

Response to ISPC and donor comments from CRP5 proponents

We wish to thank the ISPC, USAID and ACIAR for constructive reviews of the CRP and for the specific arguments raised. We agree with many of the arguments and suggestions. We note that many comments are supportive of the proposal although there is a need to pay additional attention to mainstreaming ecosystem services, amalgamation of some SRPs, the governance and management structure and explanation of the budget. In detailed comments below, we indicate how these will be addressed and bring attention to some key information in the document, which may have been missed and adds clarity to some of the specific items of concern. We have already initiated a process to refine and redraft the proposal by mid-August along the lines described here

We want to stress that the proposed process for initiation of the program has always involved inception workshops and refining of partnerships and issue foci at the Strategic Research Portfolio and regional level. Some issues of detail and complementarity with other CRPs cannot be addressed until these workshops have occurred.

We are convinced that with the modifications indicated below, CRP5 will be a major leap forward in the way that the CGIAR and partners tackle natural resource management and environmental issues related to agriculture and poverty in the developing world. The very fact that 13 centres, the CPWF and their partners are combining natural resource management activities is surely evidence of the reform process taking effect.

Given the above points, and the size and complexity of CRP5, we are concerned that significant delay in approval will hinder progress and dampen enthusiasm amongst all partners.

Specific responses to the ISPC

1. *Develop a framework to establish research priorities and a SRP portfolio to address them based on formulation of hypotheses about the causes of constraints and their potential solutions. In developing hypotheses, objective evaluation is preferred to one that accepts assumptions underpinning current activities.*

This was always intended to be a two stage process, but perhaps not made explicit enough in the document. Initially this involved the definition of key issues based on workshops held with stakeholders and partners in all major regions. These were complemented by e-consultations. For each SRP we then went through a process which asked which issues were amenable to research and development, what is the justification for this, what are the lessons learned from the literature on the issue, what might be the change pathways through which we would could leverage significant change in behavior and policies and what are the hypotheses (research questions) to be tested. In essence, our hypotheses are the defined theories of change which seek to challenge the *status quo*.

We concur that, as yet, we have not developed a strong enough research prioritization framework across the CRP. It is intended that this will be developed in a CRP inception phase with the work being guided by a combined Science and Impact Advisory/Steering Committee, who will take on ownership of this issue. Highly relevant to the prioritization process are the strategic objectives of the CGIAR Strategy and Results Framework and potential research impacts (benefits) on environment, poverty and food security. We will also take into account proposed scientific partnerships' ability to deliver (i.e. capability) as well as issues of integration across the CRP, *ex ante* impact assessment, our ability to measure outcomes and gender and equity considerations. We argue that it is not possible to do all this in detail until we can hold project inception workshops that also consider linkages with the other CRPs

that are being developed simultaneously and particularly those focusing on regional systems, commodities, climate change and forests and trees. These workshops are critical to building working partnerships and building community and stakeholder participation.

2. *Narrow the focus and improve the clarity and plausibility of SRP research outputs and outcomes, and the descriptions of the impact pathways; carefully consider the time and skills needed to achieve the expected outcomes.*

In part, we believe that we have already distilled down a number of potential critical pathways from a much wider set. The process for hypothesis formulation described above has already allowed us to narrow down focus on issues where there is a research gap to be filled, and where research could make an impact on development issues. The outcomes of this process and impact pathways are listed as year 6 deliverables, and they represent the new program ideas. They were developed independently from the existing programs. We agree to remove from the proposal short-term outcomes that relate to terminating projects except where these contribute to key new foci.

During the inception phase we intend through a participatory process involving local communities and stakeholders to prioritize which theories of change will be tested in which regions. This will lead to further research focus and ensuring that we have appropriate capacity to deliver the key outcomes. This will be addressed partly as described below in proposed action to respond to comments 4 and 5, in which a smaller set of more integrated SRP's and clearer metrics are developed.

3. *Clearly identify what is new and the value added contained in the SRPs compared with existing Centre and Challenge Program work, and provide an appropriate plan for phase-in of new and phase-out of current activities.*

We feel that the ISPC has somewhat overlooked the fact that what is, above all else, a value adding activity, is that virtually all the CG Centers are joining forces to deliver a coherent program on natural resource management in a way that has not been attempted to date. As indicated above, we will remove references to terminating R&D outcomes and focus on the new.

Much NRM and environment science is evolutionary and builds on past findings and implementation of policies. To abandon all of this would be “throwing out the baby with the bathwater.” Thus in CRP5 we are aiming to strike a compromise of building on past achievements. The year 1 budget presented contains very high levels of bilateral funding for current projects. Whilst we expect that an equivalent level of bilateral support will be maintained into the future, the distribution to different SRPs will change as we prioritize new directions. This prioritization will be done by the combined Science and Partnership Advisory/Steering Committee based on alignment with the strategic objectives of the SRF (food security, poverty alleviation, and environmental sustainability), scientific quality, potential impact and other relevant factors.

4. *Develop a more coherent and systematic organizing structure to achieve better integration across Basin, Irrigation, Rainfed and Groundwater SRPs because solutions to constraints within each are interconnected. Consider a —nested SRP structure with Basins as the highest order, with Irrigation and Groundwater (merged) and Rainfed and Pastoral Systems (merged) underneath. SRPs on Information and Resource Recovery and Re-use might stand alone or their components could be integrated into the other SRPs.*
5. *Mainstream the ecosystem services perspective across all SRPs; give greater attention to better understanding trade-offs between productivity and other environmental services.*

It was always the case, but perhaps not stated clearly enough, that CRP5 has an integrating framework that uses basins/landscapes as the integrating spatial unit in which the work on irrigation, rainfed/pasture systems and resource recovery will be “nested” (this clearly differentiates it from the commodity and

regional agricultural systems CRPs). Work on ecosystem services and resilience will be mainstreamed across all SRPs. The Natural Resource Information Systems SRP will develop methods for integration and presentation of outputs and be a basis for out-scaling results. In this way CRP5 will be able to assess quantitatively productivity versus ecosystem services trade-offs for critical agro-ecosystems. Thus the revised SRPs are:

- Basin and Landscapes
- Surface and Groundwater Irrigation Systems
- Rainfed and Pastoral Systems
- Resource Recovery and Reuse
- Natural Resource Information Systems

SRPs will work in the context of expected impacts from global change (in trade and markets, competition for water and land, and demographic and climate change) and impacts from agricultural policies and management practices on the natural resource base and ecosystem services. Much of the information on global change can be drawn from other CRPs, for example, regarding climate change. SRPs will also focus on how productivity increases can be achieved without environmental trade-offs.

We believe that organization along these lines not only provides a very strong differentiating factor between this and other CRPs. Our analysis suggests that it also identifies a clear niche for the CGIAR in which we have comparative advantage compared with the NARES and most other research providers.

The CRP is designed to focus on sustainable natural resource systems that increase agricultural productivity but at the same time maintain the stability and reduce the systems' vulnerability to future changes and shocks for small scale agricultural producers. We agree that there is a need to give greater attention to better understanding the trade-offs between productivity, resilience and ecosystem services in agricultural ecosystems (agro-ecosystems). To achieve this end, means taking into account not only the better management of water and land resources at the farm and landscape level, but also the consideration that the biotic diversity components within agro-ecosystems are, themselves, a natural resource that can be used to sustain resilience and ecosystem services. There is a significant amount of research on how natural ecosystems provide ecosystem services, but comparatively little work on valuing the ecosystem services that agro-ecosystems provide, particularly the regulating and supporting services. Part of the innovative research of this CRP will be research into understanding (i) at what levels and scales do the components of agro-ecosystems provide the ecosystem functions and services that enhance long term sustainability and help reduce poverty, and (ii) what management practices can create and enhance these services under changing production and environmental conditions? Ecosystem services will thus become a cross-cutting issue, with a core set of research topics/questions to integrate issues of ecosystem resilience and vulnerability across SRPs, and to draw out global public goods. In this way we will make sure these issues, and new innovative research questions that may arise concerning resilience and ecosystem services do not get lost. This will be facilitated by the development of improved metrics to value functions and services of agro-ecosystems at various levels and scales, aiming at increased resilience, to be discussed at the ISPC NRM workshop in Beijing later this year. Similarly, we are keen to incorporate recommendations from the ISPC Stripe Review of NRM, which is currently underway. Furthermore the Information SRP is already designed to facilitate the measurement and monitoring of change via sentinel sites and remote sensing monitoring systems.

6. *Clarify the value added of research activities in the Rainfed SRP, including much stronger linkages between research outputs and production of IPGs. Because SRP-Rainfed represents 27% of the total*

CRP5 budget, the IPSC suggests substantial scaling back and tighter focus of proposed activities under this SRP.

The size of each program was based to a large extent on existing (2010) bilateral funding because the Consortium Board argued that all work relevance to the SRF should be included in the CRPs. Presently there is a lot of work contained in the Rainfed SRP, thus the budget is so high. However, this proportion is unlikely to suddenly drop given importance of the rainfed program for sub-Saharan Africa and for Asia, and the proposal now to mainstream work on ecosystem services (see remarks on comment 5). Note also that we have included small scale integrated water and land management here, an important point for our vision of how irrigation could sustainably develop within sub-Saharan Africa and other regions. With the enhanced budget scenario we have in fact indicated a slower growth for rainfed in comparison with other SRPs. In general we agree that this SRP needs revision, refinement and a tighter focus and can be merged with the pastoral systems SRP. A specific response on this suggestion will be based on the re-organization and prioritization as described previously, and may include scaling back of some activities. Fundamental to this area will be to develop understanding of how improved soil fertility and management and remediation of degraded soils create flow on benefits to productivity, cropping as well as pastoral systems, livelihoods and ecosystem services.

7. *Explicit linkages are needed between the Pastoral SRP and other CRPs with livestock systems research components.*

We will ensure linkages between pastoral research in CRP 5 with livestock related activities in other CRP's in two ways. Firstly we will strive to implement the pastoral research in CRP 5 in the same geographical area as the research CRP 1.1 and CRP 3.7. Secondly, ILRI will see to it that the pastoral research in CRP 5, which focuses on biophysical constraints in rangeland production systems, will be complementary to and create synergies with the work on livestock value chains in CRP 3.7 and on vulnerability of socio ecological systems in CRP 1.1.

8. *Coherence and coordination are needed across CGIAR and CRP sentinel research sites to ensure the best underpinning science is used for effective and efficient metrics and monitoring of current status and trends in water, soils, and biodiversity resources as affected by agriculture.*

We agree. This is another reason why this CRP needs an inception phase in order to coordinate with the other CRP teams working in the regions that we will be working in. The need for greater interaction and formal linkages to other CRP's is mentioned in many places in the document (and indeed reviews of other CRP's). In general this is an area where significant synergies and efficiencies are possible for the CGIAR overall, but are not yet realized in current proposals. Specifically many CRP's have stand-alone plans for regional diagnostic, prioritization and leadership. Most importantly with respect to CRP 5, CRP 1's include a major effort to build/enhance an impact pathway of partnerships on the ground in each focus area, and provide systems analysis and priority setting. A formal arrangement between CRP 5 and CRP1.1, 1.2 and 1.3 to share in this regional leadership and priority setting will lead to stronger interaction and synergies. This idea is implied in CRP 5, by proposing to have appropriate CGIAR centers take leadership in various regions, and if favored, can be formalized in consultation with CRP 1.1, 1.2 and 1.3 during the inception phase. In addition joint design of CRP5 sentinel sites within CRP6 proposed sentinel landscapes is already slated under linkages with the Information Systems SRP and a meeting on this topic is scheduled in late September at CIFOR.

9. *A vision for irrigated agriculture to support agricultural development in SSA, and how CRP5 can facilitate it, is needed in a revised proposal.*

We agree with this point. There is a very positive environment for irrigation development in sub-Saharan Africa, where significant under-exploited fresh water resources exist (surface and ground water) and regional programs and national policies in many countries support large-scale development of irrigation. The irrigation story for SSA is very poorly understood. Recent evidence demonstrates how water extraction is booming through farmer driven initiatives that are currently under-appreciated and unrecognized, managing small reservoir systems as multiple use systems, and expanding and diversifying around command areas that are at the same time often 'underperforming' according to original plans. National contexts are highly variable and any vision for SSA has to take account of the contextual factors that constrain success. Significant lessons from Asia exist to apply in this regard. Development of large and small-scale irrigation is one of the biggest impacts people have on natural ecosystems, re-allocating water on a large scale and altering hydrologic cycles. However, finding the entry point for maintaining natural resources within food security and national economy driven development processes is a major challenge. These points, a specific vision for SSA, CRP's role in achieving that vision, and a focus on ecosystem services (point 5) will be addressed in the revision of an integrated Irrigated and Groundwater SRP. Generally, we are not convinced, given the lessons of history, that a straightforward major large-scale, public irrigation development approach as done in Asia will work in SSA. We consider that a more sensitive approach to agricultural water management is needed that looks at the possibility of improving water access for supplementary irrigation to suitable rainfed systems is also a potential winner. This point is being addressed in rewrites of the Rainfed and Pastoral SRP and Irrigation and Groundwater SRP. We will also address this and other pertinent political economy drivers in the introductory part of the proposal.

10. *Proposed research and development partnerships should be better justified and integrated into the narratives, including defining a modus operandi and comparative advantage.*

We think that the reviewer missed some of the key points made in the text with regard to this area. The proposal lays out a partnership strategy and method of partner selection. This is based on the theory of change and impact pathway, and basically says that we will pick the most suitable partners based on the problem developed. The implication is that many of the key program partners need to be chosen during the inception phase. We have listed potential partners under each SRP. Regional inception workshops will further refine these lists and the specific roles of partners.

11. *Program management and governance should give greater emphasis to management effectiveness rather than cost. Proponents might consider merging the Scientific and Impact Advisory Committee with the Steering Committee. Because successful implementation of CRP5 depends on the effectiveness of SRP and Regional Site Managers, explicit procedures are needed for monitoring performance and supporting these managerial positions. An independent oversight body is lacking and should be incorporated into the governance and management structure.*

Management can be both lean and effective. However, given that we are reducing the number of SRPs it is now feasible to review the composition of the Management Committee. Our view is that given the matrix of SRPs by regions the SRP leaders and key Regional Directors have to be on the MC. Regional Directors will be based in our major basin and landscapes once these have been finalized in the inception phase. Consequently, we will have a Management Committee consisting of:

- The Program Director (supported by a PA)
- Program Manager (Senior Administrator)
- Impact and M&E specialist
- 5 SRP leaders

- 3 Regional Directors

These positions will be filled through a process open to partners and external applicants when required. Cross-cutting task forces to ensure adequate treatment of ecosystem services, governance issues and gender and equity will be established. These individuals may be coopted on to the Management Committee if this is found to be desirable. The focus of the MC will be on development of coherent, appropriately resourced work programs, ensuring that the integrative and overarching aspects (G&E, and Ecosystem Services) of the CRP are prominent in these programs, impact pathway development and oversight, monitoring and evaluation and communication (see Table on following page).

We agree with the suggestion of the ISPC to merge the Science and Impact Advisory Committee with the Steering Committee. This would form a high level oversight committee that would provide advice to the management committee and IWMI Board on prioritization, programmatic strategy, science quality and partnership effectiveness. It would consist of 6 – 8 independent members (including a GFAR representative) and 6 CGIAR members from the major partners. We do not believe that this body needs to be totally independent for the following reasons. First, while some independence is needed, experience in CPWF has demonstrated that ownership by main program stakeholders (re-introduced into CPWF governance in 2010 through an Advisory Committee composed by program insiders and outsiders) has improved the guidance of CPWF. Secondly, we believe that the ISPC and the independent evaluation mechanisms proposed by the Consortium Board and Fund Council will bring in a degree of fully external oversight and review. Thirdly, the IWMI Board is concerned that a totally independent Steering Committee could potentially usurp the lines of responsibility and accountability that lie with the lead center. The combined oversight committee will be responsible for prioritization, strategic direction setting, partnership effectiveness and science quality. It will be co-chaired by an external member and the IWMI Director General.

Whilst not a governance mechanism per se, we are also proposing to have a biennial Stakeholder Forum for all partners, contributors and donors in which the focus would be on scientific progress and outcomes, but in which we would also reserve an afternoon for broader questions that stakeholders may want to raise about strategy, partnership, out-scaling of results and IPGs etc.

Responsibilities and Accountabilities of the various governance and management levels in CRP5

<i>Lead Centre DG and Board</i>	<i>Oversight Committee</i>	<i>Management Committee</i>	<i>Partners</i>
Legal accountability	Strategic Directions	Program delivery and outputs	Project execution
Fiduciary accountability; Overall reporting on Program budget to FC and CB	Development of the prioritization process for the CRP	Budgeting and financial management; Establishment and oversight of cross-cutting task forces	Reporting against budget
HR and Financial Policy Development	Effectiveness of Partnerships	Resource mobilization	Assistance with resource mobilization
Risk and Compliance	Science Quality	Partnership management strategies; Capacity building strategies	Engagement with local communities and stakeholders
Development of Performance Agreements		Strategies for integration across basins/regions and SRPs	Regional integration at project and output level
Appointments and HR management; Dispute resolution processes	Dispute resolution advice	Program reporting to CB and FC via Lead Center	Project reporting
Input re lead center interests into strategic direction setting		Monitoring and Evaluation of progress Impact Assessment	

Additional Responses:

- CIMMYT

CIMMYT have expresses an interest in joining the program. We are negotiating with them on where the key linkages will be between in-field production and landscape impacts of wheat and maize production.

- IPGs

“it is difficult to find research outputs that can be considered IPGs” – we really don’t agree with this and it probably depends on one’s point of view of IPGs. Jim Ryan, in a 2006 paper produced for SPIA, argued that “for the CGIAR the most relevant are the regional, international and global scales, as it is an international organization.” He defined these as:

- regional -- available to two or more contiguous countries within a geographic or political environment;
- international -- available to two or more countries across geographic, political or continental divides;
- global -- available to all countries.

Our view is that technical methods and models, economic models and social analyses that can be adapted to policy making, business models for resource recovery/reuse and information products including GIS and databases that are focused and/or adaptable to the above geographic concepts can all be considered as IPGs.

- **Budgetary issues:**

The budget as presented was predicated on information as of end 2010 figures based on actual unrestricted and bilateral funds with an annual increase of +5%. Following instructions from the Consortium Board, we included all relevant current work in the CRP. This inevitably skewed the initial accounting base. The majority of the \$17.4m “gap” indicated the new funds required for management/coordination and to deliver against new commitments. However, it also included an amount to cover \$7.3m unrestricted funding for the CPWF and about \$2.4 m to support essential staffing in partner centers. If the CPWF funding is covered by continuity funding, the \$7.3m is not required in CRP 5 as “gap” in 2011. However, if the latter is not the case then it has to be included in CRP5 as “gap”. The alternative if this funding is not provided as GAP or “continuity” would be an immediate downsizing of CPWF and termination of external contracts. Whilst the gap increases over time, this is only because there is less currently secured bilateral funding and is a usual phenomenon with the CG centers. If the reform process goes as planned we would expect an increasing proportion of funding to come via the FC than from bilateral sources in the future and hence this GAP is put under “CG Fund”.

Management and coordination costs were kept relatively low as a line item because the costs of most management team members are assumed to be already included in individual centres programmatic costs detailed in the tables in the original document. An ability to increase expenditure on the new strategic directions after prioritization in Yr 1 would arise because of our ability to attract new restricted funds to the Program and because of projected increases in unrestricted funds. Also, CRP5 would reallocate the CPWF funding currently included in the budget to new work post 2013 when CPWF commitments terminate. Additional allocations requested under the growth scenario are explained in the original document.

Amounts in 'USD'000s

CRP 5	2011
Personnel Costs	26,508
Travel	2,892
Operating Expenses	9,811
Training & Workshop	2,881
Collaborators/Partnership	25,076
Capital and other equipment	1,368
Contingency	1,074
Subtotal	69,611
Institutional Overhead (% of direct cost)	9,724
CGIAR System Costs (2%)	1,587
TOTAL	80,922
FAO	10,912
GRAND TOTAL	91,834

Projected Funding Sources

CRP 5	2011
Unrestricted funds	23,928
Funding gap	17,732
CGIAR System Costs (2%)	1,587
CGIAR Funding	43,247
Restricted Funding	37,039
Other Income	636
TOTAL	80,922



Amts in USD Millions

Essential Programmatic functions to deliver coordinated research under CRP5 - additional activities	5.6
CPWF funding required to deliver BDC programs was received as unrestricted in the past. In absence of confirmation, considered as GAP but essential for successful implementation of CPWF.	7.3
Additional work on Ecosystem	1.2
Additional work on Irrigation	1.3
Total	15.4

- **M&E**

We believe that the CRP should have its own monitoring and evaluation processes. Whilst some of these will be provided from systems used by partners, we accept that there should be an overall framework specific to the CRP. We are currently looking at building on existing internal processes by using the relevant elements of the GRiSP M&E process. The development of this framework will be a key task for the Management Committee.

Specific Response to USAID Comments

1. Strategic coherence and clarity of program objectives

General:

- *The proposal currently is somewhat repetitive and could be made more succinct. A summary of the ‘theory of change’ section should be brought to the beginning of the proposal.*

Agreed and will be dealt with in the revised version to be completed by mid August.

- *‘Region-level outputs’ on p. 18 is an important section, but is not fully developed – which research sites overlap (and which regions are being referenced) and how will interaction between the SRPs be carried out? Will the highest level outputs be academic answers to the three questions on p. 19? Rather than providing answers to the questions, the output could be “CRP5 will provide analysis and evidence to answer the following questions:”*

- *In general, the proposal does a nice job addressing the who, what, where, when and why of the proposed work. However, the proposal is less strong on addressing ‘how’ some of the SRPs will be tackled. A little more detail on how they plan to implement some of their work would fill in that gap making it more complete.*

Agree with both the above in that as stated in the ISPC response, we need to define these regional outputs in detail including the how, during the inception phase. Our focus will not be academic answers, but methods, integrated solutions and information that inform policy and management and that can be scaled out across regions and countries.

- *How will the “Regional Leader” CGIAR Center be empowered and kept on task? How will the regions carry out the approach described, to “put together a coherent set of SRP projects within regions that address specific regional problems”? If this is the key activity of the CRP going forward, how will this be carried out?*

We will appoint and empower Regional Directors, whose specific task will be to ensure that there is integration in planning and execution of projects in their region and that common metrics are used to measure and assess progress as input into M&E processes, which will in turn inform priority setting processes. Regional Directors will also focus on ensuring that impact pathways are followed.

- *Summary table starting on p. 30 – what are the research areas, beneficiaries, and impact pathways for “Ecosystems” and for “Information”? – these lines in the table are not as sharp as the other SRPs*

This will be improved in the revised document.

SRP descriptions:

- *Suggest condensing all SRP Justifications starting on page 34 – repetitive with overall CRP justification/background.*

Agree and will include in a revised proposal

- *p. 38 – Irrigation SRP – the problem statement seems to state that the SRP will identify the most appropriate irrigation development roadmap for Sub-Saharan Africa. This would be a major contribution, but is this truly the problem statement? What about other regions? Will the SRP limit focus to SSA? The problem statement may need refining. The Theory of Change on p.42 likewise is not as sharp as it could be. Is it a lack of analysis or poor management systems by irrigation agencies that is the problem? What exactly will be targeted for change? Later, p. 46 “Outcomes and impact” seems to point to real time*

information being the key to unlocking accountability and performance. Again, the impact pathway needs sharpening.

We have already developed a draft Irrigation Strategy for Sub-Saharan Africa. The Irrigation and Groundwater SRP focuses on a number of regions including Asia where the issues are significantly different from Africa as indicated in the existing text.

•P. 48 – Rainfed SRP – the problem statement seems to state that there are 3 barriers to productivity in rainfed systems: the fact that water and soil management have been treated in silos, a lack of understanding of landscape dynamics, and a lack of focus on socioeconomic and institutional constraints in such management. Are these 3 the keys to unlocking investment in supplemental irrigation? The theory of change could be sharpened.

In general, yes. We will link the theories of change here to the pastoral issues in an integrated SRP.

Gender:

•The introductory section does a good job of including attention to gender issues. The section on Irrigation is the gold standard of how gender should be integrated into technical components. Subsequent components progressively reduce this attention to where the ecosystems and information sections are noticeably lacking in attention to gender issues. The Strategies, Management, and Budget sections also do a great job of addressing gender issues, including budget allocations. The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979 by the UN General Assembly, could be referenced along with the rest of the governing international conventions.

Will do.

•Language relating to women often cites them as end users and beneficiaries (particularly in the Basin section). Language could also include reference to their inclusion in processes for decision-making – as ‘decision-makers.’

Agreed

•Authors could add reference to participatory action research – how can the communities themselves be involved in doing the research outlined in this proposal? How can this be an opportunity for capacity building?

Agreed and will be incorporated in revision of the proposal. We have mentioned processes that will lead to participatory research in the response to the ISPC comments. Capacity building strategies will be developed at both global and regional levels.

•What is the process for including gender analysis in the eventual research to be carried out under this CRP?

This was addressed in the independent review on gender and poverty commissioned by the proponents. All projects will be subject to a gender analysis based on the criteria listed in the CRP5 Gender Strategy.

2. Delivery focus and plausibility of impact

•Throughout the CRP proposal, the authors made serious efforts to quantify impact and specify where it is most likely to occur. Bravo for the effort!

•One important aspect which stood out through the entire document was the inclusion of soil health and soil fertility management into the proposal. Soil health has not necessarily played as significant of a role in the past with regards to agricultural development as it should and it was refreshing to see it being

incorporated for improving natural ecosystems and agriculture. Likewise, the inclusion of property rights and land tenure throughout are well noted.

3. Quality of science

No comment.

4. Quality of research and development partners

- *Excellent partners are outlined. The challenge will be in coordination and targeting of efforts.*
- *Regarding integration and overlap with other CRPs, the section starting on p. 172 is extremely helpful. For instance, it is helpful that CRPs which have collocated research sites have been noted. The best descriptions of alignment are for CRPs 1.1, 1.2, 1.3, and 6. The descriptions supplied for CRPs 2, 3, 4, and 7 are less concrete. While some of these CRPs are in parallel development, CRP 3 and 7 are complete and approved. This offers the chance to go into greater depth regarding alignment at this stage. USAID strongly supports the integration of CRPs 1 and 5 in agro ecosystems. This will be a continuing area of interest for USAID.*

As indicated in the response to the ISPC, we feel that the best way to ensure appropriate linkages and complementarity with the other relevant CRPs is in the inception phase

5. Appropriateness and efficiency of program management

- *TOP-LINE ISSUE #1: This CRP will take major coordination and institutional changes to be successful. The management structure described is unclear to this reviewer – there appears some inconsistency regarding how the authority will be delegated to carry out subcomponents of this CRP. Will the work of this CRP (which involves 13 centers) involve delegation of activities to regional or topical center lead? In one section, the CRP mentions that there will be Regional Leads (CGIAR centers), whereas elsewhere (Under Monitoring, p. 162), the CRP references that the “lead agency for each SRP project” will have its own standardized institute quality management procedures. Will the work be organized into regional or SRP leads? How will monitoring of the overall CRP be coordinated? How will institutional contracts be able to deal with the complexity inherent in such a large collaboration? Is a management specialist needed to help guide this CRP and others, as they create new ways of working in the new CGIAR? This is a larger issue that the CGIAR Consortium needs to address for all CRPs.*

We have addressed these points in terms of the revised governance and management structure and via the identification of separate regional directors (who may be employees of existing centres/partners) and through the development of a program specific M&E process. Inevitably the work will be managed using a SRP/Regional matrix with responsibilities divided between SRP leaders and Regional Directors. Based on the clarity and prioritization resulting from the inception workshop, the budget of management committee may be revised, but we strongly believe that such change would be insignificant in the overall budgetary context of the CRP

6. Clear accountability and financial soundness; efficiency of governance

- *TOP-LINE ISSUE #2: The budget outlines two scenarios (p.180: “Enhanced delivery scenario” = \$570 million and “Baseline scenario” = \$479 million). How will priorities be set if different funding levels are obtained? Would there be an across-the-board allocation of funds or would certain SRPs be funded and others not? What is achievable with different funding levels?*

We built the first budget on the basis that all our partners’ relevant work (i.e. encompassed by the SRF strategic Objectives) had to be included. This heavily biased the initial budget to the *status quo*, which we admit is not necessarily appropriate. However, as can be seen from the financial tables the program is highly funded by bilateral funding. We will hold a priority setting process during the inception phase which will predicate directions to be followed and their weightings and apply these in subsequent

financial years. We aim to fund all the reduced number of SRPs, but not equally. Detailed outputs by SRP and region will be finalized in the inception phase, which will demonstrate achievable deliverables.

- *Monitoring and evaluation (M&E) processes are described in very general terms in this CRP (p. 162-163). How will this key component be developed? Many CRPs are delaying developing M&E processes, but from USAID's perspective, this should be indicated with more specificity from the start.*

See previous comments about building on the GRISP M&E strategy.

Response to Comments from ACIAR

•*The SRP narratives define the issues and challenges well. These include the justification, problem statement, lessons learned, potential impact areas, theory of change and research questions. However it is weaker on research methodology, outputs, outcomes, and impacts. Most of the SRPs represent a summary of the content of the current project portfolio rather than a plan for the future. With one or two exceptions, they also lack verifiable outcome and impact indicators and the impact pathways are generic. The proposal indicates that new plans will have to await completion of these projects in three years. Hence CRP 5 is very much a transition CRP. This suggests that decisions about funding CRP 5 from the CGIAR Fund await the further articulation of these plans.*

It was not the intention of the proposal to summarize existing work. The process of issue definition, change pathways and hypotheses to be tested was new. There is no intention to wait three years until completion of the existing work, much of which terminates in 2012 anyway. Obviously we were not clear enough here. We intend to define methodologies better in both the rewrite and the inception phase.

•*The CRP involves 13 centres and a myriad of other partners, which makes it complex and ambitious. It could benefit from a narrowing of the agenda to make it more tractable from a governance, management and accountability perspective. Here again the suggested priority assessment exercise could assist.*

We agree that there needs to be further prioritization, but we believe that this will be best done after commencement by the revised Steering Committee. We have clarified the budget earlier in this response to indicate the way in which the non-bilateral CR funds will be disbursed initially.

•*The comparative advantages of the CGIAR to lead the two SRP on resource recovery and reuse, and ecosystems compared to other suppliers, needs to be more firmly established than they are in the proposal.*

Resource recovery is a relatively small but important area. With respect to resource recovery, we are building on a track record in peri-urban agriculture that has had significant impact in terms of both production and reduction of health risks. The key issue for the CRP is to focus on how resource recovery can be used to counter shortages of key nutrients and provide business opportunities for the poor. There is a major gap here between this approach and major western methods of water treatment. We want to bridge this gap and develop affordable fit-for-purpose systems. Note the mainstreaming of ecosystem services as part of an integrating framework. There have been several attempts to institutionalize ecosystem services approaches, some of which the CGIAR has been involved in. The proposed work aims to systematically look at trade-offs between ecosystem services and productivity per se across landscapes. It will also build on the development of agro-biodiversity in farming systems. The concept here is to bring together fragmented work across centres and mainstream key concepts in management of agricultural lands in regional projects.

While a priori CRP 5 complements CRP 1 on the basis of the scales involved, as described in Annex 6, it appears that a significant part of the rainfed SRP in the former is concerned with the alleviation of adoption constraints facing 480,000 smallholders on four continents. It is not clear how this small scale orientation relates to the larger scale issues that CRP 5 is predicated on. The interventions involve integrated packages of HYV, soil, water and nutrient management practices and value chain innovations. This is a very complex agenda which seems to ignore the experience with the package of practices approach in India in the Green Revolution era. While it was well known that there were large

multiplicative benefits to adoption of all recommended practices compared to individual components, for many good reasons most small farmers only adopted them sequentially.

The key argument that will be developed in the redraft of this SRP is that improved management of soils at farm level will have benefits in terms of production and also benefits and possible environmental costs in terms of groundwater recharge, salinization, run-off, water quality, sedimentation and other ecosystem services. The research will look at ways in which paid ecosystem services incentives may be used to enhance adoption.

- *The rainfed SRP list only generic outcomes and impacts that are non-verifiable. The impact pathways are weak with general references such as an emphasis on institutional collaboration, multi-disciplinary research, farmer participation and multi-stakeholder learning alliances. These provide little confidence in this SRP.*

The Rainfed and Pastoral SRP is being redesigned to ask specific questions which will focus on areas impacted by desertification, land degradation, non-responsive degraded soils and biophysical constraints to rangeland production and the potential technologies to overcome these issues and their costs and benefits of reclamation. This will be redrafted with clearer objectives taking into account the need for measurable and verifiable outcomes, and specific detail of partnerships and impact pathways. This SRP will focus on not only the productivity and livelihood costs and benefits, but also the relationship between productivity and ecosystem services at broader scales. Specific outcomes will be framed in terms of soil amelioration processes, potential for carbon and phosphorus recapitalization and water use efficiency

- *The pastoral systems SRP emphasizes participatory action research and empowerment. Like most other SRP, for the ensuing three years it represents a continuation of existing projects, with little description of what the new programs will consist of after three years. The expected outcomes and impacts are not verifiable, which is a deficiency.*

These issues will be addressed in the revised draft.

- *There is a need for clarification of the budget. For example Tables A and B (pp. 176-177) indicate the coordination and management overhead will be 4.4 and 5.4% in the two scenarios, plus 2% for the standard system overhead contribution. Later in Tables E and F (p. 184) an institutional overhead rate of 10.8 and 12.6% is specified plus the 2% system overhead. It is not clear whether the latter includes the former or is additional. Either way, these seem much lower than other CRPs, and reinforce the need for the CB to look more closely at this whole issue once all CRPs are submitted to ensure consistency and transparency. For example it appears staff, travel and other costs for governance and management in CRP 5 have not been included in these budgets, as they are accounted for elsewhere. This may partially account for the low rates observed.*

Every category under the essential management functions was broken into sub categories that included staff costs, travel and for governance and management.

Tables A&B details total cost by individual SRP and essential programmatic functions that are additional activities to manage CRP5. This total cost includes institutional overheads. The 2% levy is on this total cost of both SRP budget and programmatic activities, and hence shown separately. Whereas, tables E&F are budget breakdowns by cost categories for both SRPs & Programmatic activities. Since Overhead is one such cost category, it is shown separately from other costs. Again, the 2% is levied on the total budget and shown separately. Programmatic activities are not considered as overheads, rather CRP5 related activities needing additional resources.

• *There is virtually no discussion of how the balance of resources among the 8 SRP and regions, as shown in Tables A to D (pp. 176-177, 180), has been arrived at. It seems there has been no ex ante impact assessment conducted or planned or a systematic priority setting exercise done. The allocations seem to have been largely derived from the current projects. This is not a desirable way to allocate resources in a program requesting to spend up to \$570 million over five years. For example it would be useful to know the relative numbers of poor in the rainfed, irrigation, groundwater and pastoral systems and the likely size of economic and other benefits that could be expected from the research proposed in each of them. This could help decide if the shares of program funds allocated of 27%, 10%, 8% and 4% to these four systems respectively, are appropriate. At first blush it would seem that irrigation systems deserve to be accorded a higher priority and rainfed systems lower, but this requires further deliberation. Until a more systematic priority assessment exercise has been done it would be prudent to defer a final decision on the scope of CRP 5. Funds could be provided to facilitate this together with some additional support for the first three years.*

This question has been answered at least partially, previously in this document and is to an extent a relic of current restricted funding.

• *The evolution of the Challenge Program on Water and Food as CRP 5 matures beyond three years requires further elaboration.*

We have been instructed to fully amalgamate CPWF within the CRP by the Consortium Board. This has been done and the independent governance structures of the CPWF are being merged with IWMI and into the amalgamated Scientific and Partnership Advisory/Steering Committee. CPWF project will be managed under relevant SRPs, especially Basin and Landscape Processes. CPWF projects will terminate at the end of 2013. Promising outcomes will be developed further under CRP5 subject to the prioritization process.

• *As with other CRPs it is envisaged that centres and CRP management would all pursue bilateral and other funding sources. As indicated earlier, this has the potential to confuse donors and requires a funding strategy and leadership from the CB. Some 20% of funding for CRP 5 in the first five years will be derived from current restricted projects, 29% from current unrestricted funds and the balance of 51% is the gap requested from the CGIAR Fund (pp. 184-185). The gap is very large, both proportionately and in dollar terms.*

This interpretation is not clear to us. In 2011 (Yr 1) 47% of the funding is restricted, 30% based on current level of unrestricted funds going to partner centers and the gap 23%. The inclusion of the CPWF unrestricted funding (\$7.3m) in the budget until 2013 and entire CPWF funding beyond 2013 distorts the gap. We also anticipated that beyond 2013 bilateral funds raised by the centers directly may decline if donors put more money into Windows 1 and 2 of the Fund. This enlarges the gap, which is also further enlarged by as yet unattained bilateral funding. In reality the gap always decreases as new bilateral funding is approved. For example IWMI has no gap in its 2011 funding, but if we were in a business scenario as in the past, by 2013 we would have a growing out year gap.