

TAC Chair's Report (ICW97)  
Thu, 30 Oct

Mr. Chairman, colleagues, ladies and gentlemen, it is a pleasure to report on TAC's activities since the mid-term meetings in Cairo. A major development at those meetings was the decision to form two panels charged with counseling the Group as it considers policies dealing with applications of biotechnology and with intellectual property. Let me open my report, then, with some comments on the panel.

Since Cairo, you have received several messages from TAC and the CGIAR Secretariat inviting you to participate in forming the panels. On Tuesday both panels reported, with each emphasizing the major issues that should concern the CGIAR as it formulates policy along with a description of the process through which those issues will be pursued. During the course of the parallel sessions members had the opportunity to comment on the issues and to add others to the set to be reviewed. Later today we will hear reports from the parallel sessions; presumably these will include additional issues of common concern. As for the future, with the major issues identified, the panels will study each in the context of the CGIAR's goals, will frame options for dealing with each, and will make recommendations about which options might be preferred. Those reports will be presented in the course of MTM98. At the time, TAC, aided by consultants, will be present a commentary on each report. Other stakeholders might want to do the same. My sense is that the work of the panels is moving along well.

Now to a theme related to finance, TAC's view on the 1998 center financing plans was discussed earlier this morning. I want to add that TAC is impressed with the progress that has been made in financial reporting, sees that progress as resulting from interaction between the CGIAR Secretariat, the centers, and TAC, and notes (but not with surprise) that the elements of the System work well together when motivated by a common cause. The quality of the information now available greatly enhances transparency in decision making by the centers and by the System. That's good. Know that all of us are working to make it even better.

In the past few months, TAC has initiated work on three studies and has restructured its approach to a study launched earlier. The study dealing with Latin America was revisited at TAC 73, starting with a review of the results of a desk study and moving on to a report on process by the study director, Dr. Lucio Reca of Argentina. While continuing to pursue an assessment of the complementarity of centers' work within Latin America, the noteworthy development of regional associations there has led TAC to give increased importance to an assessment of the relationships among centers and those regional associations along with assessment of the prospects for more horizontal collaboration among NARS. Dr. Reca, assisted by consultants, will report to TAC in March 1998.

TAC has endorsed a study on the efficacy of the eco-regional approach and Systemwide activities it serves, identified a chairman (Dr. Ted Henzell of Australia will play that role), and laid out the modus operandi. The study will assess how well the approach has performed in linking strategic and applied research on the management and conservation of natural resource with efforts to increase productivity. The need for such a review was discussed in TAC's 1997 paper on CGIAR Priorities and Strategies, Chapter 7.

TAC has made good progress on initiating the external review of the Systemwide Genetics Resources Program. The terms of reference have been established and negotiations relevant to identifying a chairperson are underway. This is TAC's first review of a Systemwide program and we anticipate that it will present new challenges to the review process.

Finally, TAC has decided to extend the work on marginal lands undertaken by the panel chaired by Dr. Michael Nelson of New Zealand and Chile. The aim now is to adapt the useful taxonomy framed by the Nelson panel to an analysis of the relationship between poverty and land type and between poverty and its implications for the health of natural resources. The analysis will feature marginal areas, rest on existing data, and actively incorporate the expertise of others pursuing similar themes.

You will know that external reviews are now underway at CIMMYT, IFPRI, and IRRI. In each case the reviewers are giving added emphasis to the extent and the character of collaborative arrangements, to evidence of attention to alternative sources of supply, and to the congruence between center and System priority setting. And, in the case of CIMMYT and IRRI, special attention is being given to biotechnology and to their emphasis on pre-breeding. As well, TAC is setting up for the impending reviews of CIFOR and ICRAF.

TAC, the CGIAR Secretariat, and IAEG are continuing the work on a log frame for the CGIAR and on revising the classification of activities. You'll recall that, since the beginning, the effort has involved stakeholders from most parts of the System. On the immediate horizon is more work on milestones—how can we make them better and more uniform across the centers—and on indicators for activities—these will contribute to a more effective assessment of impact. We continue to count on the active participation of centers and members and the support of Germany.

Finally, we have talked with you in the past about the importance of focusing TAC's attention on issues of strategic importance to the System and to TAC's own activities, but have recognized that the urgent was limiting our capacities to do. During the past 18 months we have asked many for suggestions about such issues and at TAC 73 we settled into a serious discussion about which of them should be tackled first. Three sets of themes emerged. The report on TAC 73 will cover them in some detail. For now let me just offer some summary statements. The first theme deals with the likely changes in the list of international public goods, and what will be the implications for CGIAR expand beyond international public goods, and what will be the implications for CGIAR assets and for its list of preferred activities? The second considers the role of the CGIAR in strengthening NARS, is it appropriately defined, given, e.g., regional associations and new opportunities through information technology? The third theme deals with how we choose among alternative collaborative arrangements, which of the options works most effectively under what circumstances? TAC will move in the very near future to organize study of these issues with the participation of TAC members, TAC Secretariat, and consultants. In addition, TAC identified four themes with great significance for TAC's decision making and will pursue those on a "most needed" basis.

TAC's next meeting will occur at ICRISAT in late March of 1998 and the agenda will feature the themes I have just described.

Mr. Chairman, this concludes my brief presentation. I am happy to answer questions you or the members of the Group may wish to raise. Thank you for your consideration.

1999 Research Directions  
TAC Chair presentation at ICW97, 30 Oct

This morning I would like to share with you TAC's proposals for dealing with the 1999 program and budget proposals. This is largely a description of process, given that 1999 is viewed in the context of the MTPs already endorsed for 1998-2000. TAC will consider Center proposals for 1999 in March '98. Also, since we now have medium-term plans rolling annually with a three-year horizon, TAC will review initial Center program and budget proposals for the year 2001.

For the 1999 proposals, TAC will be looking particularly at programmatic changes, comparing those with the Center's MTP. Proposed new projects will be reviewed with respect to their consistency with the criteria for inclusion in the Agreed Agenda. TAC will also screen proposals for consistency with the Group-endorsed recommendations on CGIAR priorities, and ensure that change is taking place in the broad strategic directions that have been endorsed on activities (for example, "Is there more work on pre-breeding?"), commodities (wheat, banana), production sectors (more for livestock), systemwide programs or other priority areas such as water management. As you know, the Group agreed that during 1999, we would incorporate 30% of the changes recommended for 2000 as compared to 1997. (10% during 1998, 30% during 1999, and 60% in 2000.)

Centers will be asked to submit their proposals by the first week of March 1998, to enable the TAC and CGIAR Secretariats to undertake an initial analysis in advance of the TAC meeting. At this time, TAC assumes that the CGIAR budget for the 1999 Agreed Agenda for research will be in the order of \$350 million. As usual, the CGIAR Secretariat will send out guidelines for the preparation of 1999 proposals, which will also include budget information during the course of November.

Finally, I want to point to the effort to bring further improvement to the presentation and to the process of monitoring. As part of our work on the new CGIAR logframe, we will be reviewing in December ('97) the project milestones Centers are currently using and will provide feedback to the Centers in time for them to further improve their presentations in March.

Thank you.

## REPORT FROM TAC ON ITS REVIEW OF THE 1998 CENTRE FINANCING PLANS

### 1. Introduction

At TAC73, which was held from 24-26 September 1997 at IFPRI, Washington, DC, the Committee reviewed the 1998 Financing Plans prepared by the centres. A Working Group, consisting of the TAC Chair, three TAC Members and TAC and CGIAR Secretariat staff, met on 21-22 September to undertake preliminary work to facilitate this review. Specific attention was given to the implications of these financing plans for CGIAR priorities and strategies, their consistency with the centre Medium-Term Plans (MTP), TAC and the Group's recommendations thereon as agreed at MTM97, and the programmatic implications of potential funding shortfalls. TAC also carefully screened new projects proposed by the centres, other than those already endorsed through the MTPs, as to their consistency with the general criteria for CGIAR support to the research agenda (international public goods nature of research and within the framework of CGIAR priorities and strategies).

Centres had submitted their Financing Plans to the Secretariats by the deadline of 15 September and this information was subsequently compiled and synthesized by staff of the CGIAR Secretariat. Where necessary, centres were contacted to provide additional information or clarifications. TAC was very pleased to note that centres, without exception, were very supportive of this exercise, that the quality of proposals had greatly improved compared to last year, and that the comprehensive information now available through the project management mode greatly facilitates decision making and the transparency thereof.

### 2. Overall Findings

A summary of investment proposals and implications for funding had been prepared separately by the CGIAR Secretariat so that information will not be repeated here.<sup>1</sup> The total investment for the 1998 Research Agenda as requested by the centres is US\$ 378 million. On the basis of the Financing Plans submitted, centres estimate secure 1998 support to total US\$ 329 million with another US\$ 35 million still under discussion and not yet secured. If centre-earned income, estimated at US\$ 14 million, is added, it would appear that CGIAR investment will possibly reach the aggregate level originally recommended.

TAC was pleased to note that at the Systemwide level there was broad consistency between the Financing Plans and the Committee's recommendations on CGIAR priorities and strategies. As indicated in Table 1, the implications of the Financing Plans are an investment of 38% of CGIAR resources to increasing productivity (as compared to the 39% recommended by TAC at MTM97), 18% to protecting the environment (same as TAC's recommendation), 10% to saving biodiversity (as compared to 11% recommended by TAC), 12% to improving policies (same as TAC's recommendation), and 22% to strengthening NARS (as compared to 20% recommended by TAC). The Committee is satisfied by the broad consistency of the Financing Plans with its recommendations on priorities for CGIAR activities. The difference between the TAC recommendation and the actual allocation to activities on strengthening NARS (20% versus 22%) is largely due to a projected increase in investment in institution building activities and in institution building networks (both from 3% to 4%). On the basis of the evidence available it would appear, however, that a number of research networks have been inadvertently classified under this category rather than under the research activity concerned. TAC is pursuing this question with centres.

Table 1: Allocation of CGIAR Resources by Activity  
(% of Research Agenda)

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<sup>1</sup> CGIAR Secretariat, 1997. Summary of 1998 Financing Plans Submitted by the Centres.

	1996 (ACTUAL)	1997 (ESTIMATE)	1998 (TAC)	1998 (FIN. PLANS)
1. Increasing Productivity	40	37	39	38
1.1 Germplasm Enhancement and Breeding	18	17	18	18
1.2 Production Systems	22	20	21	20
2. Protecting the Environment	16	18	15	18
3. Saving Biodiversity	11	11	11	10
4. Improving Policies	12	13	12	12
5. Strengthening NARS	21	22	20	22
Training	8	8	9	9
Doc/Pub/Info	6	6	5	5
inst. building/advice NARS	4	4	3	4
Networks	4	4	3	4
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Due to rounding, numbers do not always add up to 100.

Source: CGIAR

#### SECTOR ADJUSTMENTS

TAC is necessary concerned with the extent to which the aggregation of bilateral negotiations between centres and members is leading towards the balance among sectors endorsed by the Group at MTM96. Several concepts are relevant and are presented in the following table.

Table 2: Percentage of various budgets by sector

	Mar '97 Estimated	Oct '97 Estimated	Identified 1998 i/	Planned 1998 ii/	Endorsed 2000
Crops	68.6	69.5	70.7	69.5	66.2
Fish	4.2	3.7	4.0	4.5	4.9
Forest	12.2	11.8	11.7	11.2	12.2
Livestock	15.2	15.1	13.6	14.8	16.7

i/ Assumes only assured funding materializes for all centres

ii/ Assumes all funding planned by centres materializes

For now, the most relevant columns are the second, third (funding already identified), and the fifth (what the Group endorsed for 2000). The question is, how well are we progressing towards those goals? In making comparisons, recall that an increase in one percentage implies a decrease elsewhere because the sum must equal 100.

Fish is moving up as proposed – from 3.7% to 4.0% with a target of 4.9%. Forestry appears to have fallen back a bit rather than rising. Livestock has fallen back noticeably, from 15.1% to 13.6% while the plans call for 16.7% in 2000. Meanwhile, and we infer as a balancing effect rather than a designed effect, crops increased rather than decreased as projected to 2000.

## Commodity Profile

Following the framework used in TAC's CGIAR Priorities and Strategies paper (29 April 1997 – see Chapter 6 and Annex II) and based on data there and in the centres' 1998 budgets, it is possible to compare changes between 1997 and 1998 in the relative allocations to individual commodities and assess their congruence with the recommended balance among commodities for 2000 (TAC, p.67). This analysis relates to crop commodities only.

At MTM97, TAC made recommendations on 19 crops (see TAC, p.67), with increases (of more than US\$ 1 million) recommended for four commodities (banana/plantain, coconut, wheat, and yams), decreases (of more than US\$1 million) for five commodities (beans, cassava, cowpea, millet, and potatoes) and little change in the remaining 10 commodities. Comparing the change between the 1997 and the 1998 (identified funding) proportions, with the trend required to achieve the proportions recommended for 2000, suggests the following conclusions:

1. Six commodities are essentially on trend.
2. Eight commodities are below trend (are under-funded as compared with the adjusted goal for 2000 or counter trend).
3. Six commodities are above trend or counter trend.

Of special concern at this time are apparent shortfalls affecting banana/plantain, groundnut, millet, and sorghum; each is apparently moving away from the desired trend or is already well below its 2000 target. Also of concern at this time are cowpeas and potatoes – moving counter to the desired trend – as well as pigeonpeas and soya – already over-shooting their desired 2000 target.

Given that the MTP period has two more years to run, our concern need not suggest immediate action. However, it should orient member allocations among centres. (Note that three of the four under-supported commodities relate to ICRISAT.)

### 3. Specific Observations

Projected investment in livestock research and water management research will be well below the levels recommended by the Committee and hence not consistent with the high priority the CGIAR has assigned to these activities. Because of these concerns, TAC wants to bring the following thoughts to the attention of the Finance Committee. For the past few years TAC has made the case for increasing the proportion of the CGIAR investment in livestock and, more recently, in water as well. The Group has endorsed TAC's recommendations but individual members are not underwriting the endorsed levels of investment. At least three explanations fit this disappointing pattern. (1) TAC and others have not persuasively argued the case with individual member. (2) Individual members are not making evident their full views in Group discussions, so that Group support for these activities is more apparent than real. (3) Individual members agree that the two areas are important but some members do not feel that the centres involved will effectively meet the challenge. There might be other explanations for what TAC perceives to be an anomaly. TAC invites the Finance Committee's deliberation.

As for centres, TAC is particularly concerned about the projected shortfalls in funding for ICRISAT, ICARDA, ILRI and IIMI (in particular for the 'Women and Water in Irrigated Agriculture' project), and about what activities will be reduced if currently unidentified funding is not attained. With respect to the other centres, TAC has been assured that each has a rationale consistent with CGIAR priorities for dealing with funding shortfalls (i.e., where funding is at present unidentified) should they arise. While TAC broadly certified proposed new projects for their consistency with the criteria for overall CGIAR support, TAC is concerned, especially with new projects on technology transfer from IITA and CIMMYT. TAC has identified the issue to which it will give particular attention in due course. The Committee has also carefully looked at the implications of the Financing Plans for project milestones. An effort should be made to improve the consistency of the definition of milestones across centres and TAC will endeavour to provide support in this direction. The Committee will also provide further clarification of its definition of pre-breeding activities to facilitate monitoring of investments in this activity.

### 4. Conclusions

While TAC noted the overall consistency of the 1998 Financing Plans with discussion at MTM97 at the level of undertaking, the Committee expressed concern especially about the inadequate level of investment in livestock research and water management research and to changes emerging in the shares of some commodities. It re-affirmed its endorsement of projects already included in the MTPs and broadly certified new projects, but with impressions of concern for those of CIMMYT and IITA, for incorporation into the Agreed Research Agenda. Finally, TAC was greatly encouraged by the improved quality of the proposals and the thoroughness of the overall process, and applauds the centres for their efforts. The CGIAR Secretariat was commended for its excellent compilation and analysis of available information.