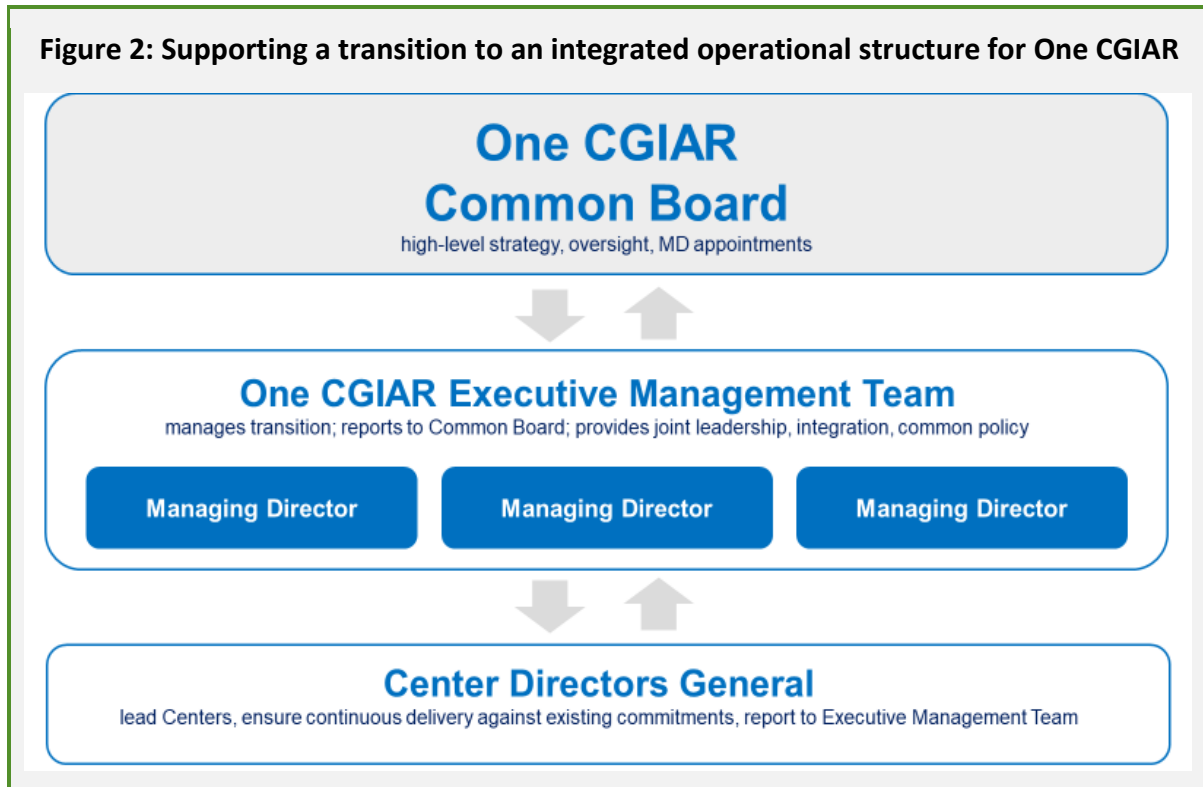
22. **The SRG recommends that CGIAR adopt an integrated and streamlined organizational structure, comprised of a small number of operational units formed and led by a One CGIAR Executive Management Team.**

Target date: Executive Management Team in place by 30 April 2020, reverting to the One CGIAR Common Board and System Council with a proposed integrated operational structure by end-2020

23. The transition will be implemented as follows:

- a. **An Executive Management Team (EMT) will provide coordinated leadership of CGIAR.** The EMT, composed initially of three Managing Directors, will support effective decision-making and oversight of CGIAR research delivery and unified operations by the One CGIAR Common Board. EMT members will report to the One CGIAR Common Board and be evaluated on their collective performance as a team.
- b. **As a key priority in 2020, the EMT will work with Centers to lead a consolidation of CGIAR’s Centers into a small number of operational units.** As an outcome of that transition, Centers will transition from self-standing institutions to the foundation and building blocks of a broader, dynamic, and more integrated One CGIAR that maintains and enhances their key assets such as human capacities, legal status, brand values and partnerships.
- c. **Initially, Center Directors General will report to the EMT, while playing a key role in ensuring business continuity.** The EMT will work with Center Directors General to put in place adequate measures, including appropriate devolution of decision-making, to ensure effective delivery against existing Center commitments, and an orderly transition to a new research modality and CGIAR Projects.

Figure 2: Supporting a transition to an integrated operational structure for One CGIAR



Value Proposition

24. Adoption of SRG recommendation 3a will:
- a. **enable enhanced collaboration at all levels** – brought together by the Executive Management Team, and made operational through joint strategy and business plan development, implementation of CGIAR Projects, and through One CGIAR at the country level
 - b. **achieve critical mass** and reduce institutional boundaries, issue duplication, and funding and communications competition
 - c. enable **continued evolution** - the term 'initially' is used to signify that this is a transition process that must allow space for further evolution of the structure over time
 - d. make CGIAR **easier to understand, navigate and partner with** for external partners
 - e. **enable the creation of a clear and coherent management structure through an Executive Management Team** with clear reporting lines
 - f. support the **creation of shared values and culture** around a dynamic, collaborative, impact-focused and integrative approach to research

- g. **make CGIAR a better and more productive place to work for all staff** – enabling them to thrive in a more collaborative workplace environment with greater access to career paths across the whole System, and with scientists focusing on what they do best
- h. **help manage ‘bilateral’ projects better** – in terms of coherence with the mission, collective working across the System and in-country, and cost recovery (see recommendation 5)

Recommendation 3.b: One CGIAR Policies and Services

25. **The SRG recommends harmonizing CGIAR's policies and internal business services, with the following priority action areas:**
- a. **human resources** - leveraging the ongoing development of common guidelines and policies (e.g. Gender, Diversity and Inclusion in CGIAR's Workplaces) with immediate priority action on recruitment, development of a standard salary spine (common reward and remuneration system), and harmonization of all remuneration practices in support of in-country staffing
 - b. **information technology** – all IT services (except for local face-to-face technical support) to transition into a shared delivery model to drive digital transformation within One CGIAR
 - c. **finance** – global payment processing, treasury management, employee expense processing and procurement
 - d. **communications and resource mobilization** – externally consistent and coherent messaging in support of the compelling mission of One CGIAR and internally in support of the ongoing change management processes
 - e. **research support** - with immediate emphasis on performance and results-based management systems and tools

The SRG identifies a lead role for the CGIAR System Organization to coordinate the effort towards delivery of common policies and services across One CGIAR.

Target date for priority action areas: business case development 2019/2020, build and implement 2021/2022

Value Proposition

26. Most internal business services and systems are currently provided at the single-institutional level (at each CGIAR Center and the CGIAR System Organization). These services and policies they support, while functionally similar in nature, are inefficiently duplicated in each of the individual institutions. This results in inconsistent service delivery quality across the institutions within CGIAR. There is opportunity for significant improvements in quality and consistency of services following a common approach.
27. The SRG envisions a future state whereby One CGIAR operates under common policies, practices and systems enabling the strategic leveraging of resources, capacities and talent across the locations in which we operate while driving operational excellence and enhancing assurance quality.

28. Adoption of SRG recommendation 3.b drives:
- a. **service quality:** stakeholder agreements and simplification, standardization, and consolidation of services will create a critical mass of specialist expertise to better partner with researchers
 - b. **effectiveness:** reduced complexity, and streamlined, consistent approaches will enhance the scalability of delivery models in response to changes (functional or geographic) in research requirements and promote mobility of staff, including increased opportunities for professional development and career pathways within One CGIAR
 - c. **efficiency:** faster performance, reduced complexity, and streamlined, consistent approaches minimize administrative requirements of researchers
 - d. **cost savings:** following investment in implementation and change management, economies of scale create an opportunity for sustainable lower cost of service delivery and savings in procurement of goods and services
 - e. **improved risk management of liquidity:** consolidated treasury management services, supported by an approved One CGIAR investment policy, will better manage exposure to market risk while optimizing returns on investments that can be used to finance operations
 - f. **institutional learning:** standardized systems and tools will provide information and data that will inform proactive decision-making
 - g. **more effective opportunity and risk management:** standardized common policies and standards enable enhanced risk management with greater transparency across CGIAR assurance provision

Recommendation 3.c: One CGIAR at the Country and Regional Level

29. **The SRG recommends that CGIAR’s presence and engagement at the national and regional levels be enhanced under a new One CGIAR engagement model with the following key features:**
- a. CGIAR **Country Strategies** to describe how it will engage with key in-country stakeholders, particularly NARES, in support of national priorities, strategies and plans, in alignment with the 2030 Research Strategy.
 - b. CGIAR’s country capabilities organized around a **country coordination function**: built from CGIAR’s existing substantial country presence and expertise (redeploying current, rather than new, capacities, including country coordinators where appropriate), tasked with providing a one-stop shop for national stakeholders to interact with all CGIAR operations in-country and globally, and utilizing One CGIAR common facilities and services.
 - c. Clear partnership management with **key regional bodies**, including regional research organizations.
 - d. Targeting of **key land/waterscapes and geographies identified in CGIAR Projects** as set out in the 2030 Research Strategy and Investment Plans.
 - e. Implementation that **facilitates and supports** the rich variety of country engagement that is foundational to CGIAR’s thought leadership with partners.

Target date: Executive Management Team to develop implementation plan, with commencement of new approach from end-2020 onwards

Value Proposition

30. Delivering CGIAR’s mission requires a far more integrated approach to engaging with national partners. CGIAR’s partner governments and national agricultural research and extension system (NARES) partners expect this and enhancing the model will improve delivery of products and impacts to farmers and other clients. A more structured way of working and delivering together as One CGIAR in countries and regions holds the potential to:
- a. enhance the **relevance and responsiveness** of CGIAR research to country and regional priorities, needs and circumstances
 - b. lower the **transaction costs** on partners in engaging with CGIAR while strengthening in-country research collaboration, particularly with NARES, and for targeted capacity development
 - c. facilitate improved **in-country coordination, consultation and collaboration** to provide a more holistic CGIAR contribution – bringing together the collective capacity currently dispersed across various Center country offices

- d. improve the **efficiency of CGIAR's in-country presence**, including reductions in country representational costs
- e. enable CGIAR-wide **engagement** in national and regional dialogues with 'one voice', also improving CGIAR's visibility and accessibility, with positive implications for country-level fundraising
- f. provide the flexibility for **different models** for the country coordination function in different countries, depending on need and context

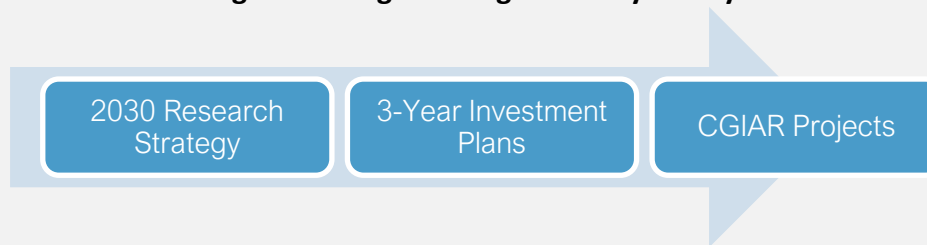
Recommendation 4: A New Research Modality

31. **The SRG recommends a phased approach to research management in which research teams work together to deliver multiple-impact “CGIAR Projects”.**

Target date: new arrangement ready for implementation from 1 January 2022 with key preparatory steps taken in advance

A phased project cycle will have three key stages (Figure 3) as defined below:

Figure 3: Programming hierarchy and cycle



- a. **A 2030 Research Strategy:** due in November 2020, will describe 4–5 key (and co-designed) ‘big lifts’ in CGIAR’s major areas of comparative advantage, designed to deliver across multiple Impact Areas, with any necessary updates to the SRF.
- b. **3-year Investment Plans:** starting with the 2022-2024 business cycle, describing: i) a prioritized list of CGIAR Project concepts to be commissioned and awarded (subject to confirmed availability of funding) over the 3-year period – each describing how they implement one (or more) of the big lifts in the 2030 Research Strategy and the range of potential funding sought.
- c. **CGIAR Projects:** approved sequentially over the business plan period rather than all at once. These co-created projects will be modelled on the best examples of successful large Window 3/bilateral projects and CRP/Platform interventions. Projects will include i) 3-year measurable objectives (outputs and outcomes), ii) an end-to-end design for delivery from research to impact-at-scale by working in partnership, iii) target geographies and farming systems based on regional/country priority-setting, and iv) a common Performance & Results Management System that encompasses planning, monitoring, stage-gate decision points and reporting on impacts.

Other recommended features of the new research modality include:

- d. **Co-creation of strategies and projects:** Iterative co-design of the 2030 Research Strategy, 3-year Investment Plans, and CGIAR Projects in consultation with (time-bound and topic-bound) Research Advisory Groups, with membership including Funders, clients and partners.
- e. **Impact Area capability:** For some Impact Areas (e.g. climate change, nutrition, gender) there will be value in having some dedicated capacity to serve the whole of One CGIAR to raise the level of performance and results as well as global policy impact of CGIAR.
- f. **Stronger performance & results management system:** Building on investments made in the current phase of CRPs/platforms, a comprehensive performance & results management system that encompasses planning, monitoring, and reporting will provide robust information upon which to take informed decisions. Stop-go decision points (stage gates) will apply to all CGIAR Projects and be used to manage any project sub-components or grants.
- g. **Streamlined approach to research oversight:** Full proposals for CGIAR Projects will be submitted by the One CGIAR Executive Management Team to the One CGIAR Common Board and the System Council for approval. ISDC's critical expertise will be drawn on in many ways, including by the One CGIAR Common Board and System Council in assessing CGIAR Projects.
- h. **A transition period to bridge from the current research modality:** to maintain priority areas of CGIAR science capacity, the Executive Management Team will lead the design of any required bridging arrangements for when the new modality starts in 2022.
- i. **Multi-year (3 year) funding commitments** compared to the 1-year (end of year) current model.

A more detailed explanation of the new research project cycle is set out in Annex 1.

Value Proposition

- 32. Excellent work is being done through the CGIAR Research Programs and Platforms. But the last decade of two phases of CGIAR Research Programs offer lessons to develop a new and improved modality, with the following objectives:
 - a. Offer a credible funding opportunity for existing and new investors to **pool their funding into the 'shared agenda'** of CGIAR's top priority work
 - b. Maintain and enhance CGIAR's science capability – including by enabling **scientists to spend more time on research** rather than, for example, fundraising and small projects management

- c. Achieve greater transparency, visibility and accountability by **aligning programming with institutions, and thus authority with responsibility** – eliminating duplication in research management processes and structures
- d. Achieve **greater focus** in the ‘shared agenda’ through a series of CGIAR Projects with explicit timebound objectives to deliver on multiple benefits across the five Impact Areas – investing in sharper and deeper ‘big lifts’ in research
- e. Make greater use of the rich **diversity of skills across CGIAR** – integrating and anchoring these in CGIAR Projects in food/land/water systems in key landscapes based on collaboration across CGIAR and in close collaboration with key national and regional partners

Recommendation 5: More, and Pooled, Funding

33. **Alongside increased investment into CGIAR Projects, implement a major change in the way CGIAR is funded** – most importantly an increase in overall investment, and a shift to greater pooled funding (at least 50%) in support of the new research modality.

Target date: 50% pooled funding achieved by end-2022, 70% by the end of the 2022-2024 business plan period, with Funder commitments made at the November 2019 System Council meeting

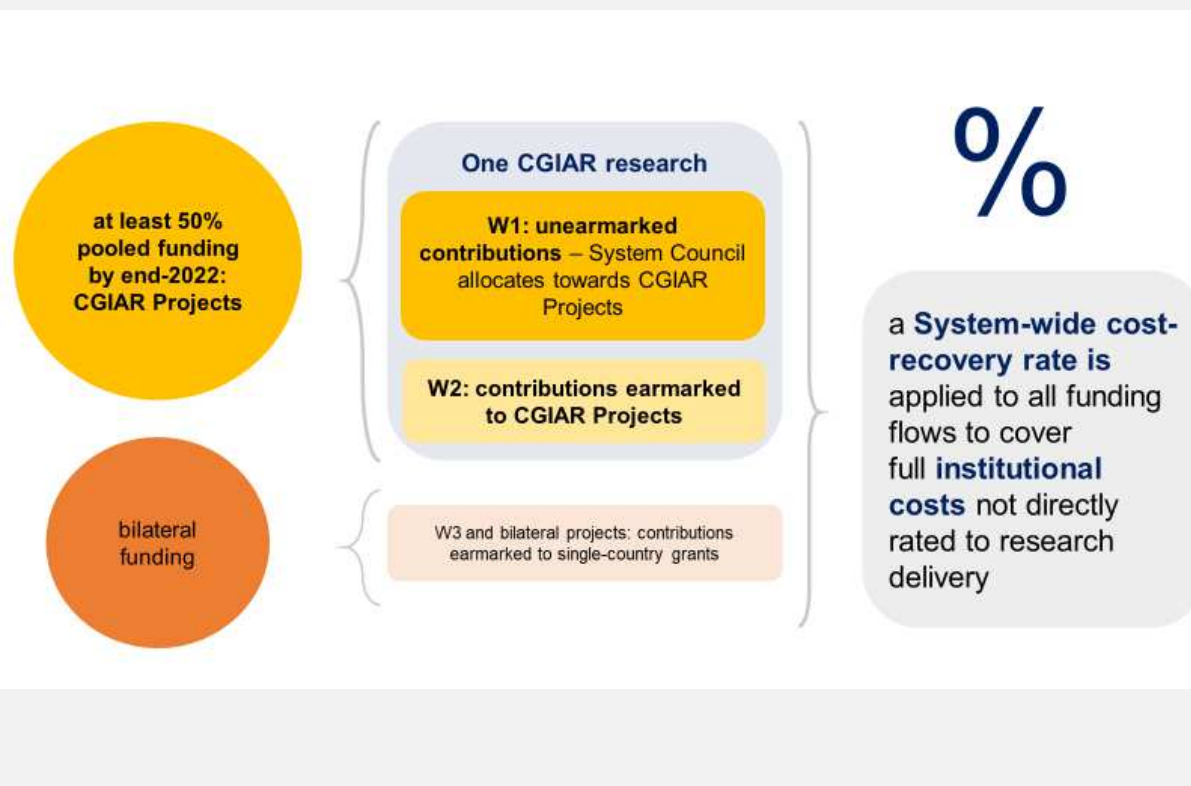
34. **Key elements of this recommendation are:**
- a. **Increased level of investment into CGIAR.** The SRG’s ambition is to double overall investment in CGIAR research from 2018 levels. This will ensure a critical mass for CGIAR Projects, achieve the levels of partnership required to scale impact, and attract the best minds to the challenges facing our food systems.
 - b. **By 2022, achievement of at least 50% pooled funding (through Windows 1 and 2)** – with an intent to exceed this figure and achieve 70% or higher by the end of the next business plan period 2022–2024.
 - c. **More effective and universally applied cost recovery:** Alongside a more efficient CGIAR, full economic cost recovery will be achieved through the application of a System Council approved One CGIAR institutional rate. This single rate will be fixed according to projected costs and revenues for each 3-year Business Plan period, starting with 2022-2024. The same uniform rate will apply to all contributions - with minimal exceptions subject to agreed business rules. The rate will encompass all costs currently classified as ‘System’ and ‘Center’ institutional costs, thus eliminating the need for the application of the current cost sharing percentage (CSP), with equal burden-sharing for all Funders. Reflecting the differential cost requirements across CGIAR, an internal resource allocation approach will be developed by the Executive Management Team.
 - d. **A shift by Funders towards translating annual and multi-year approvals into multi-year funding commitments to CGIAR.** This will help enable multi-year allocations from the CGIAR Trust Fund to projects (see point below).
 - e. **Providing 3-year funding allocations from the CGIAR Trust Fund for CGIAR projects upon approval** – rather than the current annual in-year fundraising that skews towards the end of the year.
 - f. **Improving the management of bilateral projects** – by developing common templates and reporting approaches to manage down transaction costs, enforcing standard indirect cost recovery requirements with minimal

exceptions, and limiting the volume of small projects.

A significant share of bilaterally-funded projects is likely to remain as an important part of One CGIAR’s work – and therefore should be reflected in its aggregate reporting processes (even though they will not be designed and reported on as part of the CGIAR Projects, which will be funded by Windows 1 and 2).

- g. Allow for **geographic earmarking** in pooled funding: in the form of earmarking through Window 2 to CGIAR Projects, since these projects will be required to identify their geographic impact focus according to key landscapes and/or regions, thus giving potential funders an assurance on the targeted beneficiaries for these investments.
- h. Allow for a coordinated effort to **diversify funding** sources (i.e. private sector and non-ODA) to reflect the evolving funder landscape.

Figure 4: Modalities to Unlock More, and Pooled, Funding

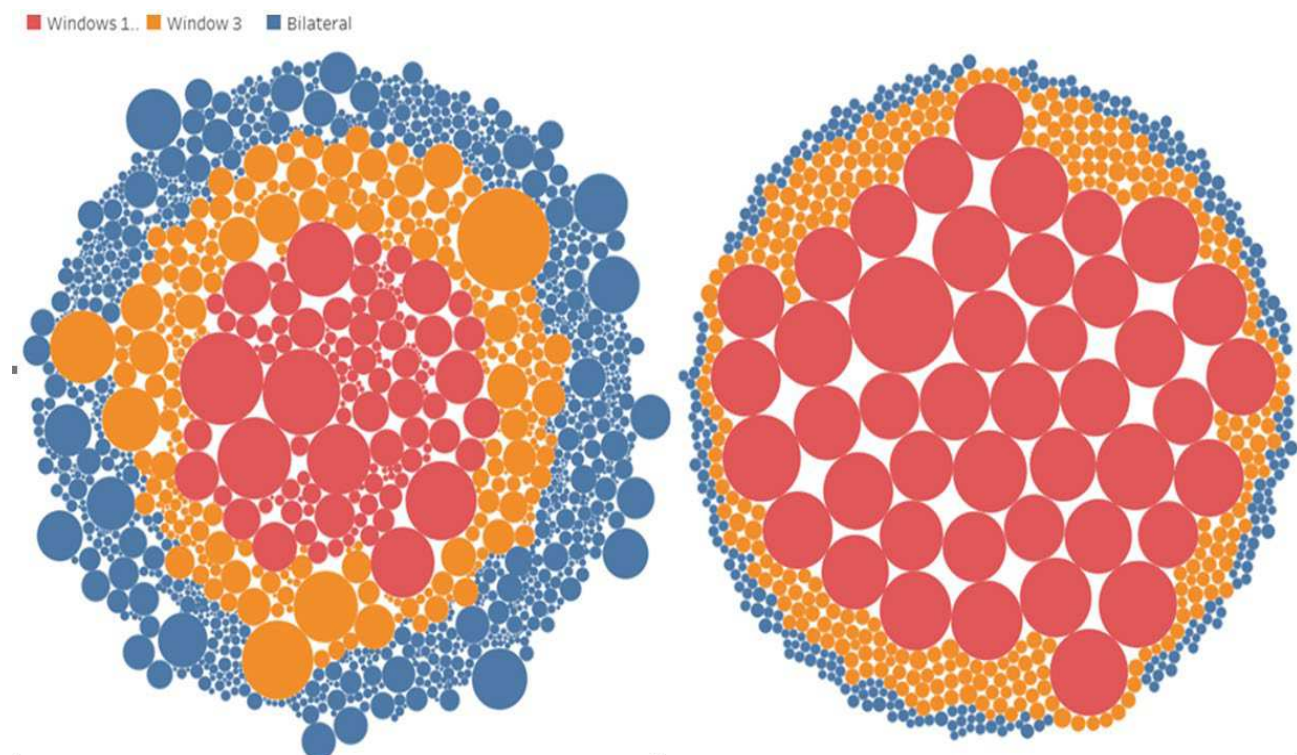


Value Proposition

35. CGIAR’s funding structure/modalities do not match the business of collaborative impact-focused research – they are unpredictable, provide insufficient recovery of institutional costs, and drive over-fragmentation in efforts, as well as atomization between Centers. Given the scale of the challenge, both innovation and scale-out are underfunded in the world’s food system. Funding levels are too low in CGIAR, and

the type of funding is sub-optimal – with only 20-25% pooled funding and 2,500 largely small projects comprising the rest⁷. This funding model fragmentation contributes to mission creep in addition to adding significant transaction costs and operational inefficiencies.

Figure 5: Current State (2018) vs. Future Modelled State⁸



⁷ Fragmentation in this context refers to the 2,632 active grant agreements (including W1, W2, W3 and Bilateral) at an average annual spend of \$316K in 2018. The bubble chart above depicts the volume (each bubble = 1 grant agreement) and size (size of bubble represents amount of spend in 2018 on the grant) of the portfolio of grant agreements that are simultaneously managed within the CGIAR.

⁸ Future modelled state is presented for illustration purposes with the same total volume of system-wide revenue as 2018 for comparison purposes.

Recommended Next Steps: Initial Actions Towards One CGIAR

36. **To ensure clarity of roles in the change process, the SRG makes the following recommendations:**
- a. Implementation will be **led by the One CGIAR Common Board and the Executive Management Team**, once established, who are requested, in the spirit of adaptive management of the change process, to revert to the System Council with any recommended course corrections when necessary.
 - b. **Until such time, the System Management Board** (both before and after it is reconstituted) will provide overall stewardship and leadership for implementation of the transition in close collaboration with Center Boards and leadership.
 - c. **Following the System Council's Chengdu meeting, the SRG will transform into a "Transition Reference Group (TRG)"** with a mandate through to end-2020, to support the Executive Management Team when necessary as a consultation, communication, and reference point on the transition process, to enable effective System-wide input and advice. This will facilitate the continued close interaction and collaboration that has served this process over the last year.
 - d. The **System Organization** will play a supporting role in the change process, supported by enhanced capacity, including through Centers and external experts, to facilitate the change process to come on stream in early 2020.
 - e. **Once appointed, the Managing Directors will lead the change management process**, in close coordination and collaboration across the System as a whole.
37. **Further, the SRG recommends that key institutional decisions** taken after endorsement of these recommendations should be consistent with the direction and destination of One CGIAR as set out in this package. Examples include the appointment of new Board Members, initiating new Alliances, or appointing senior leaders.

38. **Table 2 below summarizes key, initial recommended actions and associated decision-making roles to implement the SRG’s recommendations as part of a transition to One CGIAR.** Table 3, following, brings these actions together in a **preliminary recommended timeline**. It reflects the interdependencies and necessary sequence of actions, while identifying work streams that could be advanced in parallel.

Table 2: Key initiating actions towards One CGIAR in 2019–2020

Recommendation	Action	Decision-making/Responsibility	Target date
Recommendation 1	Form an Advisory Group to develop a 2030 Research Strategy under the leadership of the Executive Management Team (EMT)	EMT, with an Advisory Group that includes Funders, clients, partners, and CGIAR staff	by July 2020
Recommendation 2	Appoint an inclusive nominations committee that includes an equal number of System Council and Center representatives to: (i) adopt inaugural terms of reference for One CGIAR Common Board members; and (ii) take the necessary steps to identify and recommend to the General Assembly of Centers the reconstituted SMB membership with effect from 31 March 2020 (to also serve as inaugural One CGIAR Common Board members)	General Assembly of Centers to appoint Nominations Committee.	by 15 December 2019
Recommendation 2	Agree to do so, and take as and when relevant, all necessary steps to enable the appointment of the reconstituted SMB by 31 March 2020	General Assembly of Centers; System Management Board and System Council	Resolving at 12-13 December 2019 General Assembly, with subsequent decision-making (including changes to the Charter) to be made by no later than 31 March 2020
	Appoint the reconstituted SMB membership, to also serve as the One CGIAR Common Board members once appointed to Center/Alliance Boards	General Assembly to appoint the revised membership of the SMB	Effective from 31 March 2020

Recommendation	Action	Decision-making/Responsibility	Target date
Recommendation 2	Take decisions to provide for the staged appointment of One CGIAR Common Board members to each Center/Alliance Board, such that 1-3 discretionary board members for each Center continue as a member of their Center/Alliance Board after 1 July 2020 until no later than 31 December 2021, with the opportunity to stage those remaining membership changes over the intervening 18-month period	Each Center/Alliance Board to take relevant decisions	A two-thirds majority of discretionary members of each Center/Alliance Board consists of members of the reconstituted System Management Board from 1 July 2020, which then transforms those members into the One CGIAR Common Board members All discretionary members of each Center/Alliance Board are the same members as the reconstituted System Management Board by December 2021
Recommendation 3.a	Initiate the process to select the Managing Directors to form the inaugural CGIAR Executive Management Team	System Management Board (as the de-facto One CGIAR Common Board) to form a search committee (including System Council representatives), and appoint executive search firm to lead process	by January 2020
Recommendation 3.a	Appoint Managing Directors and form the Executive Management Team	System Management Board based on recommendations from search committee	by 30 April 2020
Recommendation 3.b	Establish cross-system and cross-functional Shared Services project team(s) that are appropriately back-filled to carry forward the commitment towards harmonized policies, systems and tools	System-wide, under EMT leadership supported by System Organization	2020
Recommendation 3.c	Form a System-wide working group under the leadership of the EMT to initiate the transition to One CGIAR at the country and regional levels	EMT with a working group that includes country representatives and partners as well as CGIAR staff	from July 2020

Recommendation	Action	Decision-making/Responsibility	Target date
General	Set up a coordination function for the transition process, with clearly assigned roles and responsibilities, to support overall planning, timely implementation, as well as effective communication and stakeholder engagement	System Organization to manage, overseen initially by SMB, with handover to EMT and the One CGIAR Common Board once in place	by January 2020
General	Develop a communications and resource mobilization plan to support financing of the transition to 'One CGIAR' and initiate a collective effort/campaign to double investments in CGIAR research	System-wide, with System Organization to initiate and coordinate with support from external experts	by March 2020

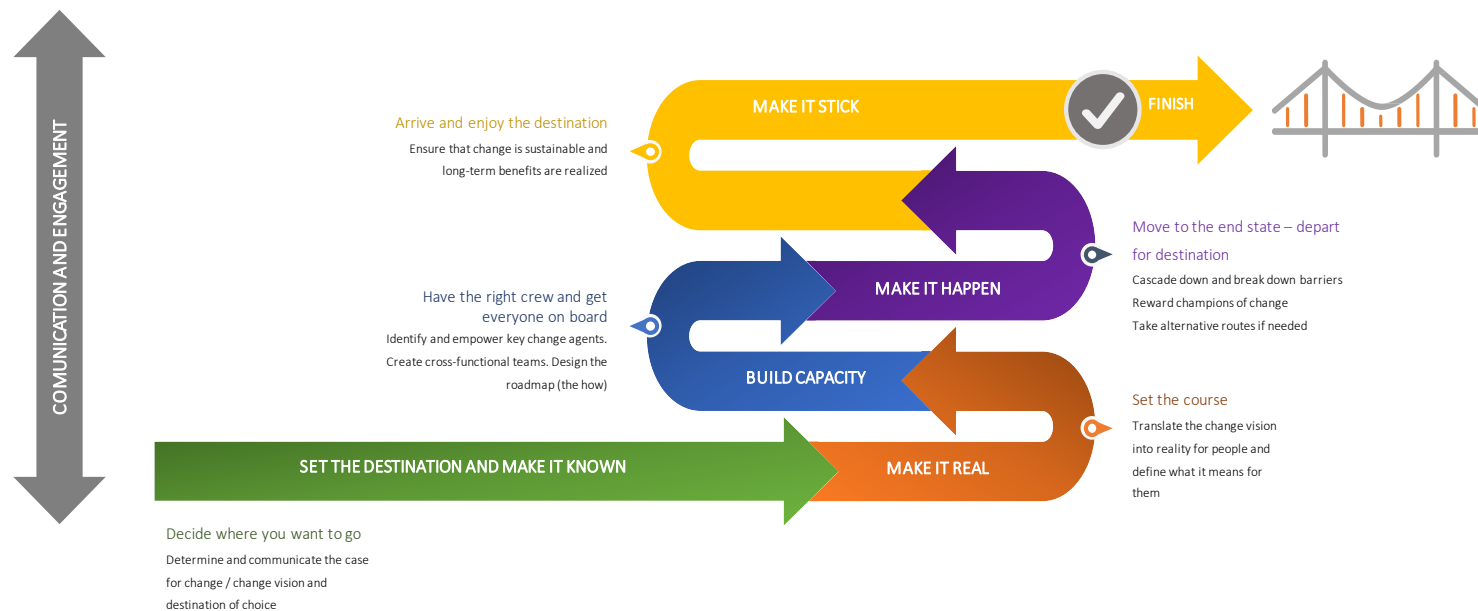
Table 3: Preliminary sequence of work

	2019	2020				2021				from 2022
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
New research portfolio to 2030										
• 2030 Research Strategy										
• 3-year Investment Plans by action area										
• initial CGIAR Projects developed for System Council approval										
• complete transition to new program and funding modality										
Unified Governance										
• identify and appoint persons to reconstitute the SMB (as the members-elect for the One CGIAR Common Board)										
• center specific decision-making to bring members onto own boards, such that a two-thirds majority of discretionary members of each Center/Alliance Board consists of members of the reconstituted System Management Board by 1 July, 2020										
Integrated Operational Structure										
• appoint Managing Directors and form EMT by 30 April, 2020										
• common policies and services feasibility and business case development, services design										
• priority common policies and services build and implementation										
• design and scoping of One CGIAR country and regional engagement model										
• prioritized roll-out of new engagement model with country strategies and coordination functions										

Setting the course for One CGIAR and managing inherent strategic risks

39. **The SRG’s recommendations are presented against the background of the CGIAR System having adopted a powerful inaugural CGIAR’s 2019-2021 Business Plan** that sets out a compelling case for change to address atomization in our actions and partnerships.
40. **The SRG’s recommendations take CGIAR considerably further - building on the realization that the risks of not deciding to move to ‘One CGIAR’ as the desired future state are far greater than if it does.** Specifically, the SRG accepts that a decision to move to One CGIAR gives rise to potential future strategic risks for CGIAR that will require ongoing monitoring and effective action. For the SRG, this is an inevitable consequence of CGIAR deciding to set out the destination of being a more compelling and relevant partner, and then working quickly and collaboratively to set out a detailed implementation plan and deliver the people and financial resources required for the transition journey (Figure 6).

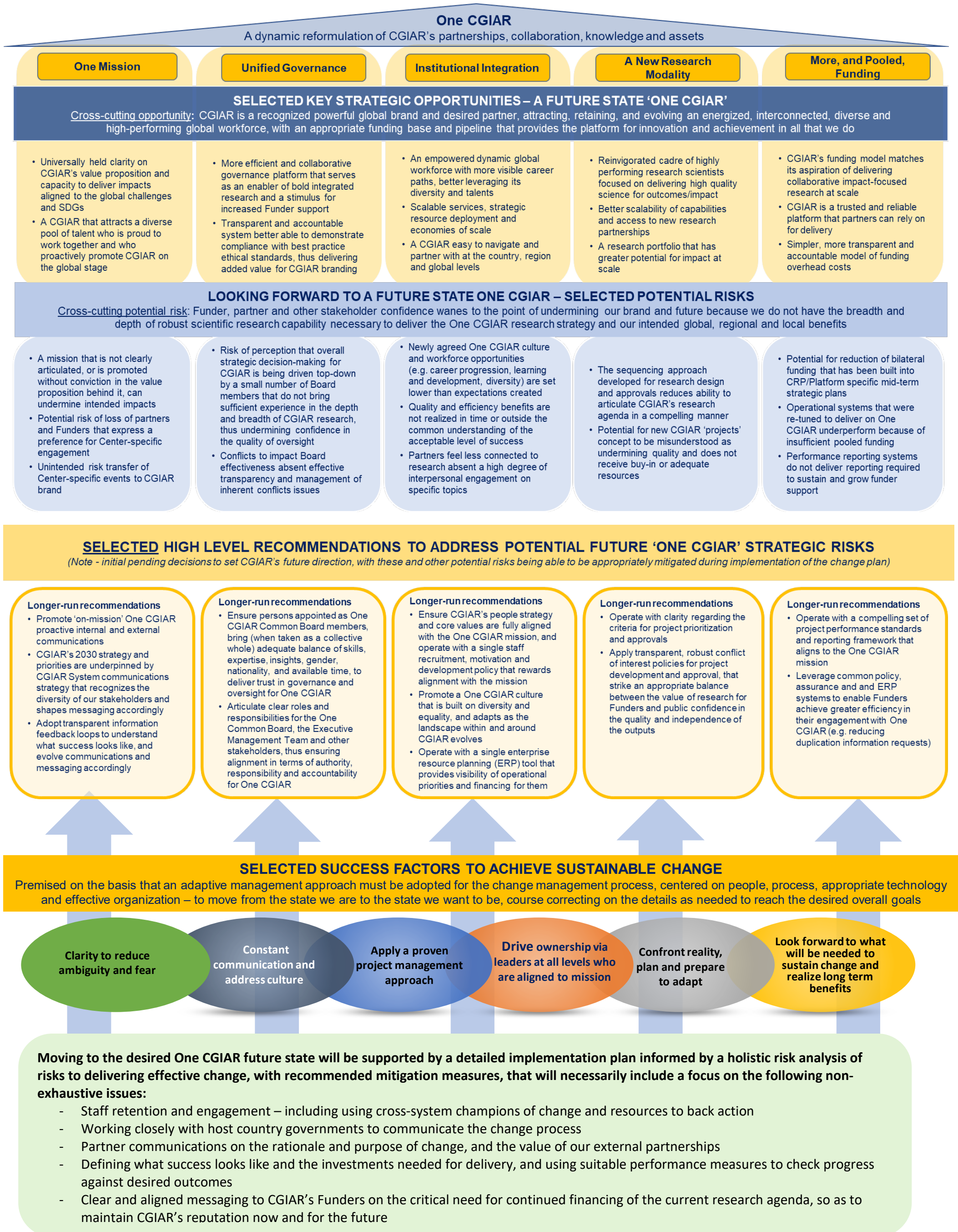
Figure 6: Key stages of the transition journey



41. **Taking the 5 SRG recommendations as the intended direction of travel**, the System Management Board's Audit and Risk Committee (ARC) and the System Council's Assurance Oversight Committee (AOC)⁹ have together compiled a set of potential strategic risks of the proposed future state One CGIAR and outlined selected recommended high-level mitigation strategies that will be important ongoing actions for One CGIAR. In most cases, the quality of the change process itself will provide adequate mitigation of the possibility of the future risk arising – with residual continued reinforcement of 'on-message' communications and actions an important element of the new One CGIAR.
42. **The SRG considers it possible to significantly reduce the potential for these strategic risks to impact a future state One CGIAR during the change process itself**, with the AOC/ARC group having discussed a broad range of potential implementation risks provided during the SRG 2019 consultations.
43. **Recommended mitigation strategies for already identified change management risks will be provided by the ARC/AOC group as an additional output to inform development of the implementation plan and change process**. Thereafter, oversight of risk mitigation during execution of the implementation plan will be periodically undertaken by the AOC and ARC under their respective mandates.

⁹ When taken together, 10 persons who bring wide ranging experience in complex re-organizations in the public and/or corporate sectors (including Funder representatives, independent members with specific expertise in risk management, and 4 persons who serve as Audit Committee Chairs of CGIAR's Centers, who are charged with oversight of risk and assurance).

Figure 7: Risk analysis of One CGIAR future state and recommended mitigation actions



Annex I. A New Research Modality

Oversight and accountability

1. The new approach is designed to provide a clear line of sight for all Funders' investments, particularly to provide strong assurance in linking results to investments for those that fund at the most aggregate levels.
2. The System Council will approve the 9-year Research Strategy and 3-year Investment Plans, as well as all CGIAR Projects, as submitted by the One CGIAR Common Board.
3. A comprehensive Performance & Results Management System will provide for systematic and transparent tracking of impact, performance and expenditure. Additional assurance will continue to be provided by CGIAR's independent Advisory Services.

2030 Research Strategy

4. The CGIAR 2030 Research Strategy will not attempt a comprehensive analysis of global challenges to food, land and water systems in a climate crisis, and CGIAR's comparative advantage in addressing these challenges. Instead it will frame 4-5 big lifts, each based on a global problem statement. For example, a hypothetical big lift on 'Ecological Intensification' would address a global problem statement related to the imperative to double small-scale producers' incomes and their land, labor and capital productivity, while preventing expansion of agricultural land use – a crucial climate change solution.
5. The strategy statement for each big lift would frame CGIAR's priority areas of work to achieve the big lift, based on CGIAR areas of comparative advantage.
6. CGIAR Projects (see below) would then provide the mechanisms for delivering on these priority areas to contribute to the global effort to address the problem statement, thereby delivering on SDG2 and other SDGs.

Prioritization of CGIAR Projects

7. CGIAR Projects will be commissioned, rather than allocated, and thus explicit systems for prioritization are crucial. Within '3-year Investment Plans', a common three-step prioritization process (formulated by the CGIAR Science Leaders, aligned with the CGIAR Quality of Research for Development framework of relevance, scientific credibility, legitimacy and effectiveness) is proposed to identify and rank CGIAR Projects eligible for grants:

I. Relevance

- Response to demand, triangulating stakeholder views (Funders, partners, others)
- Based on CGIAR comparative advantage
- Provision of multiple benefits (across 5 Impact Areas)

II. Effectiveness

- Compelling theory of change linking research to outcomes, with strong fit to CGIAR-wide theories of change
- Innovation profile and advancement plan, or strategy for systems transformation
- Credible partner arrangement

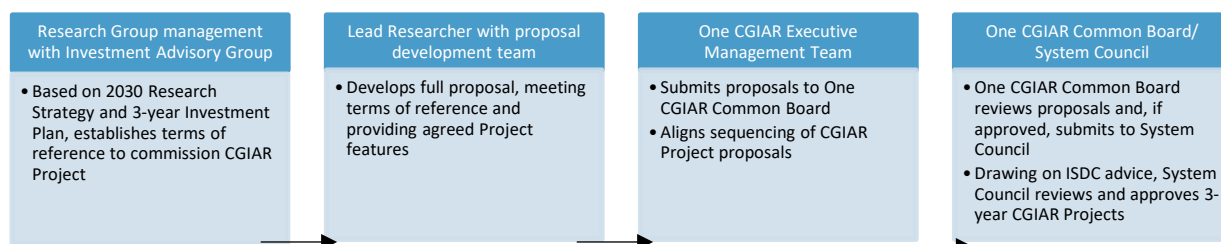
III. Value

- Scalability (stepwise and evidence-based)
- Qualitative and quantitative ex-ante impact analysis (also called a market assessment or projected beneficiary assessment)
- Trade-off and delivery analysis among multiple benefits (at least do no harm)

Process for commissioning and approval of CGIAR Projects

8. CGIAR Projects will be scheduled for commissioning according to the prioritization presented in the 3-year Investment Plan (and approved by the System Council), subject to availability of funds. The Executive Management Team will commission the CGIAR Projects. They will draw on the advice of time-bound, topic-bound Research Advisory Groups to establish terms of reference for projects to be commissioned. The Research Advisory Groups will include interested Funders as well as expertise from across CGIAR and from external partner organizations. Detailed membership rules and terms of reference will be defined once an integrated operational structure for One CGIAR is in place.
9. A designated Lead Researcher (equivalent to a Principal Investigator) will be responsible for convening a proposal development team, comprising CGIAR researchers and partners, and for delivering a full CGIAR Project proposal on commission. The Lead Researcher will build and lead a research team to deliver the Project. Commissioned projects will all share a set of common features (see next section).
10. Full proposals for CGIAR Projects will be submitted by the Executive Management Team to the One CGIAR Common Board. The One CGIAR Common Board will submit approved proposals for consideration by the System Council, which will draw on the advice of ISDC, in making its decision to approve. CGIAR Projects approved by the System Council will be awarded a 3-year grant, subject to stage-gate decision points.
11. The Executive Management Team will take decisions on the necessity for standing Program Committees – as a transitional measure it is recommended that Program Committee Chairs continue to end-2021, brought together as a transitional Program Committee advising the One CGIAR Common Board.

Figure 8: CGIAR Project development and approval process



Features of CGIAR Projects

12. All CGIAR Projects will involve co-creation with relevant parties, including participation by Funders in framing projects via the Research Advisory Groups.
13. The terms of reference for commissioned CGIAR Projects will provide for:
 - a. 3-year measurable objectives (outputs and outcomes)
 - b. A robust model for delivery from research to impact at scale by working in partnerships
 - c. Positioning within a theory of change that explains expected impacts across all five Impact Areas, with projected positive impacts for multiple benefits
 - d. Demonstrated fit with the 3-step prioritization criteria
 - e. Strategic roles of specific research and delivery partners to deliver on the theory of change
 - f. Target geographies and farming systems, with regional priority-setting for research, partnerships and delivery mechanisms (including capacity development)
 - g. Ex ante 'market assessment' and projection of impacts, including disaggregation of intended beneficiaries among small-scale producers
 - h. A Performance and Results Management System that encompasses planning, monitoring, stage-gate decision points and reporting, and includes a dashboard open to Funders, via a Common Services information system
 - i. For technology research, a 'product profile' and the use of scaling readiness criteria in stage-gate decisions
 - j. Compliance with performance management entry criteria
 - k. Plans and funding allocations for evaluations and impact assessments
 - l. Strong leadership and management functions to deliver large ambitious projects