

# IMPLEMENTING THE COMMISSION'S STRATEGY FOR THE CGIAR<sup>1</sup>

## INTRODUCTION

The European Commission (EC) strategy document for the CGIAR, drawn up in March 2000 in collaboration with the Member States (MS), sets out the main guidelines governing EC support. To summarise, the Commission has chosen to concentrate on 3 areas of the CGIAR's work, which correspond to 4 of the CGIAR's priorities.

See annex 1

1. **Genetic improvement methodologies** - *priority 1* - the CGIAR is able to take advantage of work on **cutting edge technologies** relating to **genetics** and research on **methodologies**.
2. **The preservation of biodiversity** (setting up and conserving gene banks is part of *priority 2*, while managing them falls under *priority 3*). The CGIAR has the task of collecting the samples, conserving them and making them available to other users, particularly the NARS.<sup>2</sup> Analysis of the comparative advantages of the various potential players suggests that the Commission should provide direct support for CGIAR Centres whose work contributes to the overall objective of preserving biodiversity.
3. The "**international policy**" dimension - *priority 4* -: analysis carried out **following** the European Commission guidelines shows that policy work has a real relevance for CGIAR Centres in two areas: at the **global and macro-economic level**, and at a **methodological level**, to support local institutions.

**We must now specify how this strategy should be implemented in practice, in the light of the experience acquired in preparing financing dossiers for the year 2000.**

This paper is intended to complement the EC strategy document for the CGIAR by describing the operating methods by which that strategy may be implemented. A number of different stages can be distinguished:

1. **Selecting CGIAR research programmes** which are eligible for EC support.
2. **Allocating funds by Centre and by programme selected.**
3. **Allocating funds to selected programmes by source of funding and Adjustments.**

<sup>1</sup> Consultative Group on International Agricultural Research

<sup>2</sup> National Agricultural Research Systems

## (1) SELECTING CGIAR RESEARCH PROGRAMMES WHICH ARE ELIGIBLE FOR EC SUPPORT.

**Question:** Around 320 research programmes are submitted annually by the CGIAR, following approval by the TAC (Technical Advisory Committee), an independent committee which checks the scientific quality of the Centres' proposals. Which of these programmes fit best with the Commission's strategic choices?

### (a) **LOCATING INFORMATION NECESSARY FOR THE SELECTION PROCESS**

- (i) We can determine which of the CGIAR areas/priorities each programme falls under either by reading the programme descriptions included in the Centres' Medium Term Plans (MTP), or by asking the Centres to provide a summary of this information.
- (ii) At this stage, before resources are allocated, it would be useful to obtain regional lists (Asia, Latin America, ACP) of countries where the programmes will be implemented, and the total annual cost of each programme.  

See annex 2
- (iii) This information can then be summarised in a spreadsheet table where it can be sorted automatically.  

See annex 3

### (b) **SELECTING THE PROGRAMMES** In choosing programmes for 2001 and future years, we might begin by reconsidering the procedure which was followed - at very short notice - in 2000.

- (i) **For the year 2000,** programmes were selected on the basis both of their "global" dimension, and of how well they fitted with the 4 CGIAR priorities picked out by the Commission. This selection method gave too much importance to the international dimension of the programmes, and not enough to their actual research content.
- (ii) **For 2001 and beyond,** we suggest that the choice of programmes should reflect the special importance which the Commission accords to the preservation of biodiversity. The role played by the CGIAR in preserving biodiversity is internationally recognised (see e.g. the ongoing renegotiation of the International Undertaking in the FAO).

**As a result, precedence will now be given to area 2.** Moreover, **genetic improvement methodologies** (Area 1) are often included in programmes for the preservation of biodiversity.

The "**international policy**" dimension (Area 3) provides a necessary complement to any large-scale action, at both the national and regional levels, and should thus be the second priority in selecting programmes. We therefore propose that programmes should be chosen on the basis of their objectives, and that their implementation should be supported in all regions of the world. Since a programme may involve pursuing a single objective on more than one continent, especially where the preservation of biodiversity is concerned, several programmes may be selected which involve carrying out research simultaneously in several different developing countries. Such programmes will benefit both the

regions concerned (Asia, Latin America, Mediterranean and/or ACP), and the international community as a whole.

**In practical terms, therefore, we propose to give precedence in selecting programmes to the area 1 and 2 priorities, with priority 4 as a secondary criterion.**

- (c) **NUMBER OF PROGRAMMES SELECTED** Many of the approximately 320 programmes presented each year by the CGIAR meet the priorities defined by the Commission. As a result, other criteria have to be used in making our selection, and in particular the following factors:
- (i) Several funders always undertake to "cover" the annual cost of the CGIAR's programmes, usually up to around 50% of the total cost. The rest is financed out of "unrestricted core funding" provided by a number of the system's financial partners.
  - (ii) So that the EC can contribute to the funding of a programme without upsetting the arrangements already made with other donors, our contribution should - ideally - never exceed the "unrestricted core funding" laid down for that programme. To establish a fixed limit for all possible cases, however, we propose that EC funding for selected programmes should be limited to half the "unrestricted core funding", that is, around **25% of the total annual cost of each programme**. If in this limit should be exceeded in any given case, the Commission should consult with the Centres concerned to ensure that our proposal is "feasible".
  - (iii) Nevertheless, in general, we also wish to be a significant financial partner for the programmes we support. In this light, we believe our **minimum contribution per programme should be in the range of EUR 200 000-300 000**. Therefore, in theory, we will restrict our financing activities to programmes with budgets in excess of EUR 1 million.
  - (iv) Since in the coming years we will have an annual budget of around EUR 15 to 20 million, **we will therefore be financing around 50 programmes a year**, as we did in 2000. We would certainly not wish to expand the number of programmes funded; indeed, we would hope over time to see their number gradually diminish, so that we can more easily monitor their progress.
- (d) **CONFIRMING THE CHOICE OF PROGRAMMES** It is important to ensure that the programmes selected do indeed fit with the Commission's priorities. At the same time, we also need a standard format for the programme presentations annexed to financing proposals. We therefore suggest that once a preliminary selection has been made using the criteria discussed above, the Centres should be asked to draw up descriptions of the programmes selected, using the standard form on which we are currently working.

See annex 4
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**These descriptions should then be subjected to detailed analysis, before drawing up a definitive list of programmes selected for the year in question.**

## (2) ALLOCATION OF FUNDS BETWEEN CENTRES AND SELECTED PROGRAMMES

- (a) **ALLOCATION OF FUNDS TO CENTRES:** The Commission has stated its interest in continuing to support the CGIAR's research activities in the long term, while playing an active role in monitoring the Group's evolution (in terms of governance, organisation, structure, etc.). Logic therefore leads the Commission to believe that, in broad terms, its contribution to funding those Centres whose projects are selected should be proportionate to the Centres' relative "weights" within the CGIAR system. This could be achieved by using the TAC's allocation keys (leaving out those Centres which are not receiving funding from the Commission for that year).

We therefore propose that the funds allocated each year by the Commission should be distributed systematically in proportion to the CGIAR budgets of the Centres in question. This method may seem to lead to the largest share of Commission funds going to the "richest" Centres. However, it is the only way to ensure that our funds are distributed equitably in relation to the Centres' capacities for implementing programmes.

### Example:

- Total EC2001 budget available ALA/MEDA/EDF: EUR 19.1 million  
LA: 5.95 million - MEDA: 1.45 million - EDF: 4.25 million - Asia: 7.45 million
- TAC recommendation for CGIAR for year 2001: 362.2 million
- Total amount allocated by the TAC to the Centres selected by the EC: 330.2 million
- Amount allocated by the TAC to Centre X: 26.6 million (= 8.1% x 330.2 million)
- Amount allocated by the EC to Centre X for that year: (EUR 19.1 million x 8.1%) = EUR 1.539 million

- (b) **ALLOCATION OF FUNDS BETWEEN CENTRES FOR SELECTED PROGRAMMES:** Information to be found in the MTPs or provided directly by the Centres will indicate in which countries research activities are to be carried out (see 1(a)(ii)). These activities will therefore be subsidised using Asian, Latin American, Mediterranean and/or ACP resources, according to their geographic location. Once funds have been allocated between Centres using the method described above, the financing allocated to each Centre must be divided up between the programmes selected.

We propose that, initially, funds should be allocated between the programmes selected for any given Centre in proportion to the amount allocated to the Centre in question by the EC as a percentage of the total annual cost of those programmes.

**In this way, all the funds allocated by the Commission will go to the programmes selected.**

### Example (contd.): :

- Annual cost of the 3 programmes selected: 16.671 million = P1: 7.809 million + P2: 5.728 million + P3: 3.134 million.
- Amount allocated to the Centre by the EC considered as a percentage of the total annual cost of

the programmes selected:  $1.539/16.671 = 9.2\%$ .

- Sums allocated to the programmes selected:  
 P1: 7.809 million  $\times 9.2\% = 0.721$  million  
 P2: 5.728 million  $\times 9.2\% = 0.529$  million  
 P3: 3.134 million  $\times 9.2\% = 0.289$  million

### (3) ALLOCATING FUNDS TO SELECTED PROGRAMMES BY SOURCE OF FUNDING AND ADJUSTMENTS.

- (a) **Programmes selected are funded according to the geographical region(s)** where the research activities will be carried out. We therefore propose that the resources allocated each year should be divided up by geographical area, and thus by funding source.

The method of calculation used will be the following (a software calculation sheet is also available): we begin by dividing the total appropriations up by source of funds (A, LA, MEDA, EDF) made available by the Commission (as a percentage). If a selected programme is eligible for funds from all 4 sources, the amount allocated to that programme will be divided up proportionately among them according to the percentage represented by each source. If the programme is only eligible for funds from 1, 2 or 3 of these sources, each contribution will be calculated as a percentage of the total amount allocated by the EC to the programme using the following formula:

$$X_{rp} = X_r / (X_a + X_{la} + X_{meda} + X_{edf})$$

where

$X_{rp}$  is the percentage of the amount allocated to the programme to be financed by the region in which the research will be carried out;  $X_r$  is the percentage represented by the sum allocated by the region in relation to the total appropriations made available by the Commission, namely,  $X_a = X_{la} + X_{meda} + X_{edf}$ ;  $X_a$ ,  $X_{la}$ ,  $X_{meda}$  and  $X_{edf}$  are the percentages represented by the sums allocated by the Asian, Latin American, Mediterranean and ACP regions in relation to the total appropriations made available by the Commission.

#### Example (contd.):

- Total EC2001 budget available ALA/MEDA/EDF: EUR 19.1 million  
 LA: 5.95 million - MEDA: 1.45 million - EDF: 4.25 million - Asia: 7.45 million, thus  
 $X_{la} = 5.95/19.1 = 31.2\%$   
 $X_{meda} = 7.6\%$   
 $X_{edf} = 22.3\%$   
 $X_a = 39.0\%$
- If programme P1, which was granted an EC allocation of 0.721 million (see above), has research activities in the ACP and Asia regions, then the percentage contributions of these two financial instruments (EDF and Asia) will be, respectively:  
 $X_{edfp} = 22.3 / (22.3 + 39) = 36.3\%$   
 $X_{ap} = 39 / (22.3 + 39) = 63.7\%$
- The annual cost of selected programme P1 will therefore be distributed as follows:  
 EDF share: 0.721 million  $\times 36.3\% = 0.262$  million

Asia share:  $0.721 \text{ million} \times 63.7\% = 0.459 \text{ million}$   
 $16.671 \text{ million} = P1: 7.809 \text{ million} + P2: 5.728 \text{ million} + P3: 3.134 \text{ million}.$

- (b) This method of calculation provides an exhaustive breakdown of the total appropriations made available to the CGIAR by the Commission for the year in question. However, it does not define a precise distribution of the sums allocated by source of funding.

The calculations should therefore be reviewed and any necessary manual adjustments made. Adjustments should take the following factors into account:

- the elimination of certain programmes, where the descriptions provided do not demonstrate an adequate correspondence between the aims of the programme and the priorities selected by the Commission,
- the existence of other programmes which have to be financed from the funds left over from the application of this strategy;
- the need to distribute the funds allocated to the programmes selected in such a way as to use up entirely the resources made available from each source of funding.

The method of calculation outlined above gives an exhaustive distribution for the total appropriations made available to the CGIAR, but is not exhaustive for each financial instrument considered individually. Using the present version of the software calculation sheet, exhaustivity by instrument has to be provided manually.

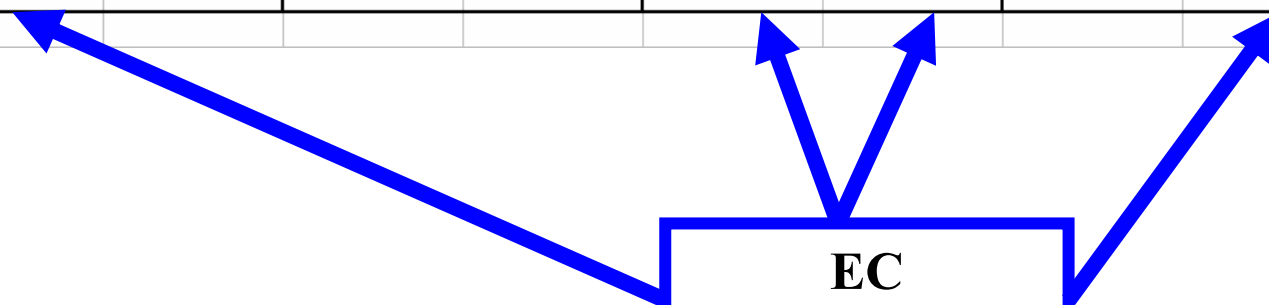
## CONCLUSIONS

- (a) The methods described above were used in late 2000 to select programmes and prepare funding allocations for the year 2001. They emerged by consensus from the working group created to address this problem, and were approved by the Commission departments concerned. They were also discussed with the EIARD group. They should provide satisfactory responses to the questions which the Commission Legal Service had raised concerning the financing proposals for the year 2000.
- (b) Certainly, these methods can still be improved on, as can the software designed to facilitate their implementation. The main outstanding problem concerns the last phase of financial adjustments.
- (c) The Commission's priorities will have to be reviewed in the light of the decisions which will be made concerning the restructuring of the CGIAR and the system's research priorities. Definitive decisions on these questions will be made public in mid-2001.

<b>Annex 1</b>
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CGIAR PRIORITIES									
INCREASING PRODUCTIVITY		INTEGRATING NATURAL RESOURCES MANAGEMENT		PRESERVING BIODIVERSITY		IMPROVING POLICIES		BUILDING CAPACITY	
genetic improvement methodologies	better agricultural management practices	environment protection	better management of agricultural systems	ex-situ collections	genetic resources management	national and regional policies	international policies	joint research initiatives with NARS, universities, private sector, etc,	training in research management and methodology
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>

<b>EC PRIORITIES</b>
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## Annex 2

## Countries eligible per EC financial instrument

### **MEDA**

Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey, the Occupied Territories of Gaza and the West Bank (12 partners)

### **ASIA**

Asian developing countries which are not signatories of the Lomé Convention (EDF) or benefiting from the MEDA programme:

Afghanistan, Bangladesh, Burma, Bhutan, Cambodia, China, India, Indonesia, Laos, Malaysia, Maldives, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Vietnam and Yemen (19 States)

### **LATIN AMERICA**

Latin American developing countries which are not signatories of the Lomé Convention (EDF) or benefiting from the MEDA programme:

Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, El Salvador, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela, (18 States)

### **EDF**

the ACP States (Africa, Caribbean, Pacific):

Angola, Antigua and Barbuda, Bahamas (The), Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo (Brazzaville), Congo (Kinshasa), Côte d'Ivoire, Djibouti, Dominica, Dominican republic, Equatorial Guinea, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Jamaica, Kenya, Kiribati, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Papua New Guinea, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Solomon Islands, Somalia, Sudan, Suriname, Swaziland, Tanzania, Togo, Tonga, Trinidad and Tobago, Tuvalu, Uganda, Vanuatu, Zambia Zimbabwe and South Africa (71 States)



## Annex 3

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<b>Annex 4</b>
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**FORMAT OF PROGRAMME PRESENTATION**<sup>3</sup>

**Objective:**

**Outputs (results):**

**Gains (impact) for the Region providing the resources**<sup>4</sup>:

**Duration:**

**Milestones:**

**Location of research activities targeted by EC funds**<sup>5</sup>

**Users (Beneficiaries)**

**Linkages to CGIAR outputs:**

**2001 Budget:** EUR

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- ⇒ **PLEASE LET US HAVE ONE PROGRAMME DESCRIPTION PER SOURCE OF FINANCE (ASIA, LATIN AMERICA, MEDITERRANEAN AND A.C.P./EDF), WHICH MEANS THAT I.E. FOR A PROGRAMME FINANCED FROM 4 DIFFERENT SOURCES, WE NEED 4 DIFFERENT DESCRIPTIONS WHERE OBJECTIVES AND SOME OTHER ISSUES MIGHT BE THE SAME BUT WHERE GAINS FOR THE REGION, LOCALISATION OF ACTIVITIES AND USERS WILL BE DIFFERENT.**
- ⇒ **AVOID IN ALL CHAPTERS ALL REFERENCE TO GENETIC ENGINEERING AND COLLABORATIONS WITH CENTRES AND UNIVERSITIES IN THE NORTH. WITHIN EACH REGION, WE SHOULD NOT MENTION ANY LINKAGES TO OTHER REGIONS.**

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<sup>3</sup> 3 pages maximum

<sup>4</sup> Asia, Latin America, Mediterranean and / or A.C.P.

<sup>5</sup> countries per Regions (see above)