

MEDIUM-TERM PLAN 2008-2010

OVERVIEW

A. Introduction, Context and Program Discussion

In 2006 ICARDA appointed a new Director General and underwent an EPMP. Concurrently the Center continued with its Strategic Planning. ICARDA's 2007-2016 Strategy is based on a reaffirmation of a focus on poverty in all its dimensions – economic, nutritional and natural resource – and on ICARDA's comparative advantages. Aligned to address the Millennium Development Goals, and the priorities of the CGIAR, and guided by shared national priorities as well as the recommendations of the Center's external review, the research portfolio has been redesigned with increased emphasis to make use of new science and exploiting novel opportunities for improving livelihoods through increased income generation, such as high-value crops/commodities and products, and greater use of information technology. The new portfolio also takes into account adaptation to climate change, the implications of globalization, the changing role of women in agriculture, and devotes efforts to research on policy options to create enabling environments for success in rural poverty alleviation in the non-tropical dry areas.

Specifically, the strategy embodies the following shifts in ICARDA's focus:

- More emphasis on risk management, drought mitigation, and adaptive capacity of agriculture to climate change implications in the unpredictable fragile ecosystems of dry areas.
- Greater emphasis on integrated water and land management for sustainable agricultural development within integrated production systems, in addition to crop genetic improvement (which ICARDA has emphasized since its inception in 1977).
- Increased emphasis on socio-economic research to strengthen community and institutional frameworks, and develop policy options for the successful implementation of new technologies.
- Diversification and related marketing research will receive strong emphasis for income generation, improving nutrition, and reducing vulnerability.
- Enabling farmers to move from subsistence agriculture to market-oriented production and improve their livelihoods.
- Broadening the geographic coverage to non-tropical dry areas globally: sub-regions within CWANA will continue to be ICARDA's research platform, but more emphasis will be given to sub-Saharan Africa, South Asia, China, and Latin America in addressing the global challenges of dry areas. New partnerships will be forged to involve various stakeholders including the private sector.

In March 2007 ICARDA's Board approved the overall research direction of the Strategy 2007-2016. The new Strategy, re-alignment to address System Priorities, and the EPMP recommendations have collectively necessitated taking a different programmatic approach in the MTP 2008-2010 to that presented in the MTP 2007-2009.

Given the close links among human welfare, agricultural productivity, economic growth and the environment in dry areas, ICARDA's research is designed as a coherent poverty-focused program addressing strategic research on fundamental dry area challenges such as adaptation to climate change, enhancing the efficiency of water use, closing yield gaps for staples, finding means to diversify farming systems to improve income and improving the enabling environment for the uptake of new natural resource management practices. ICARDA's research program is implemented through four major programmatic areas: (a) integrated gene management, (b) production systems, (c) natural resource management, and (d) social, economic and policy research, which supports the entire research agenda.

This research program is further disaggregated within the Medium-Term Plan as follows:

Project 1: Conservation of Agrobiodiversity in Dry Areas

Project 2: ICARDA-CIMMYT Wheat Improvement Program for CWANA

- Project 3: Barley Improvement
- Project 4: Food Legume Improvement
- Project 5: Strengthening National Seed Systems in Dry Areas
- Project 6: Diversification and Sustainable Intensification of Production Systems in Dry Areas
- Project 7: Improving Water and Land Management in Dry Areas
- Project 8: Poverty and Livelihood Analysis and Impact Assessment in Dry Areas

Specifically, research on integrated gene management is presented through five separate projects including the conservation, characterization and evaluation of agrobiodiversity (Project 1), improvement of ICARDA's mandated crops (Projects 2-4), and strengthening seed systems (Project 5), which also includes research on the institutional and policy issue related to seed delivery systems.

B. Implementation of EPMR Recommendations

The fifth ICARDA EPMR which took place in mid-2006 gave a total of 22 recommendations. ICARDA accepted all 22 recommendations and has progressed in implementing several of them. For example, Recommendations No. 2-5 specifically refer to changes in the programmatic structure, which are reflected within the current MTP 2008-2010 (see Section C). A detailed progress report on the implementation of all 22 recommendations is attached as an Annex.

C. Highlights of the 2008 Project Portfolio

The focus in this Section is on changes from the MTP 2007-2009 submission. Up to April 2007 ICARDA's research portfolio comprised the following six mega-projects (MPs) (see MTP 2007-2009):

- MP 1: Management of scarce water resources and mitigation of drought
- MP 2: Integrated gene management: conservation, improvement and sustainable use of agrobiodiversity
- MP 3: Improved land management to combat desertification
- MP 4: Improvement, intensification and diversification of sustainable crop and livestock production systems
- MP 5: Poverty and livelihood analysis and impact assessment
- MP 6: Knowledge management and dissemination for sustainable development

The Table below shows how the System Priorities (SP) are addressed by the new MTP (2008-2010) project structure and also how the new MTP structure aligns with the previous six MTP MegaProjects to illustrate the continuity of the research.

In response to the CGIAR SP1 for the CGIAR to continue and extend its key role in the conservation of the genetic resources for food and agriculture, ICARDA has consolidated genetic conservation into a separate MTP Project 1 (P1) that includes research on both plant and small ruminant genetic resources.

For wheat improvement CIMMYT has a global research mandate, while ICARDA has an eco-regional mandate for wheat research in CWANA. Following the agreement with CIMMYT in late 2005 for a joint wheat improvement program for CWANA, as part of the re-alignment of the CG System the joint ICARDA/CIMMYT Wheat Improvement Program (ICWIP) is presented as a common program within each Center's MTP 2008-2010 under SP2, developed following a common planning meeting in October 2006.

Also to address SP2, ICARDA has a global mandate for research on the improvement of barley (P3), lentil and faba bean and a regional mandate on kabuli chickpea with ICRISAT. The 2008-2010 MTP on food legumes differs significantly from MTP 2007-2009 as a result of the recommendation (Rec. 10) of the EPMR to merge research on food and forage/feed legumes into a single MTP Project (P4). As faba bean is widely consumed as a green vegetable as well as a pulse, its improvement contributes to SP 3A for high-value fruits and vegetables.

Research on the technical, institutional and policy aspects of seed delivery systems has been shifted from MP6 on knowledge management and dissemination to a separate MTP project (P5) on

Strengthening National Seed Systems within the umbrella program on Biodiversity and Integrated Gene Management in order to address the EPMR recommendation (Rec. 4) that MP6 on knowledge management and dissemination should not be a separate research program and that its activities should be integrated within the other research programs. The seed research is on improving seed delivery systems, their institutional organization and policies.

Project No.	MTP Projects (2008-2010)	System Priorities addressed	MTP Projects to 2007					
			MP1	MP2	MP3	MP4	MP5	MP6
			Water	Integrated Gene Management	Desertification	Diversification	Poverty	Knowledge Management
P1	Conservation of Agrobiodiversity	1A, 1B, 1C		X				
P2	ICARDA–CIMMYT Wheat Improvement Program for CWANA	2A, 2B, 2C, 4D		X				
P3	Barley Improvement	2A, 2B, 2C, 4D		X				
P4	Food Legume Improvement	2A, 2B 2C, 3A, 4D		X				
P5	Strengthening National Seed Systems	2A, 5A, 5C						X
P6	Diversification and Sustainable Intensification of Production Systems	3A, 3B, 4D, 5B				X		
P7	Improving Water and Land Management	4A, 4C, 4D, 5C	X		X			
P8	Poverty & Livelihood Analysis and Impact Assessment	5A, 5B, 5C, 5D					X	

MTP Project 6 on the Diversification and Sustainable Intensification of Production Systems in Dry Areas responds to SP3, which addresses the opportunity to provide additional income for the poor through diversification and production of a range of products linking farmers to markets. Also, in line with the new Strategy and EPMR Recommendations 7-9, there is an increased research focus within this project on a market orientation, high value crops and products, agronomy and yield gap analysis.

The MTP integrates the thrusts on desertification/land management and water into a single MTP Project (P7) on Improving Water and Land Management in response to SP4 to enhance the integration between land and water stability and sustainability of natural resources in production systems. This is also in response to EPMR Recommendation 3 to merge the two separate mega-projects focusing on natural resources, MP3 (desertification) and MP1 (water). This project contains ICARDA's joint research with IWMI on marginal quality water with IWMI facilitated by the jointly-appointed international scientist, and also houses the Center's research on water policy, institutions and adoption strategies responding to EPMR Recommendation 6. Within the project, ICARDA and ICRISAT are launching a collective research program called Oasis to provide the research base for the sustainable management of degraded land as a candidate Challenge Program (Round II).

MTP Project 8 on Poverty and Livelihood Analysis and Impact Assessment is cross-cutting, supporting the entire research agenda through the analysis of welfare and poverty issues and constraints in dry areas and, through impact analyses and feedback; it refines the targeting of the Center's research to alleviate poverty. The other dimensions of the social, economic and policy research agenda are presented within the thematic MTP projects P1 through P7 to ensure relevance and impact.

ICARDA is the convening Center for the ecoregional program: *Collaborative Research Program for Sustainable Agricultural Development in Central Asia and the Caucasus (CAC)* and, accordingly, a separate Medium-Term Plan is included in the attached project portfolio. The CAC narrative describes

the activities of each cooperating Center. Each Center finances its own projects and the details of the component projects are reported within the MTPs of the Centers implementing those projects. The only funds received specifically for the ecoregional program are for the program facilitation unit (PFU), which are reported separately from ICARDA's finances in the Center's financial plan.

Partnerships with Challenge Programs, Systemwide and Ecoregional Programs, other Alliance Centers and other international, regional and national partners will continue. Collaboration was highlighted in the MTP 2007-2009 Overview and is detailed under the Projects hereafter.

ICARDA's research is already well aligned to address the CGIAR priorities; 98% of ICARDA's estimated funding for 2008, the first year of the plan, is allocated to activities within CG priority themes. ICARDA will continue to seek funds to support its agenda of research for development in line with the emerging strategy and CG priorities.

D. Center Financial Indicators

In submitting the agenda for 2008-2010, it is assumed that the mode of project financing is not a constraint. Assuming full funding and the proper management of finance, ICARDA does not foresee any constraints on project activities due to financial reasons. ICARDA is aiming for a balanced budget and a healthy cash flow. However, there may be external factors that affect the Center's objectives such as exchange rates and possible reduction or increase in donor contributions.

ICARDA's current estimate of 2007 financing is US\$ 31.952 million. For 2008, the plan year, funding for the research agenda is estimated at US\$ 26.893 million. This is a conservative estimate and includes only confirmed core and restricted funding. ICARDA expects that 2008 funding will substantially increase as grant proposals currently in the pipeline are approved and additional core contributions are confirmed. The financing estimates for 2007 and 2008 are based on the exchange rates at the time of the preparation of the tables. Changes in these exchange rates may have an impact when the actual revenues are realized and will affect as well the performance of the Center. In computing project costs, ICARDA's indirect cost allocation rate, based on 2006 audited financials, is 15.98%, which is allocated across the six mega-projects in the project portfolio, on a proportional basis.

Non-financial contributions include visiting scientists from France, Japan and part payment by other Centers (CIMMYT, IWMI and AVRDC) for joint positions.

The CGIAR has recommended two financial health indicators to determine the financial performance of the Center. Based on these indicators, ICARDA's expected financial performance for 2007 and 2008, taking into account the financing estimates mentioned above, is as follows:

- (1) Short-term solvency (Liquidity) is computed at 150 days for 2007 and 155 days for 2008. This ratio may vary within $\pm 10\%$ based on the factors cited above if there is no significant exogenous factor. However, it will be shifted in a favourable direction by strategic changes in financial management. CGIAR's recommended acceptable range is between 90 to 120 days.
- (2) Long-term Financial Stability (Adequacy of resources) is computed at 96 days for 2007 and 81 days for 2008. This ratio may vary within $\pm 10\%$ based on the factors cited above if there is no significant exogenous factor. However, it will be shifted in a favourable direction by strategic changes in financial management. CGIAR's acceptable range is between 75 to 90 days.