

CGIAR Program on Forests Trees and Agroforestry (FTA)

**Independent Steering Committee (ISC)
meeting #12
Document 3**

Preparation of the Program of Work and Budget (POWB) for 2020:

Draft provisional allocations to FTA Flagships, priorities and partners for 2020

(Tables 4a, 4b and 5 are for information and present interim figures, see disclaimer on page 4)

This note explains the process followed by the FTA management for the preparation of the POWB 2020 and, as a result of this process, the proposed provisional allocations of CGIAR Window 1 and Window 2 (W1+2) funds to FTA priorities in 2020.

Importantly, what is described here are *provisional* allocations that are based on a set of hypothesis for 2020 W1-2 budget: (i) the 2019 final actual W1-2 allocations from the CGIAR to FTA (which will determine the level of possible carry-over into 2020) and (ii) the 2020 W1-2 allocations to FTA. Both are not known to date. The W1-2 allocations and related POWB will be revised when the full information about the 2019 actual allocations and the 2020 W1-2 Finplan is given by the CGIAR (likely end December 2019). They will be then submitted to the ISC for endorsement.

Also, while Table 1, 3 and 3 are final, Tables 4a, 4b and 5 are provisional, as internal allocations information (to partners and tiers) was missing for seven of the priorities: P11-12-13-14-15-21-24.

The objective of this note is to provide the ISC with the necessary information to determine whether to date a transparent and inclusive process has been followed, whether contingency planning and prioritization have properly taken place, as well as whether the requirements from the System management office (SMO) have been fulfilled.

⇒ **This note is presented for information of the ISC. The ISC is invited to provide a feedback on the process followed (including contingency planning) and to say whether the note -or an updated version of it- can or cannot be shared *for information* with the FTA lead center Board.**

1) FTA provisional budget for 2020, including contingency planning

The provisional budget of FTA for 2020 is composed of (i) the 2019 program-level W1+2 carry-over into 2020 and (ii) the 2020 indicative FTA W1+2 allocations of the CGIAR Financial plan (Finplan).

To date, none of these two amounts are known, as the first depends on the final 2019 installments from the CGIAR which are unknown, and the 2020 CGIAR Finplan which determines the second will only be known towards mid-December 2019. Therefore, FTA is constructing a provisional POWB 2020 based on budget hypothesis, which are the following

- Zero program-level carry over¹. If nevertheless some carry-over materializes, it will be added as Tier 1 to the operational priorities, as was done for 2019.
- Reconducting² the 2019 Finplan for FTA at USD 9.4m W1+2, of which 2.6m W2 and 6.8m W1.
- The contingency planning scheme³ is reconducted, with the three tiers of decreased probability of funding calibrated as in 2019 (see Table 1 below)

Table 1. Provisional FTA 2020 W1+2, including contingency planning

<i>Tier</i>	<i>Amount (USD)</i>	<i>Corresponding to</i>
Tier 1	4,300,000	2019 Carry overs + 25% of W1 + 100% of W2
Tier 2	3,400,000	50% of W1
Tier 3	1,700,000	25% of W1
Total	9,400,000	2019 Carry overs + 2019 W1 + 2019 W2

At the beginning of 2020, FTA Partners are expected to initiate Tier 1 and Tier 2 activities (in some instances by pre-financing Tier 2 activities) but are advised not to initiate Tier 3 activities to avoid taking financial risks deemed unreasonably high.

3) Allocation to program management and integrative activities

Given the provisional budget as above, in 2020, funds to FP management, MSU and CCTs are reconducted as in 2019 (Table 2 below).

The funds for FP and program management and integration and MELIA are in Tier 1, in line with the guidance from the ISC that these functions and related activities are to be given priority in W1+2 funding and programmatic execution. This is because they are the glue maintaining FTA as a global partnership, and they cannot be funded from bilateral projects. Funds for communication, data and capacity development (coordination and program level) follow the same logic. The funds for the operational priorities are allocated across the three tiers.

¹ This is a conservative hypothesis that assumes that Tier 3 will not be released in 2019. In case some Tier 3 is made available in 2019 to the program, it will be used as carry-over and added to the 2020 available budget.

² This is a conservative hypothesis regarding the SMO finplan for 2020 which was of 10.2m for FTA. This hypothesis is grounded on the fact that this increase is supposed to be of W1 increase, for which there is no obvious sign at CGIAR level.

³ At the request of the ISC, FTA has been implementing a contingency planning process in its POWB since 2017. As per this contingency planning process, W1+2 and the related activities in the POWB are split into three tiers of decreasing probability of funding:

- Tier 1 : extremely likely to be funded and disbursed to partners earlier in 2019 than Tier 2,
- Tier 2 : very likely to be funded, disbursed later in the year than Tier 1.
- Tier 3 : uncertain / unlikely to be funded, unless additional positive information is received from the System Management Office (SMO) in the course of the year.

Table 2 : Provisional 2020 FTA W1-2 allocations (USD)

	Total	Tier 1	Tier 2	Tier 3
Operational priorities (see Table 3)	6,000,000	900,000	3,400,000	1,700,000
FP management (*)	1,000,000	1,000,000		
Partners funds (**)	150,000	150,000		
MSU and integrative activities (***)	1,400,000	1,400,000		
MELIA (***)	200,000	200,000		
Communication and outreach (***)	300,000	300,000		
Data (****)	200,000	200,000		
Capacity development (****)	150,000	150,000		
Total	9,400,000	4,300,000	3,400,000	1,700,000

(*) At this stage, FP leaders did not yet provide the split of these funds to the different program participants.

(**) Participation to coordination and management for FTA managing partners that do not lead a FP (USD 30k per managing partner).

(***) Funds allocated to the lead center.

(****) Funds parked in the lead center CIFOR pending finalization of workplans.

3) POWB for the Operational Priorities and corresponding W1+2 allocations to FPs and partners

a) Overarching principles

The principles guiding the elaboration of FTA POWB 2020 were discussed and agreed in mid 2018 and 2019 by the FTA Management Team (MT). The MT decided that it would itself undertake in a transparent and inclusive way, and exerting collective scrutiny, the review of the set of proposed workplans, with the support of the MSU and MELIA. This implies for MT members to clearly separate two functions/hats: proposing the workplans of the priorities they lead, and reviewing all proposals having in mind the overarching goals of the program.

Importantly, as in previous years, the FTA POWB is both **priority-based and activity-based**.

The POWB is priority based, as it is prepared *taking as entry point the operational priorities*. What is first discussed in the MT are the objectives of each priority, now in a two-years' perspective (2020-2021), and how for each of them a proposed workplan (priorities' POWBs – see companion documents) performs vis a vis a set of criteria (see Annex 1). This serves as basis for arbitration and adjustments between priorities' envelopes.

The POWB is activity based in the sense that it describes the activities necessary to implement each one of FTA's priorities: the allocations to FP/partner/tiers are detailed at the level of each individual output,

with each deliverable being given its budget. The overall W1-2 allocation to a specific FTA partner is the sum across deliverables of the budget that it shall receive for them. The list of deliverables is inserted into the PPA (program participant agreement) that the partner has signed with the lead center, serving as legal basis to receive W1+2 funds, and to follow-up/check on delivery.

The priorities serve as a basis for and orient FTA's entire POWB. FPs/CCTs contribute, by their research, to priorities (see Figure 1). FPs' individual POWBs are therefore a consequence of the operational priorities' POWBs, reflecting the relevance and importance of FP/CCT work vis a vis the different priorities. This is an incentive for FPs/CCTs to align their research to the operational priorities. Furthermore, the discussion of operational priorities provides a means to discuss in depth the content of FP work across all FPs, and provides a mechanism for increasing overall programmatic coherence across the entire program around its overarching priority objectives.

Two priorities were added to the list of FTA operational priorities compared to 2019. This is, however, not a change in workplans but rather a detachment of some segments from former integrative priorities, for improved visibility of the topics. The MT has decided to split P2 on plantations by creating a new priority P24 on **"Smallholder tree-crop commodities"**, detaching from P2 the contribution from FP2 (related to smallholder cocoa and coffee value chains). It has also decided to create a priority P25 on **"Tree seeds and seedlings delivery systems"** extracted from P1 (restoration) with part of the FP1 activities registered formerly under P1. The delivery systems priority will focus on 'what to plant where' including climate suitability, quality plants and nurseries, and return on investments in adequate planting material.

b) Process followed

The preparation of the priorities' POWB and proposed W1+2 allocations for 2020 was rolled-out between June 2019 and end October 2019.

The MSU gave an overall provisional W1+2 budget scenario as above. 2019 priorities' budgets have served as the reference from which the MSU pro-rated the 2020 initial indicative *envelopes*. The rationale for this grand-fathering from 2019 is that the 2019 budget was already based on a 3-yr workplan 2019-2021. The principles and criteria used last year were followed (see Annex 1).

These envelopes were respected by all Flagships, given the understanding that there would be a budget revision that would be directed towards the most promising areas and consider, along the same criteria (Annex 1), 2019 delivery currently ongoing (traffic light report).

c) Interim results

The final envelopes per priorities are given in Table 3.

Tables 4a, 4b and 5 present interim results (see disclaimer below) on how the envelopes per priorities translate into provisional allocations per FTA program participants

Disclaimer:

Table 4a, 4b and 5 **present only illustrative, interim numbers that are based on hypothesis for some of the priorities, so they must be considered with due caution and provisional for now.** First they do not include the partners' allocations of P11, P12, P13, P14, P15, P15 and P24 (led by FP2), nor for P21 (quality of research for development), as the latter workplan will be finalized after the ISC workshop on impact assessment. The MSU has provisionally filled that missing information using 2019 pro-rated data, but obviously this might change in the actual 2020 plans. Also for the other priorities, some activities might still shift across partners as priority plans are currently being fine-tuned. Therefore Tables 4a, 4b and 5

are provided for the sole purpose of giving some advanced provisional information on the broad provisional directions that the construction of the 2020 workplans is taking in terms involvement of FPs and partners.

d) Next steps (budget revision/finalization)

1. The ISC is invited to decide whether the draft provisional allocations can be sent *for information* to the BoT of CIFOR (same document, completed with the missing allocations to partners from P11-12-13-14-15-21-24), *under the proviso that these may be subject to further adjustments at the margin as workplans are being finalized.*
2. The MT will prepare a **final version of the proposed FTA 2020 W1-2 budget** (including contingency planning), *when 2019 allocations and 2020 finplan are fully known*, and send it to the ISC.
3. Validation by the ISC of the latter, including the related priorities workplans (by dedicated teleconference or by electronic means).
4. Preparation by FTA FPs, CCTs and MSU of the 2020 POWB in the CGIAR template and submission to the ISC.
 - Note that the CGIAR is now asking CRPs to submit the POWB under the MARLO system, and we are figuring out the implications (task duplication) in terms of doing in parallel a word document.
5. Submission of the final FTA W1+2 2020 allocations to priorities and partners and of the corresponding POWB document to CIFOR BoT for approval.

Table 3. 2020 allocations for the operational priorities.

		total	Tier 1	Tier 2	Tier 3
Restoration	P1	660,000	100,000	370,000	190,000
Plantations and tree crop commodities	P2	450,000	70,000	250,000	130,000
Enhanced nutrition and food security	P3	260,000	40,000	150,000	70,000
Biodiversity, safeguarding and conservation	P4	240,000	40,000	130,000	70,000
NDCs	P5	400,000	60,000	230,000	110,000
Bioenergy	P6	160,000	20,000	90,000	50,000
Blue carbon/peatlands	P7	120,000	20,000	70,000	30,000
Climate Change Adaptation	P8	210,000	30,000	120,000	60,000
Landscape Governance	P9	200,000	30,000	110,000	60,000
Gender	P10	650,000	100,000	370,000	180,000
Silvopastoral Systems	P11	110,000	20,000	60,000	30,000
Market-based agroforestry-forestry	P12	290,000	40,000	170,000	80,000
Farm-forest policy interface	P13	200,000	30,000	110,000	60,000
Agroecology	P14	80,000	20,000	40,000	20,000
Livelihood trajectory modelling	P15	150,000	20,000	90,000	40,000
Inclusive finance and business models	P16	320,000	50,000	180,000	90,000
Innovating finance for sust. landscapes	P17	150,000	20,000	90,000	40,000
Commitments to zero deforestation	P18	280,000	40,000	160,000	80,000
Orphan crops	P19	210,000	30,000	120,000	60,000
Sustainable supply	P20	90,000	10,000	50,000	30,000
Quality of FTA research for development	P21	350,000	50,000	200,000	100,000
Sentinel Landscapes	P22	70,000	10,000	40,000	20,000
Foresight	P23	-	-	-	-
Smallholder tree-crop commodities	P24	260,000	40,000	150,000	70,000
Seeds and seedlings delivery systems	P25	90,000	10,000	50,000	30,000
Total		6,000,000	900,000	3,400,000	1,700,000

Table 4. Interim indicative draft provisional allocations to FTA program participants (incomplete as for now, see text above):

Table 4a For operational priorities (see disclaimer above)

	Operational priorities			
	2020 W1+2	Tier 1	Tier 2	Tier 3
CIFOR	1,415,500	283,000	799,000	333,500
ICRAF	1,665,500	290,500	842,400	532,600
Bioversity	684,500	80,000	359,100	245,400
CIAT	70,000	-	50,000	20,000
CIRAD	401,000	102,000	206,000	93,000
CATIE	145,000	33,000	92,000	20,000
INBAR	160,000	33,000	40,000	87,000
TROPENBOS	144,800	10,800	94,000	40,000
TOTAL	4,686,300	832,300	2,482,500	1,371,500
Still unallocated (P11-12-13-14-14, P21, P24)	1,313,700	67,700	917,500	328,500
Total	6,000,000	900,000	3,400,000	1,700,000

Table 4b For the whole program including management and support (see disclaimer above)

	Total	Allocated to partner(s)
2020 Operational priorities	6,000,000	As per table 4a above
FP management	1,000,000	Final allocation to partners are still pending
Partners funds	150,000	30k per managing partner not leading a FP
MSU and integrative activities	1,400,000	Lead center
MELIA program-level support	200,000	Lead center
Communication and outreach	300,000	Lead center
Data	200,000	Lead center and other partners (pending final workplan)
Capacity development	150,000	Lead center and other partners (pending final workplan)
Total	9,400,000	

(*) At this stage, FP leaders did not yet provide the split of these funds to the different program participants.

(**) Participation to coordination and management for FTA managing partners that do not lead a FP (USD 30k per managing partner).

(***) Funds allocated to the lead center

(****) Funds parked in the lead center CIFOR pending finalization of workplans.

Table 5 Interim indicative draft provisional allocations to FPs and CCTs (see disclaimer above)

2020	2020 W1+2	Tier 1	Tier 2	Tier 3	T1+T2
FP1 (*)	1.180.000	320.000	570.000	290.000	890.000
FP2 (*)	1.300.000	380.000	630.000	290.000	1.010.000
FP3 (*)	1.260.000	380.000	570.000	310.000	950.000
FP4 (*)	1.170.000	330.000	550.000	290.000	880.000
FP5 (*)	1.090.000	340.000	510.000	240.000	850.000
Gender CCT	650.000	100.000	370.000	180.000	470.000
MELIA CCT (**)	550.000	250.000	200.000	100.000	250.000
MSU and integrative activities	1.400.000	1.400.000			1.400.000
CapDev CCT	150.000	150.000			150.000
Data	200.000	200.000			200.000
Comms and outreach	300.000	300.000			300.000
Partners Funds	150.000	150.000			150.000
TOTAL	9.400.000	4.300.000	3.400.000	1.700.000	7.700.000

(*) including FP management

(**) P21 on QoR4D and support to program-level activities

Annex 1. Criteria for W1+2 prioritization and adjustments

Compulsory criteria (Quality of research for development):

1. **Relevance:** The proposed work is aligned to the priorities of the CRP as defined in the priority setting process. It addresses one/several key research gap as identified in the priority setting process. The proposed work targets one or several specific development demand(s) or goal(s) fulfilling stakeholder's needs
2. **Scientific credibility:** The proposed work clearly explains the scientific rationale, research question(s) and methods, giving confidence that research findings will be novel, robust and scientifically trustworthy.
3. **Legitimacy:** The proposed work clearly explains how the work will take account of and reflect stakeholders' perspectives and values. Research is done in contact with beneficiaries and stakeholders are involved from the framing of questions to the design of research and solutions.
4. **Comparative advantage:** The partner has a comparative advantage in undertaking the work proposal, with available internal competencies. Data is available and the proposed work appropriately leverages and builds upon on previous work etc.

Prioritization criteria specific to W1+2 funded research

5. **Past delivery performance:** Delivery on time of POWBs (W1+2 funded outputs) as per the traffic light reporting
6. **Gender:** A specific attention to gender is warranted and the overall gender CCT budget is ring fenced in 2019 at a minimum of the 2018 level USD 700,000. This envelope includes a range of gender activities integrated in the operational priorities, as well as the operational priority on gender.
7. **Promising areas of work:** The importance of W1+2 funding was considered to support some promising areas of work. Amongst these, the following were identified in the MT discussions:
 - Links between value chains and landscapes
 - Agroecology
 - Bioenergy/biomaterials
 - Nutrition
 - Economic dimensions of restoration (costs benefits, incentives)
 - Availability of germplasm, diverse and of quality
 - Clarification of impact pathways.
8. **Effectiveness and contribution to impact:** The proposed work contributes to FTA ToC in a catalytic way. The work is deliberately and convincingly positioned to contribute to significant outcomes, with high potential to contribute to development objectives and impact.
9. **Contribution to IPGs:** The proposed work has high potential to develop methods and/or new knowledge that will have international public goods value.
10. **Strategic value:** The proposed work has high potential to add value at the FTA Program-level and contributes to strategically oriented research, including bilaterally funded work, to help realize the FTA ToC.

11. **Program growth:** The proposed work has high potential to contribute to the growth of FTA through developing and strengthening partnerships, generating additional program development opportunities.
12. **Vertical, horizontal and/or temporal Integration.** The proposed work (i) feeds or has potential to feed into other flagships and research areas and for bringing coherence in methodological approaches, such as enabling the creation of extrapolation domains; and/or (ii) promotes continuity of action along the research to development continuum in FTA's impact pathways; and/or (iii) *contains* programmatic learning, extends projects' scientific and development relevance beyond their completion.