

## **CGIAR Secretariat's Comments on the Governance and Management Aspects of the Report of the First External Review of Generation Challenge Program (GCP)**

The CGIAR Secretariat thanks the Generation Challenge Program External Review Panel for its highly analytical and concise report. We are pleased with the Panel's comprehensive analysis of the GCP governance and management arrangements, both in terms of structure/composition and performance. We compliment the GCP Management Team for a very positive and forward looking response. The Review Panel makes 4 (out of 9) recommendations on governance and management-related issues.

### **Governance and Management**

1. We agree with the Panel on the merits of an independent governance body for GCP, a view that we have also expressed in connection with the external reviews of the two other challenge programs (CPWF and HarvestPlus). We join the Panel in complimenting the GCP's Program Steering Committee (PSC) for having undertaken steps to implement a governance reform process that includes the creation of an independent Executive Board.
2. We fully agree with the Panel in emphasizing the key criteria for selecting the members of the Executive Board (Recommendation 6). It is not sufficient that such body is composed of individuals not closely associated with any of the consortium members and, hence, without perceived conflict of interest. Equally important is that its members have the necessary expertise to carry out the tasks and responsibilities delegated to it, both in terms of setting strategic directions (an area where the PSC, in the Panel's view, has not performed well) and overall financial management oversight.
3. In complimenting the PSC for its decision to implement a governance reform process, we would like also to highlight the amount of time it took the PSC to come up with an "adaptation of the original idea", i.e. the delegation of most of the PSC's responsibilities to an independent "Executive Board". In our view, it exemplifies a case in decision-making process that further provides a rationale for introducing changes in the governance operational arrangements. Poor performance in setting strategic directions for the program was another case in point.
4. We fully agree with the Panel that the Consortium Agreement should be adapted to the program's reformed governance structure and operational arrangements (Recommendation 7). It is important to ensure that the new arrangements do not entail high additional transaction costs.
5. We support the Panel's recommendation to clearly define the role and responsibilities of the PSC, SHC, and PAC. Will the PSC remain "in the

background” as the “shadow” governing body? Or will the PSC and SHC be merged into a stakeholder panel/committee? We are pleased that GCP, in its response, has agreed to the recommendation. It is important that the issue be clarified and resolved as soon as possible.

6. We agree with the Panel’s view on the drawbacks of the unanimity clause in the consortium agreement, and the Panel’s recommendation on this.
7. The PAC has not functioned to develop performance indicators as set forth explicitly in its TOR. We expect that the Executive Board or a technical advisory committee will fulfill this responsibility.
8. While we appreciate the rationale for the Panel’s recommendation to upgrade the subprogram leader positions for SP1, SP2 and SP4 from half-time to full-time positions (Recommendation 8), we recognize the important advantages the current arrangements have had. We will support the GCP management decision on this matter.
9. We support the Panel’s recommendation that the GCP develop a product project portfolio management system (Recommendation 9), emphasizing that the products should contribute especially to the program, rather than subprogram, mission and objectives. However, the suggestion, and the GCP’s response, to establish “crop leaders” at NARS need further clarification and thought through. It is not clear in the Panel’s recommendation, nor in the GCP response, what will be the relationship and/or interaction of such a new scheme with the existing crop or production system based networks, consortia and coordination mechanisms in the CGIAR centers and their NARS partners. It makes sense to maximize the use of the existing networks, many of which have been lasting and highly successful, for the delivery of GCP products. We also suggest that the end-product orientation could be achieved through thematic and strategic direction of the competitive and commissioned grants.

## **Finance**

10. We commend the Panel for a comprehensive review of the financial health and financial management of the Generation Challenge Program (GCP). The CGIAR Secretariat concurs with the Panel’s overall assessment of the GCP’s successful fund raising and sound financial management, resulting in good financial health.

In addition we:

- a. support the Panel’s suggestion that the GCP review its main cost categories (i.e. cost structure) as a way to improve efficiency and contain indirect costs;
- b. support the GCP and the host Center for formalizing a hosting agreement that establishes specific rates for the administrative and indirect cost charges;

- c. commend the GCP's disciplined financial management practice of building reserves especially in the context of a time-bound program that is likely to incur winding down costs.

### **Partnerships**

11. The Panel's report includes a section addressing some key questions on partnerships. We are pleased with the Panel's findings that the GCP involves a broad range of partners that have the full range of skills required to address the program's objectives. The Panel also noted that the GCP partnership groups' roles and responsibilities are well-defined.
12. One issue the survey in the Review highlighted was the lack of stakeholder consultation, as illustrated by the fact that there has been no meeting of the SHC since 2005. We would like to encourage the CP to focus on this issue because it has links with issues on partnerships.