

## ERA-ARD Briefing Paper

### Transnational funding of Agricultural Research for Development projects – Lessons learnt

*By Manfred Kaufmann, SDC, Switzerland; Alex Percy-Smith, APS Consulting Services, Denmark*

#### Background

For developing countries, agriculture is crucial for economic growth, through its role in food security, and in addressing global issues such as bio-energy, effects of climate change, etc. Agricultural Research for Development (ARD) responds to the needs to feed growing populations and to drive economic growth in a sustainable manner.

The second phase of **ERA-ARD** is a € 1 million European Research Area Network (ERA-Net) project funded under the European Commission's 7<sup>th</sup> Framework Programme from 2010 to 2013. The project is a partnership of 17 organisations involved with funding Agricultural Research for Development in 15 European countries. ERA-ARD aims to improve ARD coordination between national research programmes and promote collaboration in European agricultural research for the world's poor.

**ERA-ARD briefing papers** are made available widely to sensitize the European population to the critical importance of ARD and that its results and impact are not limited to "outside Europe" but also have direct benefits for "within Europe". The achievements of ERA-ARD are documented and made available through its website [www.era-ard.org](http://www.era-ard.org), to benefit both stakeholders and the wider public.

#### Disclaimer

The views presented in this paper are those of the authors and do not necessarily represent the views of EC.

# Transnational funding of Agricultural Research for Development projects – Lessons learnt

## Abstract

ERA-ARD has set-up and funded two transnational research calls: In the first phase of the project a call was launched on “*Bioenergy – Risks and opportunities for the rural poor in developing countries*” and in the second phase a transnational call was launched on “*Improved livelihoods of smallholders and rural communities in Sub-Saharan Africa (SSA) through sustainable and climate-smart intensification of agricultural systems*”. The topics of the calls responded to actual policy needs, the interests articulated by Southern stakeholders, and to the needs of donors providing funding for the calls.

To fund transnational projects within ERA-ARD, national grant funding was made available through national funding organisations providing national contributions (usually referred to as a virtual common pot) in line with national funding regulations. For the first ERA-ARD call, 11 funders pledged €2.4 m and for the second call, 6 funders pledged €1.5m.

For both calls a Transnational Call Steering Committee (TCSC) was established, which became the principal decision-making body of the calls. A Call Secretariat assisted and supported the TCSC and national funding organisations. A 3-step evaluation procedure was adopted in both calls, entailing a Formality Check, a National Eligibility Check and a Scientific Peer-Review.

The call procedures established were in general very satisfactory, and the second call could, to a great extent, benefit from the documents and procedures used in first call. However, given the number of consortium members in ERA-ARD I and II, only modest funding was provided for the calls raising questions on transaction costs and effectiveness of transnational calls with small budgets. Furthermore, the virtual common pot model has some inherent shortcomings regarding the selection of proposals and utilization of funds.

## List of acronyms

Acronym	Description
ARD	Agricultural Research for Development
ERA	European Research Area
GCARD	Global Conference on Agricultural Research for Development
TCSC	Transnational Call Steering Committee

## Background to the second ERA-ARD call

During the second phase of the ERA-ARD project, a transnational call was launched on “*Improved livelihoods of smallholders and rural communities in Sub-Saharan Africa (SSA) through sustainable and climate-smart intensification of agricultural systems*”. The topic of the call responded to actual policy needs, the interests articulated by Southern stakeholders, and to the needs of donors providing funding for the call.

Based on the experience gained from the transnational call on “Bioenergy” launched during the first phase of ERA-ARD, an understanding and a practical knowledge had been acquired of the differences and similarities of national funding mechanisms and funding priorities for Agricultural Research for Development. Similarly, lessons had already been learnt regarding the setting up of a selection process and the coordination modalities between funders.

## Identification and selection of call topics

In ERA-ARD I, a comprehensive mapping approach was carried out in order to identify suitable topics for the call. However, it proved very difficult to identify a call theme based on the mapping. It was not possible to come up with convincing methodology on how to derive priorities from the complex analysis of the mapping. It was concluded that a comprehensive mapping approach is not conducive and that a concept is needed to balance between systematic analysis, donor driven opportunities and demand from stakeholders in the South. In the end the call topic was identified by an ad-hoc selection of the research topic of bioenergy.

In ERA-ARD II, a different approach was used, starting from the research priorities identified in the GCARD I process followed by asking the funders in which priority themes they would be willing to invest. This approach was an attempt to respond to both the research needs articulated by the South and the priorities of funders. The funders agreed on a rather broad topic (Sustainable Intensification and Climate-resilient Agriculture), and it was anticipated that this could be narrowed down further during an alliance workshop<sup>1</sup>. However, the outcomes of the alliance workshop were not conclusive enough to provide more focus. The recommendation was to stay broad to allow Southern and Northern researchers to define their own priorities within the topic.

## Funding model and implementation

To fund transnational projects within ERA-ARD, national grant funding was made available through national funding organisations providing national contributions (usually referred to as a virtual common pot) in line with national funding regulations.

For most consortium members of ERA-ARD II, the virtual common pot model was the only feasible option, due to national administration constraints for other models. The model implies that each country funds its own component of approved transnational projects. The possibility of funding Southern partners was used by the national funding organisations according to their individual funding regulations. This could involve the research institution entering into a partnership with a Southern partner or sub-contracting the Southern partner if this was possible within national regulations.

In both phases of ERA-ARD, it was found that the virtual common pot funding model has some inherent shortcomings, including:

---

<sup>1</sup>See ERA-ARD briefing paper Alliance concept here: <http://www.era-ard.org/outputs/phase-ii/#c1236>

- The highest ranked proposals may not all receive funding as availability of national funding puts additional constraints on the selection of projects
- Not all funds can be utilised in case one co-funder has already used funds for a selected project and hence has no further funds to contribute to another approved project for which another co-funder still has funds remaining (only about 60% of funds were used in the first call and 85 % in the second call)
- It is difficult to include programme activities, such as joint kick-off meetings, final workshops for all approved projects, as these cannot easily be incorporated into individual project budgets
- Research consortia as a whole have to enter into contracts with several funders for the same project, and may have to comply with different reporting requirements

### *Fund mobilisation*

For the first ERA-ARD call, 11 funders pledged €2.4 m and for the second call, 6 funders pledged €1.5m. Given the number of consortium members in ERA-ARD I and II, and also compared to what individual funders invest in ARD in their national funding schemes or in CGIAR support, these are modest figures.

With a modest amount of funding, transaction costs become high, which raises questions of efficiency and sustainability of transnational calls beyond phase II of ERA-ARD. Some systemic constraints were identified that could explain (among others) the difficulty of mobilising funds for transnational ARD calls:

- The fragmentation of national ARD systems often involving several different ministries<sup>2</sup>
- The competition for resources within national funding schemes for ARD
- The inability of funders to earmark larger amounts of money to new funding schemes which are not yet part of national funding strategies

### *Expected research collaboration and networking*

Research consortia were asked to establish links to existing relevant networks, projects and organisations. If a consortium intended to work in a thematic area where a suitable network already existed, it should link and collaborate with that network and its participants by sharing experiences and working together towards a common objective. ERA-ARD II funding could be used for both the implementation of new project activities and for coordination on the level of the existing network (Model 1). A consortium could also decide to link with a number of already running and funded projects that are not yet linked, but that would mutually benefit from more collaboration and/or exchange. In this case, the consortium could not only apply for ERA-ARD II funding of its own activities, but also for adding a coordination layer over all the concerned projects that intend to collaborate (Model 2).

Even though collaboration and networking was encouraged, the projects that were finally approved focussed mainly on the research rather than the networking component.

## **Call management process**

Call information was made available through the ERA-ARD website, providing a good link between the call and the overall ERA-ARD project.

---

<sup>2</sup> See report on national coordination

### *Transnational Call Steering Committee (TCSC)*

The funders of the second call established a Transnational Call Steering Committee (TCSC), which became the principal decision-making body of the call. Each Consortium Member that contributed funding to the call was entitled to nominate one representative to act on their behalf and be a member of the TCSC. They had senior authority and were able to make firm funding recommendations.

The TCSC held three meetings: the initial meeting at which the call process was discussed was held back-to-back with an ERA-ARD Steering Committee meeting, a second meeting mainly to provide updates and a status of the process (not strictly needed); and finally the funding recommendation / project selection meeting.

### *Call Secretariat (CS)*

A Call Secretariat was established to assist and support the TCSC and national funding organisations. It was the primary point of contact between TCSC and the coordinators of the research consortia during the preparation and submission phase. The secretariat was funded by ERA-ARD project funds. The CS ensured that the TCSC identified a National Call Contact Point for each of the participating funders and a list of names and contact details were published on the ERA-ARD Call Website.

Many processes and documents used in the first transnational call of ERA-ARD could be adapted and used for the second call, thereby, improving efficiency. The Call Secretariat was implemented by an independent consultant, completely impartial to funders as well as applicants, and who could provide objective advice and information.

### *The Call Process*

The funders of the second ERA-ARD call were Austria, Belgium, France, Germany, Netherlands and Switzerland. A total of 22 proposals were received by the Call Secretariat. Of these, 17 met the requirements of the first two stages of the 3-stage evaluation process: the Formality check and the National Eligibility check. Applications for a total of about 5.6 m euro were submitted for the total of 1.5 m euro available funds.

A scientific review was carried out on the remaining 17 proposals. Evaluation criteria encompassed: Scientific and technological excellence and degree of innovation; project design; quality and organisation of the consortium; potential impact and knowledge management; capacity strengthening; collaboration and networking. A call for Peer reviewers was made through the ERA-ARD website, ERA-ARD consortium members, or personal networks. Each project proposal was reviewed by three independent peer reviewers and a balance between reviewers from the north and reviewers from the south was made in as far as possible. In addition, at least one female reviewer was included in each team of three reviewers. Each peer reviewer received a nominal fee of €50 - for each completed review. The peer review process was very satisfactory.

The TCSC made recommendations for funding of six projects based on the results of the evaluation process. The funders accepted these recommendations and entered into a contracting phase. Attempts were made to improve harmonisation of reporting and auditing requirements from funders supporting the same project. A common reporting format was suggested and all partners intend to use this format with a section added that is specific to their situation (country and funder). The call process was completed on time, but the contracting phase took somewhat longer than planned. However, all projects were initiated early in 2013.

An initiation workshop was held in early 2013 with support from Belgium. Most of the funders agreed to financially support a final workshop for capitalization and dissemination of the research results and their application in policy and practice.



## Conclusion and Recommendations

### *Funding models and mobilized funds*

- The virtual common pot model has some shortcomings that affected selection of proposals and utilization of funds. In case of future transnational ARD calls the real common pot model should be considered as an alternative
- To keep transaction costs at an acceptable level, future transnational ARD calls, irrespective of whether a real or virtual common pot model is used, should only be considered if substantially more funds can be mobilized
- If in the future again only rather small amounts of funding can be mobilized for transnational ARD activities, it might be considered to only spend it on the establishment and management of research networks that add value to already funded projects or for small catalytic projects to initiate larger programmes

### *Identification of research theme*

- Findings of ERA-ARD I: Large mapping exercises to identify themes should be avoided, as research agendas identified and validated by the Southern stakeholders are already available (e.g. through GCARD)
- Findings of ERA-ARD II: Broad call topics gain more acceptance by the research community and buy-in by funders (least common denominator effect), but result in thematic fragmentation and make it difficult to pursue a programmatic approach that links individual research projects
- For a future call it might be considered to not set any specific thematic boundaries, but instead fund only networking between existing research projects with the aim of strengthening research networks and allowing them to develop and disseminate synthesized, coherent and concerted practical recommendations and policy messages

### *Call Secretariat and Process*

- The Call Secretariat must be independent and quick to respond to queries and requests for information
- The developed call process and documents work well for ERA-ARD
- It would be useful to create a pool of ARD peer reviewers for future calls
- Improved harmonisation of reporting and auditing requirements of call funders is desirable
- Participation in a kick-off meeting could be made mandatory and included in contracts
- Participation in a final workshop/conference could be made mandatory and included in contracts

## Follow-up

The ERA-ARD consortium partners would like to invite feedback and further discussion of the proposed step-wise approach. Please contact Patricia Wagenmakers (ERA-ARD coordinator)

## Quotation

Manfred Kaufmann, SDC, Alex Percy-Smith, APS Consulting (2013) Transnational funding of Agricultural Research for Development projects – lessons learnt. ERA-ARD briefing paper (<http://www.era-ard.org/outputs/phase-ii/>) - 6 pp.