



FAO Headquarters, Rome, Italy

July 15, 2010

Summary of Decisions

The inaugural CGIAR Funders Forum took place at FAO Headquarters in Rome, Italy, on July 15, 2010. The Forum is a central pillar of the new CGIAR that provides an opportunity for all CGIAR Fund donors, Fund Council members, host countries of CGIAR Centers and Consortium headquarters, and bilateral donors to come together to discuss strategy and common issues. The first Forum provided an opportunity for donors to hear an update from the Consortium Board on progress in establishing the Consortium of the CGIAR Centers. Forum participants were pleased by the Consortium Board's achievements to date and plans for the coming months. The Forum also had a very constructive discussion on the Strategy and Results Framework (SRF), a key item on the agenda. Other topics discussed included the 2011 program costs and funding projections, System cost sharing modalities, and selection of the Funders Forum Chair. The decisions on these agenda items are summarized below.

Strategy and Results Framework (SRF)

- Donors commended the Alliance team for their presentation of the SRF, and showed appreciation for the concrete examples of impact pathways presented.
- Recognizing the important revisions to the SRF since GCARD, donors were in agreement that the SRF presented was not ready for endorsement by the Funders Forum. Donors commented on the need for revisions that would, among others, show: 1) a clear link between the SRF and the MPs, and clarity on need/rationale for thematic areas; 2) clear impact pathways; 3) how strategic choices will be made in the production of international public goods, including what the reformed CGIAR will not do; 4) how the CGIAR will interact with other stakeholders (especially the NARs, governments, and the private sector); and 5) some notion of advocacy to promote the Fund. These comments aimed at providing guidance to sharpen the document were well received by the SRF team.
- Donors agreed to accept the SRF as a work in progress, and noted that the fast tracked Mega Programs (MPs) could continue to be pursued for approval subject to final endorsement of the SRF.
- The Consortium Board, hereinafter called the Consortium, will take the lead in revising the SRF and will submit the revised SRF to the Funders Forum within the next 6 months.
- The Funders Forum will have an ad-hoc meeting to endorse the SRF.

- The Fund Office Communications team will prepare a short document to promote the new CGIAR at key events such as the UN Millennium Development Goals Summit in September 2010.

2011 Program Costs and Fund Projections

- The Consortium expressed concern over the gap between Center funding forecasts based on concept notes (over USD 800 M in 2011) and information from donors on their expected level of contribution to the Fund and the overall System. The Consortium, in the interim, asked Centers to work with a budget of USD 640 M for 2011, which will be reinforced to the authors of future MPs.
- The Consortium also indicated that the rate of donor disbursements in 2010 is slower than expected. There is concern in the Centers of an emerging liquidity gap that could affect Centers' operations. Donors were asked to disburse 2010 contributions as soon as possible using the same modalities as in 2009.
- The Fund Office presentation on expected funding through the Fund (all three windows) in 2011 – 2013 showed that at least USD 360 M is expected to go through the Fund in 2011. However, reliable estimates for 2012 and 2013 were not available since only a few donors were able to provide information on their funding for that period. The Consortium presentation on the CGIAR financing status overview for 2011 anticipated the total funding from Fund and bilateral sources to the CGIAR in 2010 and 2011 would increase beyond the 2009 total revenue of USD 606 M to the \$640 million indicated above --- an original estimate of the Fund Office based on available information at the time.
- Donors indicated that there is inherent uncertainty in public funds, given changes in governments, the financial crisis and other factors. At the same time, a number of donors indicated firm expectations for continued increased support and others were cautiously optimistic. While donors pledged continued support to the CGIAR, some indicated that they need clarity on the functionality of windows 1 and 2, as well clarity on the SRF and MPs status in order to justify an increase in funding.
- In the interest of transparency and mutual accountability, donors promised to provide better information to the Fund Office in order to allow the Fund Office to compile more accurate information to the Consortium on expected funding in the next three years, subject to the requests for clarity on windows 1 and 2 and assurance on the SRF and MP status.
- Questions on how to effectively address the funding quantum, sustainability and stability (e.g. through reserves), and the interim period of crossover between the systems were raised and the Consortium requested the Funders to consider the best approach to address these questions. The idea of moving to a pledging system with Promissory Notes was also put forth by the Consortium but no discussion took place of any alternatives proposed. The Consortium Board was encouraged to do a review of how reserves might be handled at the System level as a future agenda item for the Fund Council.

- Donors reiterated the importance for all to remain true to the full cost recovery principle.
- The Fund Office agreed to re-issue the funding projections survey to donors, in order to receive by August 2, 2010 a fuller picture of expected total contributions to the CGIAR (through the Fund and bilaterally) for the period 2011 – 2013.

System Cost Sharing Modalities

The Funders Forum agreed on a formula to equitably share the non-research cost burden. Two options were presented:

- Option 1: Two Ratios – one for Fund donors and one for bilateral donors
- Option 2: Single Ratio - for ALL donors

Option 2 was chosen¹, and will be calculated as:

Total approved Fund related & System budgets / Total projected Fund & bilateral contributions. This again assumes full transparency in donor reporting, including bilateral donors.

Selection of the Funders Forum Chair

Two options were presented for selecting the Funders Forum Chair:

- Option 1: Co-chairmanship by two Fund Donors—one from the South and one from the North—one that serves on the Fund Council and is familiar with issues and can bridge the various groups involved.
- Option 2: Chairmanship by Fund Council Chair in years that the SRF is expected to be discussed and endorsed, and co-chaired by two Fund Donors similar to Option 1 in non-SRF endorsement years.

The Funders Forum proposed and chose another option:

- Option 3: The Funders Forum will be co-chaired by the Fund Council Chair and a donor selected alternatively from the North and South. For the next Funders Forum, a donor from the South should be selected to co-Chair.

Note: The selected co-chair will be expected to work with the Fund Office to plan and develop the Funders Forum. The Fund Office will send a request to donors to nominate a co-Chair for the next Funders Forum.

¹ One donor requested that a reserve be placed on this option, subject to legal scrutiny.