



Reform & Renewal

Constituent Assembly 24-26 August 2015

Resourcing the Global Forum

Discussion Paper #4

GFAR Strategic Governance Working Group
July 2015

Summary: *In August 2015, stakeholders of the Global Forum on Agricultural Research (GFAR) will come together as a Constituent Assembly to consider issues relating to the strategic direction and future governance of the Forum. To help guide and inform discussion, background papers have been prepared on each of the four topics to be addressed at the meeting.*

*The paper sets out the possible basis for **appropriate and sustainable mechanisms to fund** each dimension of the collective actions of GFAR*

Introduction

The MANNET Review commissioned by the GFAR Steering Committee in 2013, recommended changes to Forum governance to ensure it is more effective and more robust, representative of all its stakeholder groups. It also recommended a number of strategic issues be addressed as they impact on governance.

As a result of the MANNET recommendations, the GFAR Strategic Governance Working Group (SGWG) is leading a process of strategic reflection and renewal. It has prepared four discussion papers for the consideration of those attending the Constituent Assembly, on four inter-related themes:

1. Renewing GFAR's Role and Purpose
2. Re-defining Collective Action
3. Reframing Governance
4. **Resourcing the Global Forum**

A key outcome of the review was that new governance arrangements need to consider how GFAR's role can now be clearly delineated in structures and processes, with the Forum's role and **actions** owned, delivered and reported on by the constituencies concerned who are directly accountable for delivery, to agreed GFAR goals.

Collective action in the GFAR context is defined in Discussion Paper 2 (and briefly revisited here). New forms of collective action will require both greatly increased resources and the development of the necessary institutional capacities to strengthen national innovation systems. This paper aims to stimulate discussion and debate on what form that resourcing may take. The proposed Investment Facility for Agricultural Innovation and Enterprise is one example of how GFAR collective actions might be centrally co-ordinated and resourced.

"Collective Action" Revisited

As outlined in Discussion Paper 1, on GFAR's Role and Purpose, a renewed Global Forum of all sectors would deliver "GFAR Collective Action" to foster change in the international, regional and national agricultural research and innovation systems. The concept of partnership is key.

In Discussion Paper 2 a new definition for "collective action" in the context of GFAR was proposed. It was suggested that a GFAR collective action be defined as follows:

*"A collective action is a set of coherent and coordinated actions initiated **by three or more GFAR constituencies**, which agree to commit resources together towards clear areas of change in agricultural innovation systems and their role in development. The collective action has to align with GFAR's objectives and directly contribute to the delivery and achievement of the Forum's outputs and outcomes."*

The related value proposition for GFAR, operating globally and across regions, is:

"The Global Forum uniquely catalyzes (and assures by transparent mutual accountability) the equitable involvement of all constituencies in collective actions, engaging the voice of the people to make agricultural research and innovation systems more sustainable, accountable and responsive to development needs."

New governance arrangements outlined in Discussion Paper 3, including a Partners' Assembly, would provide the strategic direction needed to ensure better integration of such collective action. The GCARD consultation process, operating at multi-geographic levels and with multiple constituencies, would continue to capture demand and co-ordinate collective actions.

By linking GFAR collective actions to outcomes of the GFAR Medium Term Plan, the clear contribution of the GFAR partners to global development outcomes will also be easy to demonstrate.

New forms of collective action will require both greatly increased resources and the development of the necessary institutional capacities to strengthen national innovation systems. So how can we, as the Global Forum of all concerned, meet these needs while supporting change in national systems? How can we maximise the impact of current investments and create new funding opportunities? How can we ensure investment is co-ordinated and coherent?

The Need for Better Resourcing and Support

The July 2015 FAO/IFAD/WFP joint report: "Achieving Zero Hunger: The critical role of investments in social protection and agriculture" highlights that agricultural investments in developing countries give among the highest rates of return, but that economic growth generated by pro-poor investment has to be inclusive, to provide opportunities for improving the livelihoods of the poor (SOFI, 2015). However, many developing countries are still giving very little attention to the agricultural innovation sector (ASTI/IFPRI, 2012). If hunger and extreme poverty are to be overcome, the additional investment in rural development and agriculture has to be geared to economically, environmentally and socially sustainable development in domains that may be overlooked in a business-as-usual scenario.

The Achieving Zero Hunger report estimates that 17% of total new rural development investments required (i.e. USD 17,628 million out of USD 104,409 million) are in agricultural research, development and extension, alongside the many other essential investments required to enable innovation to turn into impact, such as rural roads, market infrastructure, rural finance etc. Given their focus on lower income groups and longer term economic and social nature, 90% of these investments are estimated to be required from the public sector. ODA is not sufficient in itself and cannot meet the need without direct government commitments and other forms of financing.

At present, 2/3 of overseas development assistance to the sector in Africa goes to international organizations, rather than national systems (J. Morton, 2011¹). IFPRI estimated in 2010² that investments in national agricultural research and innovation systems needed to increase by 300% by 2025 to meet the changing needs of the expanding world population, yet in the last decade we have seen an increase of just 20% in such investments, itself highly variable between countries, with many investing below desired norms.

The recent 3rd International Funding for Development Conference has made clear that the scale of resources available in overseas development assistance is nowhere near that required to deliver to the SDG outcomes and that many new forms of financing are required to fill the gap, including greater private sector involvement, national tax collection, remittances and innovative financial instruments.

A key need is to help enable resource-poor smallholders, who make up much of the world's poor, and in particular women and youth, to lift themselves out of poverty through turning agricultural innovation into

¹http://www.egfar.org/sites/default/files/eiard_1.4_donor_support_to_caadp_pillar_4_-_phase_1_report_with_eu_logo_0.pdf

² CGIAR Strategy and results framework Version 1, 2010

sustainable livelihoods and income opportunity. The development value of national agricultural innovation systems is too often constrained by the fragmentation and under-resourcing of underlying public research, education and advisory institutions and processes, weak links between public sector, producers, civil society and the private sector and their disconnection from wider development processes, resources and incentives for innovation and enterprise. Although there are some notable exceptions, inadequate national investment and international assistance and limited public and policy awareness of the importance of the sector, many agricultural innovation actors and systems in developing countries have very limited, or even declining, capacities to deliver what is now demanded of them.

Moreover, small farmers, processors, traders and agro-entrepreneurs are under-represented in research and innovation processes. They face insecure rights over natural resources (land, water, forests, seeds), diminishing productivity and market gain, degrading natural resources and ecosystems, increasing fluctuations in prices, weather/climatic conditions and increasing input and transportation costs. Transforming agricultural research and innovation into development impacts requires a wider focus, beyond production technologies, to include enabling policy and business environments, the provision of business development services and finance, and programs centred on rural communities. Women, youth and the rural poor must be able to participate in decision making. Greater use of innovation platforms, cooperatives and producer-owned or managed enterprises is needed for enabling and enhancing market scale and access, as well as policy and legal frameworks promoting local innovation in sustainable enterprises and communities.

Effective agricultural innovation processes require inclusive processes of co-creation that add value to existing programmes, create synergy between actions and avoid duplication. Collective actions take many forms and involve many different funding models: whether they work through a Secretariat, through informal to formal multi-stakeholder platforms, or as more loosely structured social or advocacy movements, they all carry a transaction cost in fulfilling their functions.

Subsidiarity is a central tenet of the Global Forum, with empowering and enabling processes driven from the needs and priorities of local communities. National actions build to global impacts, enabling the rural poor to transform their own lives, supported by networks of human, institutional and technological capability at all levels and in all areas. By their nature, GFAR Collective Actions are primarily centred on the needs of the poor, in particular the rural poor. They form a compact among partners who wish to work effectively through collective actions to deliver change. Partners take responsibility for their own actions, in effective and equitable collaborative management on the ground and in committing their own resources to co-creating change through the collective actions concerned.

Multi-stakeholder platforms bring together partners with widely differing resources and capabilities. To ensure that differences in resources do not translate into a power imbalance, GFAR aims to ensure that the agenda is determined through equitable, informed and inclusive processes, with farmers and rural communities able to express their desired futures and be central to subsequent work to create viable solutions, informed, rather than driven, by, external knowledge and perspectives.

Equitable resourcing thus also involves in-kind resources that are not financial. GFAR mobilises capabilities that emphasize local knowledge, innovation and resources alongside those from science – with metrics for success and returns on investments that go beyond productivity alone, into changes in people's lives, livelihoods and resilience. Different actors will bring, and need, resources for a range of roles in the value webs concerned and the nature and scale of these will themselves vary over time, with different specific responsibilities and accountabilities around the programmes concerned.

Resourcing the mechanisms of GFAR

GFAR's work is centred on delivering change in national systems through inclusive multi-stakeholder processes and collective actions. Although actions are voluntary, making such transformations requires resources. As articulated through the GCARD Roadmap and GFAR Medium Term Plan and subsequent documents, there are three types of resources relevant to GFAR's role:

1. The operational core resources enabling GFAR's governance and catalytic actions
2. Financial, human and other resources to catalyze and support international/regional collective actions among GFAR partners,
3. Mobilization and multi-stakeholder governance through GFAR of integrated financing and capacity development for national innovation platforms and actions

Each of these has implications for GFAR's role, governance and resourcing, as considered below:

1. Core operation of the Global Forum mechanism in relation to new governance arrangements

The operational resourcing of the Global Forum's core processes (advocacy & representation, governance, capacity development, administration, technical support, communication, programme development and monitoring) is currently supported through grants from donor agencies and through staff secondments. The core operational costs of the Global Forum are minimized by tight budgeting and a clear principle that any additional funds that can be obtained are used to help catalyse programme development. While the current operational resourcing model provides some catalytic resources for collective actions among GFAR partners, it is not a stable source of financing.

In view of the renewed GFAR with a reframed governance and commitment to collective action that delivers impact at scale, there are 3 different operational models apparent to support core operational costs:

- i. For the partners in GFAR to own, champion and work through an **enlarged central GFAR funding system** in support of collective actions, within which core governance costs could be levied as a common overhead
- ii. For Partners in GFAR to pay a **membership fee** for participation (scaled by form of partner, as is the case for e.g. IUCN)
- iii. For constituents and their partners who buy into GFAR collective actions to participate with their own funds and contributions, including an **element for support to core costs**.

Staff secondments from stakeholders in the GFAR network (most notably from France) are a valuable contribution, though limited to date. Further staff resourcing from other institutions, sectors and regions would also be highly desirable in building collective ownership and connections among GFAR networks and actions.

- i. A larger central GFAR fund

Success here will rely on partners themselves owning GFAR as a collective good funding mechanism for multi-stakeholder actions and being prepared to support this through their own actions and accountabilities. This can be a very effective system and create a central funding stream for programmes and operational costs which is seen as robust and through competitive processes ensure value for money. This approach will require strong and robust M&E systems to ensure feedback and accountability in delivery. Here, funding is sought directly for the core governance and catalytic funding mechanisms of the Forum. While eminently

workable within certain bounds and scales, there is no long-term guarantee of support for such a system if it is not seen as closely connected to delivery of outcomes on the ground, again requiring strong M&E processes and influence/delivery of change in others (the GFAR Theory of Change) to be well documented.

ii. Membership Fees

Membership fees or voluntary contributions provide a good expression of the commitment of partners to GFAR's operation. GFAR has not previously been a membership-based organization, a position maintained to ensure an open and inclusive function. However, there are examples of voluntary networks that support their operational costs through a Membership fee, as is the case of IUCN, where scaled fees enable membership from a broad spread of stakeholders, from governments to individuals. While carrying an administrative cost, such an approach would build self-sustainability and create greater ownership of the Forum by the partners. However, this needs to be balanced with maintaining the basic principle of inclusivity. Moreover, GFAR constituent networks, and their collective actions for agricultural innovation, are often themselves poorly or sporadically resourced, particularly in developing countries and in some civil society sectors. Many of the networks in GFAR are not yet in a position to fully fund their own actions and will tend to address their immediate needs above those of the collective goods basis of GFAR.

iii. Support from collective actions

Rather than being seen as a one way process, it is possible to consider a system whereby each collective action itself brings its own resources and financial support to GFAR central costs, sustaining GFAR core actions as a meta-network, in which diverse collective actions come together and sustain the global forum through contributions from their programmes.

2. Resourcing collective actions at regional/international levels

The Global Forum mobilizes and triggers collective actions based on the commitments of its diverse constituencies. GFAR is an open and inclusive movement for change, not a stand-alone institution or donor and cannot, as an open Forum, have financial responsibility for the partner networks and institutions that come together in the Forum. Instead, actions are determined by multi-stakeholder dialogue; GFAR partners co-create outputs and outcomes according to the agreed GFAR Medium Term Plan, working through multidisciplinary, multi-stakeholder actions. They commit in-kind or, where possible, financial resources and provide technical inputs. The Global Forum's role is to help catalyze such actions at their outset, share their learning products and document and champion change resulting from their processes.

Success in obtaining and dedicating resources in support of GFAR collective actions relies strongly on timely, operational feedback loops and demonstrable outcomes from the inputs involved, as seen via monitoring, evaluation and learning (MEL) processes. Within the Global Forum, MEL is based on the GFAR Theory of Change, demonstrating changes in behaviour, operation and attitudes through networked actions, that lead to wider impacts in strengthened and transformed agricultural innovation systems through collective actions and advocacy.

A principle established at the start of GFAR was that it should operate via a Multi-donor Trust Fund (MDTF), whereby funding agencies would contribute towards the common GFAR purpose. This would be promoted and mobilized through a Donor Support Group of funding agencies supportive of GFAR's purpose and role, which would together support GFAR's partnership programmes, complementing the crucial advocacy role that FAO and IFAD play as GFAR Facilitating Agencies. In practice, support has seldom been provided in this way. Support from the EC and previously DGIS and DFID has provided valuable rolling funds for a multi-year period, against an agreed programme of work, but in most cases, funders have sought separate project accounting back for the funds used. Donor agencies have little interest in funding networked actions centrally

unless there is also a mechanism of accountability to the central purpose, which has previously been a weak link. Moreover, action networks are often themselves separately approaching the same funding agencies that are supporting the role of GFAR.

Nonetheless, a common trust fund for catalyzing collective actions can still be effective, particularly if the basis for the Medium Term Plan and recognition of the work of GFAR is strongly committed to by the partners in GFAR. This requires understanding and clear recognition by GFAR partners concerned that any actions funded through GFAR are established under the name and principles of GFAR collective action, with feedback loops to keep other partners informed of their progress as they develop and so that GFAR can continue to champion their outcomes. Without this understanding, it would be difficult to demonstrate the contribution made by catalytic funding via GFAR, or to attract further funding.

The Global Conference on Agricultural Research for Development (GCARD) process is a case of collective action that merits specific consideration. A joint action between GFAR and the CGIAR, the GCARD is a rolling process of dialogue and landmark events, bringing together dialogue around the processes of reform of the international agricultural research system with that on the transformation and strengthening of national agricultural innovation systems, so that these can be cross-aligned and made mutually beneficial. To date, the GCARD processes have been funded partly by the CGIAR, partly through GFAR, but direct funding contributions received have progressively declined with the expectation that programmes should resource these dialogues themselves. The Assembly's opinions are sought on how they would propose the GCARD dialogues should be resourced going forwards.

3. Resourcing national innovation platforms and systems

Building effective and inclusive national innovation systems for impact is the prime focus and central purpose of GFAR's collective actions, building from local demands and communities' own perspectives on their desired futures and creating opportunities for sustainable wellbeing and growth out of poverty. At present, national agricultural innovation systems are in general deeply divided into sectoral and institutional blocs or silos, each seeking their own resources through fragmented projects and each addressing only part of the picture. However, the research, education, extension and enterprise development systems of most developing countries are presently greatly under-resourced and lack a coherent international funding mechanism to support innovation platforms and system transformation within countries. It is time to rework the funding of national collective actions from the bottom up.

In response to requests from the G8 and G20³, GFAR Secretariat and stakeholders⁴ have been exploring the feasibility of creating a step-change increase in the scale and value of financial support for national agricultural innovation systems. This entails development of a coherent and well-resourced funding mechanism, bringing together national commitments with external support and working through public-private-producer partnerships to provide and leverage integrated support to multi-stakeholder actions. Such an approach can ensure that essential changes in institutional focus, function and capacity, as set out by the GCARD⁵ process, are delivered in practice, also enabling countries to benefit from actions financed elsewhere.

The response now being developed is a Global Investment Facility for Agricultural Innovation and Enterprise, bringing together financial and technical support, to transform national agricultural innovation systems (including research, extension, education, training and enterprise) and always involving farmers and rural communities as innovators in their own right. This Facility will be based on nationally owned and locally-

³ G8 L'Aquila declaration 2008, G20 Agriculture Meeting 2011 and subsequent annual Meetings of Agriculture Chief Scientists

⁴ Including IFAD, FAO, TAP and GFAR Regional Fora and stakeholder networks, G20 Agricultural Chief Scientists and bilateral agencies.

⁵ Global Conference on Agricultural Research for Development.

driven processes that integrate and strengthen all aspects of agricultural innovation around key value webs and communities.

The Agricultural Innovation and Enterprise Facility brings together three key strategic elements:

I. Integrated Public-Private-Producer Partnership investment in national innovation systems

Establish a multi-donor funding facility, with multi-stakeholder governance through GFAR and funds managed by key funding agencies, to provide and leverage new and locally-accountable forms of investment for the strengthening of local and national agricultural innovation and enterprise systems:

II. National Delivery via Multi-stakeholder innovation platforms

Technically and financially support coordinated delivery of demand-driven agricultural innovation programs, policy and capacity development, through nationally owned multi-stakeholder processes, to turn innovation into enterprise and opportunity for resource-poor rural women and youth

III. Integrated capacity development and technical support through South-South and South-North partnership

Drawing on the GFAR networks and collective actions, bring a coherent, common approach to developing innovation capacities in national systems, enabling exchange and adoption of knowledge, the widening of impact and scaling out of the targeted outcomes

The Facility encompasses a range of actions for strengthening and transforming agricultural innovationsystems, aligned with the GCARD Roadmap, to better meet the needs of resource-poor farm households and to create effective, joined-up systems, owned and driven by the communities concerned through multi-stakeholder innovation platforms and implementation.

Funds are proposed to be managed through established multilateral financial institutions/mechanisms such as the International Fund for Agricultural Development (IFAD), The Global Agriculture and Food Security Program (GAFSP) and the World Bank, usually in association with other development investments, and subject to the same rigorous quality control and supervision as other funds.

GFAR, through its multi-stakeholder governance mechanisms,working at the different levels required, will play a central role in mobilizing local multi-stakeholder partnerships, identifying needs and priorities and provide stakeholder oversight of programme implementation, to ensure equitable inclusion of public, private, producer and civil partners – in particular smallholder producers.

The Facility can integrate and bring additional value from many different and innovative forms of financing, in particular in leveraging greater private sector investment through public funds, direct or indirect producer investment in owning the processes and aligning other commitments such as national innovation investments in G20 nations, new forms of debt offsets etc.

Discussion Points

- 1. Should GFAR become a member organization? Which of the models, or in combination, would partners prefer to see used to sustain the Forum?**
- 2. What are the preferred ways of supporting GFAR collective actions and what commitments are the partners in GFAR prepared to make towards their delivery?**
- 3. How would the partners in GFAR wish to help mobilize resources and actions for strengthening national innovation systems?**

Decision Points

Agreement on how to resource the Global Forum and its actions