

## **CGIAR Mid-Term Review Panel- Summary of Second Meeting**

The second meeting of the Midterm Review (MTR) Panel (hereafter, the Panel) of CGIAR reform was held at the St. Ermin's Hotel in London from July 18-20, 2014. Participants included Sir John Beddington (Chair), Bronwyn Harch, Bindu Lohani, Howard Shapiro, Idah Sithole-Niang, and Warren Evans. Three panel members were not in attendance: Akin Adesina, Izabella Teixeira, and Jane Karuku.<sup>1</sup>

This note summarizes the briefings received by the Panel and the subsequent discussions on the options for the Panel reporting process and content, and tentative conclusions and recommendations. The Panel also met with 1) the CGIAR Consortium Office Chief Scientist, 2) consultants undertaking specific investigations as commissioned by the Fund Council and seen as relevant to the MTR, and 3) the Reference Group to present the Panel's views at present and have an early opportunity for discussion with these representatives of key stakeholders. The meeting agenda is included as Attachment 1.

### **1. Briefings to the Panel**

#### **1.1 Discussion on role of private sector food industry**

Prior to the formal opening of the Panel meeting, some Panel members had a discussion with Ian Hope-Johnstone, Director of Sustainability at PepsiCo and with Howard Shapiro, Panel member and Chief Agricultural Scientist at Mars Inc. The objective of the discussion was to enable the Panel to better understand how the CGIAR may strengthen its long-term and large-scale partnering with the food industry. Some of the key points to emerge from this continuing dialog are:

- Traditionally the private sector was rather inward looking in order to maximize proprietary advantage. In the last 5 years companies like Unilever, PepsiCo and Mars have been looking more externally and at new ways to secure sustainable supplies leading to improved pre-competitive collaboration. Working externally makes it easier to get outside of corporate firewalls.
- Companies are increasing focus on resilience- they used to expect major disruptions from weather and other sources about once in 5 years- now it is once in 3 years.
- Such companies are taking stock of their contribution to food security. This means taking greater consideration of nutrition, moving up the supply chain, strengthening standards and introducing sustainability codes.
- The social impact of entering the emerging markets is a challenge- the relationship and direct interaction with farmers is increasing.

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<sup>1</sup> At the request of the Chair and Member-Secretary, Jonathan Wadsworth, Executive Secretary of the CGIAR Fund Council, sat in on all of the Panel meeting sessions in order to provide clarifications as and when requested by the Panel.

- The direction taken by such major food companies presents improved opportunities to work with CGIAR- to identify challenges, harness the expertise of Centers and partnerships and develop targeted solutions. Matching funds is not a major problem.
- The CGIAR could strengthen efforts to reduce duplication at the farm level- such as for certification and for water management.

It was agreed that the conversation should be extended with a broader group of stakeholders- a follow-up meeting is being planned to be held in New York City on 23 September 2014.

### **1.2 Strategy and Results Framework (SRF)**

Wayne Powell, Chief Science Officer (CSO) in the Consortium Office discussed progress in the preparation of the SRF and its continuing work schedule. He noted that expectations of the CGIAR have changed and the SRF is intended to reflect this. Key issues discussed in the context of the SRF preparatory process, substance and implementation include:

- The preparation of the SRF should be consultative- engaging Centers and donors as well as other key stakeholders such as NARS and private sector. The Panel emphasized the need to take the time to “get it right”.
- The goals need to be identified, the strategy to deliver these articulated and then ways of monitoring progress for accountability.
- The SRF needs to facilitate innovation to deliver step changes rather than pedestrian incremental changes.
- Funders are now investors. Science is now more powerful but resource demands require more clever priority setting and different ways of working to ensure that we have excellence and impact. The problems to be tackled are complex and require long-term, mission-driven and inter-disciplinary research through a strong collaborative, outward-facing, and ambitious culture.
- Research undertaken should have a strong focus on translational capacity.
- Plant and animal improvement is going through a technical revolution that can drive not just productivity gains but also resilience and the key here is better definition of targets and integrative approaches. Example given was the sequencing of the wheat genome recently published in Science (Eversole et al 2014, 345, 6194, pp285) to illustrate the potential of modern science to accelerate and improve the precision of breeding. Over the time period of the SRF the genomes of most if not all major species will be sequenced and re-sequenced creating vast opportunities. The SRF will need to set the course for the CGIAR role in this work.
- Big data and big data analytics (not just from genomics) needs partnerships, including new partnerships from outside the traditional sphere of the CGIAR.
- With regards to prioritization, the Panel noted that some major challenges seemed to be sensible priorities- nutrition, land degradation, waste and resilience and big data analytics were highlighted as possible priorities for

- the SRF and the next round of CRPs since they represent potential quick wins. Bioprocessing was identified by the CSO as an area that could be explored further given the major trend of urbanization in Africa.
- Public-private partnerships highlighted as requiring more focus.
  - Climate change and nutrition/diet need more attention in the SRF. The genetic resources available within the CGIAR represents one of the clear, stand out points of differentiation, providing the opportunity to enhance the productivity, sustainability, resilience and nutritional composition of food and feed.
  - The implementation of the SRF should include strengthened partnerships supported by improved communication.
  - The next set of CRPs should be cohesive, making it easier to align W1 & W2 funding to agreed strategic objectives as well as facilitating the mobilization of additional direct financing and parallel financing through strategic partnerships. This will require clear criteria for assessing the next round of CRPs. These include:
    - o Excellence & strategic relevance
    - o Ambition, timelines and potential
    - o Leadership and management commitment
    - o Value for money
    - o Quality and track record of the team, including critical mass.
    - o Partnerships and potential for global reach and impact.
    - o Scientific and intellectual leadership.

### **1.3 Resource Mobilization**

The Panel met with representatives of the team of consultants working on the resource mobilization study, including Charlie Michaud, Christopher Egerton-Warburton, and Harry Guinness. The presentation covered the recommendations of the draft CCS Resource Mobilization report and the planned work on assessing opportunities for innovative financing for agricultural research. Key points raised include:

- Larger and more impactful research ambitions needed with closer collaboration with industry. There are significant opportunities to tap the potential of 'big data and big data analytics' across the CGIAR system to accelerate research breakthroughs.
- Significant changes required by both donors and doers in how CGIAR funding is regarded and acquired in order to scale up funding. The CGIAR could be making its case in more powerful and emotive ways without threatening its credibility as a trusted science-based organization.
- Centers need to commit to collecting, analyzing and sharing RM data - donors need to demand that centers be better coordinated since data-sharing would improve the ability of donors to demonstrate leveraging impact and should strengthen the ability of Centers to raise more funds. This will in turn require greater RM capacity in Centers and a strong RM community of practice across Centers.

- RM strategy will need to be supported by a communications plan for the CGIAR system that ties together the story, research and impact of the CGIAR as a whole with a view toward influencing thought leaders and decision makers. Such communication will need to clarify issues such as the role of the CGIAR on biotechnology development.

The Panel considers that the CGIAR must find new ways to mobilize financing for scaling-up targeted research. Piloting innovative finance should enable the CGIAR find new ways to engage private sector, particularly consumer goods companies and at the same time enable traditional donors to increase risk appetite by risk sharing.

Much of the evidence of the potentials for innovative finance for research is in the field of developing country vaccine and public health programs. Other examples discussed have focused on how to use public sector finance to mobilize private sector investments in developing countries - more on development than research.

This type of innovative finance has emerged because donors are (i) pushing for stronger links between commitments and results – so are looking for ways to tie aid to performance and (ii) looking for ways to better manage their own budgets and balance sheets. One approach is to create financial assets – i.e. make investments rather than grants. Another approach is to find ways to make funding more flexible/efficient – i.e. pledge future commitments rather than make large upfront commitments. Examples include:

- Impact Bond: focus on efficiency and linking to performance, but small scale to date (<\$20m)
- Advanced Market Commitment (AMC): purchase output, get private companies to do the R&D; non-traditional donors and private sector
- IFFIm: raise private investment upfront against future donor cash flows; non-traditional donors and private sector
- UNITAID Air ticket levy: retail fund raising, French anchor fund raiser; politically expedient
- Wellcome Trust: create financial assets; link to internal cash flows and possibly leverage private sector investment alongside donors.

Taking these innovative financing mechanisms to market requires:

- Better data collection, analysis and sharing: outcome-based payments and private capital will demand more information about performance and impact at the consortium level.
- Simple, consolidated research narrative(s): CGIAR needs metrics and targets simple enough to fit an attractive narrative and aligned with donor/investor interests – “unifying theory” is critical.
- Impact targets should be relevant to research and development activities (i.e., new patents registered, progress on research). If they are too far removed e.g. focused on delivery of new products and impact on nutrition

- levels, they risk becoming too abstract.
- Look for ways to link payments today to future cash flows: CGIAR has the chance to re-evaluate how it leverages its existing assets and operations, e.g. R&D licensing income streams, data management and analysis infrastructure, or donor commitments.
  - Look for different models for private sector engagement as investors or partners or both – unlike health there are already billions being invested in agriculture R&D in similar areas by the private sector, and there are clear shared interests in the outcomes.

#### **1.4 Delivery Study**

The Panel was briefed on the results of the Delivery Study by Angela Hansen, Partner and Director of Agriculture and Food Security, Dalberg; the consultants for the study. The 7-week study included a desk review of over 150 reports and interviews with about 50 people including the majority of senior leadership of 15 CGIAR Centers and 14 Research programs. The study included analysis of a data set of 47 self-reported examples of delivery as well as an independent assessment of delivery across 150 projects. In addition, external experts in ARD (such as Syngenta Foundation, AGRA and others) and experts at other organizations that apply scientific innovation to achieve development outcomes were interviewed.

Some key findings outlined include:

- Delivery at the CGIAR lacks a clear, widely accepted, definition of delivery. A simplified and quantifiable metric to define and assess delivery was applied- the number of farmers reached (scale) and the change in livelihoods as the result of technology adoption (impact). The self-reported data from Centers/CRPs included at least 20 different metrics of impact.  
Panel members noted that delivery should be defined as a continuum, from discovery through operationalization.
- CGIAR lacks a consistent methodology to measure and report on delivery. Dalberg analysis of 47 sample projects suggests that more than half cannot objectively verify of their delivery claims of either scale, impact or both. We found this concerning.
- Nearly 45% of the Dalberg sample could verify delivery claims. This indicates that much of the work of the CGIAR is successfully (i) delivering the right technology to the right population including farmers and (ii) execution, coordination and leadership is sufficient to generate the desired results.

The Delivery Study recommendations that are relevant to the Panel's work as well as the SRF include:

- The CGIAR should define delivery and a robust methodology for measuring and reporting on it; this definition and methodology should incorporate delivery explicitly into existing results frameworks.

- The CGIAR should take tactical action at the CRP level to ensure conditions for delivery are met.
- CGIAR should plan for and coordinate delivery efforts with boundary partners
- The CGIAR should consider a strategic reorientation in order to get its technologies to farmers in the field, by:
  - Embarking on a system-wide change management effort to infuse a delivery orientation into the culture of the CGIAR
  - Developing explicit delivery functions at different levels within and across the organization
  - Raising, where necessary, new and dedicated funding for delivery coordination
  - Recruitment of professionals with the skills required to see delivery through
  - Investing in strategic partnership development with best in class delivery partners

## **2. Dialog with MTR Reference Group**

The Panel met with the Reference Group represented by Nick Austin, Carmen Thoennissen, Fawzi Al-Sultan, Carlos Perez del Castillo, Mohamed Ait Kadi, and Peter Holmgren.

Sir John Beddington briefed the Reference Group on the tentative conclusions of the MTR Panel. He emphasized that these are tentative because not all Panel members are present – they will be consulted- and that additional consultation with stakeholders is planned. But the Panel feels it is important to initiate a dialog at this juncture with the Reference Group and more broadly on its tentative conclusions. The tentative conclusions are based on (i) Panel discussions; (ii) numerous written inputs such as the PwC governance study, resource mobilization study, the Delivery study, and many other inputs- most recent being the ISPC review of CRP extension proposals and a joint note from a number of center DGs both individually and collectively; and (iii) interviews and discussions with Centers staff, Consortium office and Board members, and some funders. These structured discussions will be continued over the coming 6 weeks focusing on Chairs of Center boards and members of the Fund Council.

The Panel will base conclusions and recommendations in its final report on evidence- it will seek to back each conclusion with documentation from various sources and stakeholders. The Panel is addressing all of the questions/issues posed in its TOR. Many of the issues are debatable and the Panel has discussed these at length and agreed on tentative Panel positions.

- The challenge of food security and nutrition, exacerbated by climate change, requires a rapid scale-up of carefully targeted agricultural research that can be effectively translated into development. Need to

mobilize science and technology at a scale matching the challenges. The CGIAR appears to be well-placed to lead and coordinate scaled-up efforts to take on the challenge, but certainly not alone.

The Reference Group generally agreed with this conclusion, noting that the SRF will need to reflect the necessity of increased collaboration, including with private sector, universities, NARS, and others- and including policy research. One benefit of such collaboration may be an opportunity for greater risk taking in research because of the increased ability to share risks among partners. Risk taking for the sake of breakthrough needs to be differentiated from risk taking in terms of development impact. It was also agreed that the longer-term needs cannot be met without addressing immediate needs of developing countries and that these are not mutually exclusive challenges but rather interlinked.

- The Panel has concluded that the CGIAR reforms appear to have succeeded in the following ways:
  - a. Increased funds for CRP and other research
  - b. Increased collaboration among centers and with some other partners
  - c. Gender, equity and some cross-cutting issues such as climate change better addressed through research (though recent ISPC review is critical on the gender issue)

The Reference Group members noted that the reforms are still work-in-progress and that they had also

- d. improved management of intellectual assets,
  - e. Improved the ability to attract young researchers and first-choice scientists,
  - f. Heightened the profile of Centers with donors, and
  - g. Improved country relationships as a result of engagement of Consortium Board members with countries.
- The Panel has concluded that the reforms have resulted in a number of ambiguities and appear to have been unsuccessful or inadequately successful in the following ways:
    - a. Governance- considerable ambiguity resulting from the two-tiered structure with a Consortium Board/Consortium Office and Fund Council/Fund Office plus 15 independent Centers/Boards. Even if the legal arrangements are clear, the feedback from many stakeholders, particularly Centers, has shown a great deal of ambiguity of responsibilities and accountabilities remains.
    - b. Quality assurance- there is ambiguity around roles of ISPC and CO science team. The Panel also questions whether the current arrangements guarantee adequate independent scientific quality assurance.
    - c. The need for a high quality SRF is clear and the preparation of the current SRF should not be rushed. Lack of strategy in developing the CRPs led to an inability to prioritize and incoherence of the

CRPs. The next round of CRPs should not proceed until a high quality SRF is able to guide decision-making based on agreed research priorities.

- d. Inadequate change management planning to lead stakeholders on the change journey to achieve the desired benefits.
- e. Transaction costs clearly up- is there a return in terms of improved research outcomes (value for money).
- f. Ambiguity around role of Consortium office- facilitator or regulator.
- g. Ambiguity on accountabilities across the system.

The Reference Group members did not disagree that ambiguities remain but did not agree on the causes of such ambiguities. For example, one pointed out that the CO had initially tried to serve as facilitator but that the CB had found this inadequate- considered that a certain level of regulation by the CO was needed. Another considered that the CO was not even provided for in the constitution and that the CO suffered from mission creep. An additional ambiguity pointed out is the fact that each Center has its own Board approved strategy in addition to the forthcoming system-wide SRF. Some considered that most ambiguities were a result of differences of opinion on the interpretation of the legal framework and that most differences were on process, not substance.

- With regards to Governance structure, the Panel considers that a single Board, comprising key stakeholders/constituencies including donors, Centers, NARS, private sector, and development organizations and research partners, with an independent chair would better serve the CGIAR objectives.

The Reference Group members emphasized that such a conclusion would require strong evidence of why it is needed and a clear demonstration of how this would address the current ambiguities on roles and accountabilities. The Panel was encouraged to avoid simply going back to previous structures.

The Panel confirmed that it has reviewed comparator organizations' governance structures and will include the evaluation in the report along with other evidence. The Chair noted that many details will need to be worked out, and that the Panel will give some suggestions on necessary considerations but will not recommend the details.

- The Panel sought the continued support of the Reference Group. In particular the Panel asked the Reference Group to:
  - a. provide additional feedback on the Panel's views/recommendations shared in the London dialog and to share these London meeting notes with stakeholders for information and input; and
  - b. solicit stakeholder feedback on the CGIAR success stories, requesting answers to the question "What has the CGIAR achieved which makes you proud?"

### **3. Next steps**

The Panel agreed on a draft outline for its report and a schedule for completion of its work. The reporting and review schedule is:

- 15 September 2014- first draft Panel report
- 15-30 September 2014- review/inputs from Fund Council, Consortium Office, Centers facilitated by Reference Group
- 10 October 2014- second draft Panel report (conclusions and recommendations to be presented at seminar in Washington DC)
- 4-5 November 2014- draft final report to be discussed at Funders' Forum and Fund Council in Brussels
- 15 December 2014- Final Report.

**ATTACHMENT 1- Schedule for Second MTR Panel Meeting, London**

**18 July-**

10.00-12.00- Pre-Panel meeting with Ian Hope-Johnstone, PepsiCo Director Sustainability

14.00 - 16.00- Closed session to Update on results of various activities (including interviews with Center DGs, CRP Directors and Consortium Chair and CEO; and the Godfray/Jahn report), and preliminary discussion of likely conclusions/recommendations

16.00 – 18.00 - discussion with Wayne Powell on SRF update and CRP second call

18.00-19.00- wine and cheese reception

**19 July-**

09.00 - 10.30- discussion on resource mobilization report and innovative financing- joined by representatives of CCS (authors of the RM study) and Christopher Egerton-Warburton, Lions Head Capital who is working on innovative financing

10.30- 11.30- discussion on Dalberg report on integrated delivery

11.30 - 17.00 working lunch and Closed session to continue discussion on tentative conclusions and recommendations

**20 July**

08.00-09.00- Breakfast meeting John Beddington and Chair CGIAR Consortium

09.00- 10.00- closed session on conclusions and recommendations

10.00- 13.00- discussion with Reference Group on tentative conclusions and recommendations