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**Charting the CGIAR's Future --**  
**Reshaping the CGIAR's Organization**

**2001 Financing Plan – TAC Observations**

## REPORT FROM TAC ON ITS REVIEW OF THE 2001 CENTRE FINANCING PLANS

### 1. Introduction

TAC 79 (25-29 September 2000 at IITA, Ibadan, Nigeria) reviewed the 2001 Financing Plans prepared by the CGIAR Centres. Most centres submitted their financing plans to the CGIAR Secretariat by the 8 September 2000 deadline. Financial analyses of the plans were then compiled and synthesized by the Secretariat and made available to TAC.<sup>1</sup> The Committee assessed the implications of the plans for CGIAR priorities and strategies, their consistency with the Centres' Medium-Term Plans (MTPs), their conformity with the 2001 Research Agenda approved by the Group at MTM'00, and the programmatic implications of potential financing gaps. TAC also analyzed Centres' proposals for new projects other than those endorsed in MTPs, with a view to assessing their consistency with the established criteria for CGIAR support to the Research Agenda: contribution to CGIAR goals, no alternative sources of research supply, international public goods character, and probabilities of success.

### 2. Overall Findings

TAC found that while there is broad congruence between centres' financing plans and the Research Agenda endorsed by the Group at MTM'00, some Centres face potentially significant financing gaps. The following changes from the MTM'00 approved allocations are apparent:

In terms of *Centres*, the budget shares of the CGIAR Research Agenda proposed by ICRISAT, ILRI and ISNAR are notably below Group-approved levels while those planned by CIAT, CIMMYT, IFPRI and IITA are above them.

For *Undertakings and Outputs*, compared to the approved levels, centres' financing plans imply relatively lower investment in Increasing Productivity, higher investment in Strengthening NARS, and near congruence for Protecting the Environment, Saving Biodiversity and Improving Policies. In terms of *CGIAR Logframe Outputs*, there is greater congruence between the approved levels and **financing plan proposals**, except in the case of Germplasm Improvement where the **financing plan is slightly lower** than the agreed level.

**The analysis by Sector** indicates that, compared to the approved levels, the 2001 financing plans imply relatively **higher** investment in Crops, lower investment in Livestock, lower investment in Water, and congruence for Trees and Fish.

For *Commodities*, within the Crops sector centres' financing plans imply the following investment trends:

- barley, soybean, lentils, maize, potato, sorghum, sweet potato, and yams are essentially on target;

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<sup>1</sup> See "Summary of the 2001 Financing Plans Submitted by the Centres," CGIAR Secretariat, October 2000.

- banana/plantain, beans, chickpea, coconut, groundnut, and millet are below Group-endorsed levels;
- cassava, cowpea, pigeonpea, rice, and wheat are above Group-endorsed targets.

Finally, planned financing of Systemwide programmes appears to be congruent with approved levels, except for Alternatives to Slash and Burn and the Systemwide Livestock Programme which show both significant financing gaps. TAC notes, however, that both the Systemwide Genetic Resources Programme and the Systemwide Programme for Integrated Pest Management, while budgeted at the approved levels, also face significant financing shortfalls.

### **3. Specific Observations**

Following are TAC's specific comments on individual centres' 2001 financing plans compared to the MTM'00-endorsed MTP. Discussion focuses, as appropriate, on relative divergences from approved centre shares and from allocations to CGIAR Undertakings, Activities, and/or Logframe Outputs; on changes of a programmatic nature considered significant in terms of TAC's criteria; and on potential fiscal risks.

#### **CIAT**

CIAT anticipates no significant programmatic deviations from the MTM'00-endorsed MTP. However, during 2001-2003 a significantly larger allocation is evident for Increasing Productivity (i.e., Germplasm Enhancement and Breeding), reflecting a priority emerging from CIAT's ongoing strategic planning. Protecting the Environment would significantly decrease from the 2000 estimated level during the Plan period. Most of this reduction would be in the Latin America Hillsides project owing to a decline in targeted support, a trend noted in TAC's commentary on the earlier Plan. CIAT's continuing emphasis on GIS, a key tool for the System's future work in both INRM and poverty alleviation, is to be commended.

#### **CIFOR**

CIFOR envisages no change in its project portfolio from the MTM'00-endorsed Plan. However, greater emphasis than originally proposed will be given to systemwide work to advance INRM, particularly to the development of research approaches and methodologies. CIFOR continues to provide significant technical and policy support to the international conventions/fora on forests, biodiversity, and climate change. As well, the Centre's INRM activities are responsive to the findings of TAC's review of ecoregional programmes.

#### **CIMMYT**

CIMMYT reports changes in emphasis within the framework of the MTM'00-endorsed Plan. Both conventional breeding methodology and functional genomics are being used in breeding for drought tolerance. Increased priority will be given to participatory plant breeding and to further

development and dissemination of Quality Protein Maize, particularly in sub-Saharan Africa. TAC commends CIMMYT for its development of Quality Protein Maize and its scientists for having been awarded the World Food Prize for this achievement.

## **CIP**

CIP identifies new 2001 activities in urban agriculture, strategic technology for disaster mitigation and the genebank investment plan, all within the framework of the MTM'00-endorsed MTP. Despite downsizing during 2000 to cope with unexpected funding reductions, no major programmes will be eliminated in 2001-2003. The projected prominence of roots and tubers for the coming decades, their importance to the poor, and the modest scope of alternative sources of supply strongly suggest continued CGIAR investment.

## **ICARDA**

TAC is pleased to note that ICARDA's allocation to water resource management will increase in 2001 over the 1999 actual and 2000 estimated levels, a need emphasized in its commentary on the MTM'00-endorsed Plan. A deviation from the approved MTP is evident in the decision not to increase work on the socioeconomics of NRM due to a funding constraint. The proposed centre share is below the approved level and will necessitate drawing upon reserves to finance the funding gap. Since in 1999 ICARDA's reserves showed a negative balance, TAC is highly concerned about this further reduction.

## **ICLARM**

Although ICLARM indicates its research plan remains the same as the MTM'00-endorsed Plan, its financial report reflects a significant shortfall in 2001 due to loss of EU unrestricted support. This, in turn, will result in programmatic reduction in Protecting the Environment (conservation of aquatic biodiversity and coral reef degradation projects), although Improving Policies receives a significant increase (monitoring and evaluation). ICLARM's innovativeness in maintaining programme and much of its database operations through the move of its headquarters is to be commended.

## **ICRAF**

ICRAF's MTP remains unchanged from the MTM'00-endorsed Plan. However, the Centre indicates its programme may need to be adjusted as investors firm up their commitments. No details are available to TAC as to how potential adjustments would be prioritized. The Committee notes that ICRAF's heightened emphasis on INRM is in line with TAC and CGIAR strategic priorities. It commends the Centre's response to EPMP recommendations in terms of initiating marketing research and development work in Africa in collaboration with R&D partners

## **ICRISAT**

ICRISAT's proposed programme remains unchanged from its MTM'00-endorsed Plan. TAC notes that ICRISAT is developing a strategic plan which involves a project to analyze alternative future scenarios for the semi-arid tropics. TAC considers this timely and potentially relevant to the CGIAR's future strategy.

## **IFPRI**

IFPRI's proposed programme reflects no major changes from its MTM'00-endorsed Plan. TAC applauds IFPRI's managing role in the TAC/SPIA-led assessment of the impact of CGIAR research on poverty reduction, an activity that will, among other things, enhance the System's capacity to target research more effectively to the type and location of poverty.

## **IITA**

IITA has consolidated its research portfolio compared to its MTM'00-endorsed Plan. While the changes are unlikely to affect the overall content and direction of the research agenda, the revised Plan reflects significantly reduced 2001 allocations for IPM-related work, with most of the reduction affecting the Systemwide Programme for Integrated Pest Management. Allocations for postharvest technology research and molecular and cellular biotechnology for crop improvement are also substantially lower. These reductions result from anticipated shortfalls in restricted core financing which the Centre is working to redress. TAC expresses its continuing concern over the funding shortfall in IPM research. The decentralisation of IITA's programmes warrants attention as a potential model of future Centre programme structure in addressing INRM and poverty issues on a regional scale.

## **ILRI**

ILRI's Plan envisages significantly increased emphasis on research for East Coast Fever vaccine, including sequencing the genome for *Theileria parva*, an organism that causes the disease. This change responds to the findings of a CCER and would involve a shift in resource allocation away from trypanosomiasis vaccine research. The 2001 allocation to Livestock Health Improvement reflects a slight decline from the 2000 estimated level, although an increase is planned for integrated disease control research in 2001-2003. Funding for the livestock sector and for ILRI still remains below approved levels. TAC emphasizes in this context recent IFPRI/ILRI research pointing to a doubling of future demand for meat and milk in developing countries and hence the need to anticipate the research needs of this "livestock revolution."

## **IPGRI**

IPGRI forecasts no significant deviations in 2001 from its MTM'00-endorsed Plan, provided current funding expectations are met. However, the Systemwide Genetic Resources Programme (SGRP) convened by IPGRI is faced with significantly lower unrestricted funding. A substantial

financing gap in 2001 must be closed for the Programme to be fully operational. IPGRI draws the attention of the FC and Members to the seriousness of SGRP's situation in the short and long term. TAC commends IPGRI and the SGRP for the Systemwide review of investment needs for bringing Centre germplasm collections to an acceptable standard. The Committee recommends that, pending decision-making on CGIAR structure at ICW'00, the investments called for in the Genebank Investment Plan be revisited in terms of the Systemwide and Centre level funding mechanisms for the in-trust collections.

## **IRRI**

IRRI has restructured its project portfolio through a strategic planning process initiated in early 2000. The new programme structure recombines existing projects along the lines of the CGIAR's new mission emphasizing enhancing productivity and sustainability in favourable and fragile environments, strengthening linkages between research and development, and conservation/evaluation of genetic resources. The revised Plan responds proactively to the new CGIAR Vision and Strategy by creating greater synergy between existing projects. TAC appreciates the thoroughness of presentation of IRRI's financing plan.

## **ISNAR**

ISNAR reports slight adjustments to its MTM'00-endorsed Plan, one which had reflected a significantly reduced project portfolio owing to loss of unrestricted support. New restricted funding and Finance Committee support will add activities in the areas of evaluating the impact of capacity development, agricultural science and technology indicators, the Central Asia Caucasus initiative, and assistance to SPAAR and FARA. While increased restricted funding addresses priorities identified by TAC in its commentary on the earlier Plan, ISNAR continues to face a significant shortfall in support for its core programme.

## **IWMI**

IWMI anticipates no substantive changes to its MTM'00-endorsed Plan. The Centre, under a new Director General, is currently redefining its strategic plan. TAC expresses its concern that IWMI and, more broadly, the water sector continue to be under-invested. TAC commends IWMI for developing the Global Water Supply and Demand Model as its main input to the Second World Water Forum.

## **WARDA**

WARDA projects no programmatic changes from MTM'00-endorsed Plan. TAC is encouraged by the significant improvement in WARDA's financial position and notes that it is now reinvesting in its previously negative reserves. TAC commends the Centre for its successful hybridization of *Oryza sativa* and *O. glaberrima*, a breakthrough that has large potential impact for smallholders in West Africa.

#### 4. CONCLUSIONS

TAC certifies to the Finance Committee that the 2001 financing plans for all centres are broadly congruent with the Research Agenda endorsed by the Group at MTM'00. Divergences by *Centre* shares remain unchanged from the approved plan. Allocations to *Activities*, *Undertakings*, and *Outputs* are also unchanged except that Protecting the Environment, Improving Policies, and Saving Biodiversity are now more nearly congruent with approved levels compared to the earlier proposals. Similarly, planned allocations to *Commodities* and *Sectors* remain roughly as proposed in March.

These trends prompt TAC to reiterate to the Group some of the broad concerns which it raised in its analysis of the 2001 Research Agenda endorsed at MTM'00. These include the continuing shortfall in investment in germplasm improvement at a time when new developments in molecular genetics offer opportunity for breeding for traits to overcome yield and productivity constraints in favourable and less favourable environments, continued imbalance in the commodity crops portfolio paralleled by under-investment in livestock research at a time when 2020 demand projections call for substantial production increases in the developing world, and relative under-investment in water management research at a time when lack of access to fresh water is rapidly becoming a key constraint to global food production.

Finally, TAC draws the Members' attention to the shortfalls in Systemwide programmes noted in Section 2. Given the heightened emphasis which the CGIAR is placing on inter-centre cooperation in the context of its 2010 Vision and Strategy, the Committee believes that these programmes warrant stronger Member support.

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