THE ROLE, RESPONSIBILITIES, AND ACCOUNTABILITY OF CENTER BOARDS OF TRUSTEES

Reference Guides for CGIAR International Agricultural Research Centers and their Boards of Trustees

No. 1
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Guides in this Series:

1. The Role, Responsibilities, and Accountability of Center Boards of Trustees
2. The Role of the Board Chair
3. Creating a Well-Balanced Board
4. Building Effective Board Committees
5. Choosing a Director General: The Search and Selection Process
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Foreword

Each CGIAR center is an autonomous, international institution governed by an independent board of trustees. The effectiveness of the trustees in discharging their fiduciary responsibilities, and in setting and overseeing center policies, is essential to the continued success of individual centers and of the CGIAR system as a whole.

For over two decades the boards have benefited from the dedicated service of many individuals who have brought rich experience and insights to their task. In the recent past they have also benefited from CGIAR guidelines and papers on the role of center boards, in particular those prepared by Professors Lowell Hardin ("Report on the Roles, Relationships, and Responsibilities of Trustees of International Agricultural Research Centers") and John Dillon ("Some Thoughts Toward Ensuring the Successful Performance of Boards in the CGIAR System").

Over time, the context within which the centers function has become more complex and challenging, as have the expectations of internal and external stakeholders. In response, center boards have been seeking new and better ways to discharge their basic obligations to their center and the system.

The idea of preparing a new set of reference guides on the role and operations of CGIAR center boards, taking into account new principles and practices of institutional governance, was advanced by the CGIAR Oversight Committee and the Committee of Board Chairs. The project was implemented by the National Center for Nonprofit Boards (NCNB), located in Washington, DC, and the CGIAR Secretariat, by a team made up of Selçuk Özgediz (coordinator), Maureen Robinson, and Pammi Sachdeva.

The seven guides in the series are based primarily on NCNB materials and CGIAR reports on center governance, and were reviewed by the Oversight Committee and the Committee of Board Chairs. In addition, the first guide, entitled The Role, Responsibilities, and Accountability of Cen-
ter Boards of Trustees, was discussed and endorsed by the CGIAR at its 1996 Mid-Term Meeting in Jakarta, Indonesia.

The CGIAR Secretariat is pleased to make these reference guides available to the CGIAR centers and other interested institutions. They will be updated when necessary. We welcome reactions on their usefulness, and invite suggestions for improvement.

Alexander von der Osten
CGIAR Executive Secretary
The Role, Responsibilities, and Accountability of Center Boards of Trustees

An Overview of the CGIAR

The Consultative Group on International Agricultural Research (CGIAR) is an informal association of over fifty public and private sector members that supports a network of sixteen international agricultural research centers. The Group was established in 1971 and seeks to promote sustainable agriculture for food security in developing countries by ensuring that international scientific capacity is brought to bear on the problems of the world's disadvantaged peoples. CGIAR programs are targeted toward alleviating poverty and protecting the environment in developing countries.

The international centers supported by the CGIAR are part of the global agricultural research system. Through the combined efforts of the CGIAR centers and their partners, food productivity in developing countries has increased, and thereby the system has contributed toward better nutrition, increased farm income, and reduced prices for food. The system has also contributed toward better food distribution systems, more rational public policies, improved use and management of resources, and stronger national agricultural research institutions.

The World Bank, the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP), and the United Nations Environment Programme (UNEP) serve as cosponsors of the CGIAR and support a Technical Advisory Committee (TAC), which advises the Group on program matters. The CGIAR is served by a Secretariat provided by the World Bank. The work of the research centers is periodically reviewed by TAC and the CGIAR Secretariat.
The international agricultural research centers constitute the core of the CGIAR. Each center is autonomous; each is also a nonprofit organization that derives its financial support from the CGIAR and its members. Each center operates under the authority of a legally constituted board, charged with fiduciary responsibility for the work of the center. Although the size of each board varies, the boards consist of three types of members: those nominated by the CGIAR, those serving ex officio, such as the Director General, and those nominated by the board itself.

The effectiveness of each center rests in large part on the effectiveness of its board. Good performance by center boards is, therefore, crucial to the continued success of the CGIAR system. This paper provides guidelines that outline the expectations of the CGIAR community regarding how center boards can best meet their basic responsibilities and assure CGIAR members and others of the accountability of the work of the centers. Although these guidelines cannot encompass the full range of issues faced by individual center boards, given the programmatic and structural diversity of the centers, they do offer a pragmatic underpinning for successful board operation within the CGIAR system. Additional CGIAR papers offer more detailed guidelines on specific operational matters.

The Role of Center Boards

Boards in nonprofit organizations play a number of crucial roles, among them legal, functional, and symbolic. Center boards operate within a similar context, and need to appreciate the complexity and importance of their role in contributing to the success of the centers and the CGIAR system.

The establishment of the board is generally required either by law or by an organization’s founding charter. At a minimum a governing body must be created and maintained to sustain an organization’s legal legitimacy.

Boards are charged with functional responsibilities that require their involvement in policymaking, the delegation of certain tasks to staff, and ongoing evaluation and oversight. Boards, therefore, need among their members people with experience, expertise, and a willingness to work. In
addition, a structure is needed that enables the board to discharge its re-
sponsibilities through regular meetings and access to information.

Boards also function in a symbolic role—one that is hard to mea-
sure, but critical to the credibility of nonprofit organizations and their work. Through a variety of means, primarily composition and a reputation for objectivity and seriousness, a board conveys important assurances to the wider community of stakeholders, partners, beneficiaries, and others that the work of the organization is sound. The goodwill of external stakeholders and the reputation of an organization rest with both the board and the staff.

The boards that serve the international research centers must func-
tion effectively in each of these dimensions. It is the role of a center board to ensure organizational continuity, provide a level of policymaking that ensures programs advance the mission of the center, and oversee the implementa-
tion and administration of these policies within the context of the CGIAR, to guarantee effectiveness and accountability to CGIAR members and others.

Successful center board operation requires the participation of com-
petent board members who recognize their responsibilities, are adequately informed, do their homework, and work as a team under effective leader-
ship. Center boards must be composed of individuals with appropriate scientific, managerial, or policy expertise who make their influence and knowledge available to the centers. To maintain organizational integrity and to guarantee that the actions of the board are in the best interest of the center, board members need to understand their collective and individual responsibilities to avoid conflicts of interest. In the CGIAR board mem-
bers serve in their individual capacities and not as representatives of par-
ticular organizations or agencies, and the policies of each board should reinforce this idea.

Boards must focus on their role in the centers, keeping in mind both the mandate of the individual research center they serve and the larger mission and goals of the CGIAR. Because the CGIAR achieves its mission through the work of the international research centers, good performance by center boards is crucial to the continued success of the system.
Basic Responsibilities of the Board

Board members must understand and be prepared to meet basic responsibilities. Although the mandates of the international centers are diverse, the responsibilities outlined in this section have broad applicability to the work of all center boards and should be viewed as the basis for good board practice.

Boards are charged with the responsibility of making policy and of monitoring the performance of management in carrying out that policy. Ten specific responsibilities are outlined below.

1. Determine the Center’s Mission and Purpose

It is the responsibility of the board to determine and safeguard the center’s mission and to use the mission as a guide for planning, setting priorities, and allocating resources. Center mission statements are not static, and may need to be reviewed and revised periodically to reflect changes in the center or in its operating environment. Mission statements provide the framework within which policy and programs are conducted, and help to motivate board members to give the time and attention needed for the center and its programs to succeed.

It is important that all new board members understand the mission and purpose of the center and that the board has the opportunity to periodically review and reaffirm the center’s mission.

2. Hire the Center Director and Evaluate His or Her Performance

One of the major responsibilities of any board is to hire the chief executive officer. The role of the chief executive, or Director General, is particularly important in the international research centers, where the members of the board are based all over the world and the logistical challenges of meeting as a group limit the number of board meetings that can be held. The board must rely on the Director General to undertake the day-to-day management of the center and to determine which issues are brought before the board for consideration and approval.

It is the board’s responsibility to hire the best person and to conduct the search for a new Director General in a way that will attract qual-
fied candidates. Once he or she is hired, the board must establish with the Director General a process for setting goals and measuring performance on an annual basis.

It is also important that the board behave in a way that supports, rather than undermines, the work of the Director General. In general, it is not appropriate for the board to become involved in the day-to-day operations of the center. There is a fine but necessary line between policymaking and management, and both the board and Director General must work together to respect that line.

3. Determine the Center’s Policies

The board is the center’s highest policymaking body, as recognized in the center’s charter or constitution. However, the board is not expected to be involved in every center-level decision. Board involvement is essential for all major strategic decisions that give direction to management’s actions. These include science and program policies, as well as those in the areas of finance and human resources. The board is also often involved with shaping the center’s policies on relationships with other institutions.

4. Ensure Effective Organizational Planning

Planning is an integral part of a center’s work, and the board must be an active participant in the planning process and in subsequent assessments of the extent to which plans have been realized. Although staff will play a large part in crafting planning documents, the board needs to engage in planning in a way that encourages it to use the plan as priorities are established and resources allocated.

5. Monitor the Center’s Performance

An important corollary to planning is the regular evaluation of the center’s work. It is the board’s responsibility to stay informed about programs, to ask good questions that determine program effectiveness and impact, and to make decisions that move the center and its programs forward. Evaluation should be ongoing and should have as its goal the continuous improvement of a center’s programs and activities. The board must create a climate of inquiry that is fair, and avoid a climate that is perceived
by staff to be negative or risky, lest it lead to the concealment of problems and issues that can later ambush the center and the board.

6. Assist in Mobilizing Resources

Board members need to assist in the process of identifying and cultivating resources, including funding, for the center. As senior and well-respected individuals within their spheres of influence, they should be willing to open doors and support the ongoing resource development activities of center staff. Although day-to-day management of fund raising is largely the responsibility of the staff, board members should stand ready to assist in appropriate ways.

7. Oversee the Effective Management of Financial Resources

The board carries the obligation for the sound fiscal management of the center. Although day-to-day financial affairs are conducted by center staff, the board must develop policies that place prudent limits on the center’s financial activities and create a system of checks and balances that leads to a high standard of financial accountability.

To meet its obligations for fiscal accountability, the board needs complete and clearly presented financial information about the center on a regular basis. Board orientation should include an orientation on the financial reporting system of the center. It is easy to misread financial statements or to fail to see significant information or trends. The board and staff need to collaborate on the development of sound financial reporting systems.

A critical tool for boards in meeting accountability standards is the annual external audit. The annual audit is conducted for the benefit of the board to assure the board that the financial affairs of the center are in order. With an audit and accurate financial information, the board can assure donors and others that the financial dealings of the center reflect sound management and accounting principles.

8. Serve as a Court of Appeals

Because centers are established as international organizations, it is particularly important that boards see that adequate policies are in place
governing employment, compensation, grievances, and appeals. Contract-
ing and grantmaking activities need to be clearly organized to preserve the
reputation of the center for prudence and fairness. Policies in these areas
need to be reviewed regularly and any problems brought to the attention of
the board.

9. Ensure Effective Board Practice

Boards succeed in meeting their responsibilities by incorporating
good practices into their work and perpetuating these practices through
ongoing board education and orientation. To be effective a board must or-
ganize itself and behave so as to ensure that it functions successfully. The
basic elements of this process include:

- respecting the legal framework within which the center oper-
ates, including bylaws and established policies;
- identifying and recruiting new members;
- appointing competent members to the offices of the board;
- maintaining good working relations with the Director General;
- maintaining good external relationships;
- creating appropriate committees to handle the board’s
  workload;
- conducting board meetings in appropriate locations and with
  sufficient frequency;
- ensuring the adequate availability to the board of pertinent in-
  formation;
- ensuring the participation of board members at board meet-
  ings; and
- ensuring the availability to the board of sufficient staff and
  financial resources to enable the board to do its work.
10. Assess its Own Performance

Because center boards are so critical to the success and effectiveness of the centers and the CGIAR system, regular assessment of center boards is conducted by the CGIAR as part of the external review process. Boards should also consider a regular self-assessment to fine-tune board practice and allow for changes in the board's structure that support growth and change elsewhere in the center.

Board Composition and Structure

Composition

Over fifty nationalities are represented on the boards of the CGIAR centers, and about half of all board members are from developing countries. While there are differences in the number of members per board, each board within the CGIAR system consists of CGIAR-nominated members, ex officio members and host country representatives, and at-large members.

CGIAR nominees are trustees who have initially been explicitly nominated to the board by the CGIAR. On each center's board usually three positions, and sometimes more, are reserved for CGIAR nominees. The number of CGIAR nominees and the process used to identify and appoint them are spelled out in a center's charter. There is always close consultation between the CGIAR, through its Secretariat, and the center, usually through the nominating committee of the board, in identifying CGIAR nominees.

Having a portion of board positions reserved for CGIAR nominees provides a means for the CGIAR to: (a) foster quality; (b) ensure diversity in expertise, gender, and geographic origin; (c) provide for the participation of individuals from countries that are small contributors to the CGIAR in the governance of the centers; and, (d) introduce new blood into the ranks of the trustees. In addition, the designation of certain trustees by the CGIAR is important for some centers in establishing and maintaining their status as international organizations. The CGIAR nominees on center boards are not instructed by the CGIAR, nor do they report back
to it. Like the other members of the board, these individuals serve in their personal capacities.

*Ex officio members and host country representatives* include the Director General and members nominated by the government of the country or countries in which the center operates. Most of the host country representatives serve on the board by virtue of the office they hold, but there are some who are nominated by the host country, but not on an *ex officio* basis. *Ex officio* members do not normally serve as Board Chair or take an active part in the nominating committee. In addition, the Director General is excluded from membership on the audit committee to ensure there is no appearance of a conflict of interest, and may find it advisable at times to limit his or her participation in certain other board business for the same reason.

*At-large members* are nominated by the board itself through its nominating committee. The nominating committee may seek assistance from the CGIAR Secretariat and others in identifying candidates. CGIAR member agency employees with line responsibility for CGIAR funding decisions should not serve as members of center boards.

**Board Diversity and Balance**

To maintain a sufficiently broad perspective in policymaking, center boards should strive for diversity and balance in their composition. Approximately half of the members should be drawn from developing countries, including the host country, and half from developed nations. Board members from developing countries can bring an understanding of the cultural, sociopolitical, and institutional settings and needs to which CGIAR research is directed. Those from developed countries can bring knowledge of relevant research institutions, programs, and management that will advance the work of the center.

In addition, given the dynamic economic and scientific context of their work, centers need to maintain a lively range of ages and perspectives on the board. Gender is an important aspect of diversity, and boards should actively recruit female members to ensure balance in composition. It is also important that members with NGO or private sector experience be recruited to center boards.
Board Skills and Characteristics

CGIAR center boards are composed of a mix of professions, nationalities, and experiences. Within the constraints imposed by center by-laws, membership must be carefully structured to maintain balance among science, management, NGO, and CGIAR experience.

*Scientific expertise.* Some members should be of such standing in their disciplines as to command the respect of the center’s staff and external constituencies. Some should be fully involved in research to bring to the board a research perspective, while others may have experience in research management, administration, or policy.

*Management and NGO expertise.* Every board should have at least one or two members whose background is primarily in areas such as financial and corporate management and NGOs to bring these important perspectives to the center’s work.

*CGIAR system knowledge.* Center boards should also include members with experience and knowledge of the CGIAR system. Each board should include at least two or three members experienced in the system, who understand how the system works and its past failures and successes. Some of these individuals may have previously served on center boards, others may already be serving on a center board, and are able to meet the demands of board service for another center.

Term Limits

Term limits enable a board to renew its membership and build a board responsive to the needs of the center. Without term limits, the process of retiring board members can become needlessly personal and political.

At-large and CGIAR-nominated members should serve no more than two consecutive terms. Exceptions to the term limit, whether for the Board Chair or other board members, should occur only in extraordinary circumstances—and not for exceptional performance—and should be in the best interest of the center.

Boards should remember that reappointment to a second term on the board or reelection to office should not be automatic. The performance
of the individual while on the board should be considered before renewing a member's term, as should the need to achieve and maintain an appropriate membership mix in terms of discipline, nationality, region, age, experience, and gender.

Meetings

The frequency, location, and conduct of meetings are important ingredients of a board's effectiveness. Meetings should be held with sufficient frequency to enable the board to discharge its responsibilities effectively. Most center boards meet twice each year. One meeting is usually designated as the annual meeting. As circumstances warrant—for example, in an external review year—additional meetings may be necessary.

Standing Committees

To ensure that sufficient attention is given to critical board duties, a center board typically has the following four standing committees: nominating committee, program committee, audit committee, and executive committee. Depending on the needs of individual centers, other standing committees, focusing on activities such as planning and resource development, may be established.

The nominating committee is responsible for providing the full board with recommendations on new at-large members, reappointments, desired attributes of CGIAR-nominated members, and nominations for Board Chair. It might also monitor overall board performance and the performance of individual board members. Because its role is crucial to the board's effectiveness, the nominating committee must be composed of experienced and respected members of the board.

The program committee advises the board on all aspects of the center's research and research-related programs, focusing on the formulation of policies and plans and the monitoring of performance and impact. Because of the magnitude of its task, the program committee is usually the largest committee of the board.

The audit committee helps the board to maintain accountability with respect to financial and management practices. The audit committee is not a finance committee. Auditing is concerned with monitoring com-
pliance with controls. Finance activities take a forward look at budgets, financial planning, and funding prospects—functions which lie best within the purview of the executive committee.

The *executive committee* typically has three major responsibilities: (a) to act as a need arises on behalf of the board between full meetings of the board; (b) to handle on behalf of the board sensitive matters that are best kept within a smaller group; and (c) to act as a finance subcommittee of the board. In the context of CGIAR centers, efficiency dictates that the executive committee serve as the finance committee in monitoring income and expenditures and in recommending annual budget proposals to the board. The executive committee must ensure that it does not usurp the role of the full board.

For sufficient performance review and adequate membership rotation, each standing committee should be elected annually. All committees of the board should have formal written terms of reference that are approved and periodically reviewed by the board. These statements should be included in a board handbook.

*Ad Hoc Committees*

From time to time, the board may create *ad hoc* committees to handle important matters of a one-time or transitory nature. A prime example is a *search committee* for a new Director General.

**Relationship between the Board and the Director General**

**Basic Duties of the Director General**

It is the job of the Director General, not of the board, to manage the center. In doing so the Director General implements board policy through:

- program management, including strategic and operational planning, organizing, and coordinating activities, and evaluation;

- financial management, including financial planning and budgeting, fund raising, resource allocation, monitoring, and auditing;
• human resources management, such as setting salary scales and benefits, conducting performance appraisals, and hiring professional and support staff;

• information management, including the maintenance of communications, computer services, and library resources;

• administration, including operational procedures and maintaining the physical plant and stores; and

• external relations with host governments, partner countries, other centers, and other institutions.

The Director General plays a significant role in the effectiveness of a center board. He or she has access to information of value to the board and has the responsibility to provide complete and comprehensible information to the board on a timely basis. The Director General also facilitates communications between the center and the board between meetings, and helps board committees to perform their functions.

Role of the Director General

The Director General, as the center’s chief executive, is both an ex officio member of the board and its chief servant. As a board member, the Director General is legitimately entitled to vote on board matters as specified in the center’s charter, but must use his or her discretion when taking part in certain board activities. For example, it is inappropriate for the Director General to serve as a member of the audit committee or an ad hoc committee set up to identify his or her successor. It may also be inappropriate for the Director General to be a member of the nominating committee, but he or she should be consulted by the nominating committee. Centers differ in their policies regarding the Director General’s involvement in certain board activities. A working rule is for the Director General to abstain from voting if the action could be perceived as a conflict of interest.
Relationships between the Board and External Constituencies

Donor and Partner Governments

As a practical matter, the primary responsibility for planned formal relations with CGIAR members, governments, and other partners should lie with the Director General. He or she knows the past history and current situation, the personalities involved, the rules that apply, and the center's requirements. As appropriate, the Director General should make use of the Board Chair and other board members in this activity and, in particular, should make use of members of host countries in relations with their governments.

The CGIAR System

A center has relationships with other CGIAR centers and partner institutions in the North and South, and with the CGIAR, its committees, and Secretariat.

Within the community of centers and partner institutions, the board's role is to ensure that the Director General follows a policy of appropriate liaison, facilitation, cooperation, and coordination in relation to CGIAR-wide programs and collaborative research. At the board level, positive cooperation can be fostered by overlapping board memberships, relations with nongovernmental and private organizations in both the North and South and, as appropriate, the participation of representatives from other center boards in meetings and field visits of the board or its program committee.

Center boards also fit into a clearly defined governance structure within the CGIAR system. While primarily responsible for their respective centers, boards are also required to contribute to the management and development of the CGIAR system. In their deliberations, boards are expected to reflect systemwide interests and concerns, and to be active in the development and effectiveness of the system.

Within the CGIAR system, the performance of the Director General is assessed by the board, whose performance in turn is reviewed by the
CGIAR through its external reviewers and advice from the Oversight Committee and the CGIAR Secretariat.

The Technical Advisory Committee and the CGIAR Secretariat use two mechanisms to provide advice to the CGIAR on board and center performance:

- continuous monitoring carried out through the review of center programs and funding proposals, annual reports and other documentation, and through attendance by observers at board meetings; and

- periodic peer review via external program and management reviews through which the CGIAR offers advice to center boards and management. It is one of the board’s responsibilities to ensure that this opportunity is taken and the advice seriously considered. As an autonomous body, the board does not have to accept the proffered advice, but in rejecting it, it must be sure that it has sound reasons and that it has taken into account the possible consequences to itself, the center, and the CGIAR system.

The Role of the Board Chair

The role of the Board Chair is particularly important to the effectiveness of both the center and its board. In the same way that the Director General is responsible for the effective management of the center’s operations and programs, the Board Chair is responsible for the conduct and productivity of the board. The Chair establishes a model for the board’s relationship with the Director General and staff, and encourages productive and respectful relationships among board members. He or she helps to focus the board’s attention on the policy and governance needs of the center, by shaping appropriate agendas for board meetings, ensuring that board members have the information they need to fulfill their oversight responsibilities, and conducting board meetings and discussions in a way that leads to constructive decisionmaking and planning.

Given the international nature of the center’s work and the logistical challenges of bringing together board members from distant locations,
for meetings, the Board Chair must look carefully at the leadership and functioning of board committees, and at how information is shared between meetings of the board. It is particularly hard to balance the efficiencies of relying on an executive committee for decisionmaking with the obligation to involve the full board in this function.

Within the CGIAR system, the Board Chair participates on committees and works closely with the Secretariat and, as a member of the Committee of Board Chairs, he or she deliberates on systemwide initiatives. The Board Chair also plays an important role as an ambassador and representative of the center in building relationships with CGIAR members and nongovernmental and private sector organizations of importance to the center. This role is particularly significant in relation to program development and resource mobilization.

Perhaps the most critical responsibility of the Chair is to develop a positive working relationship with the Director General, who should be able to bring issues to the Chair for advice and counsel without fear of recrimination. Both the Chair and the Director General should view the relationship as a partnership, and see their mutual effectiveness linked to the quality of their working relationship.

Basic Responsibilities of Individual Board Members

The Duties of Care, Loyalty, and Obedience

A board member must meet certain standards of conduct in carrying out his or her responsibilities. The duties outlined below describe a foundation on which a board member can build a conscientious approach to individual board service and to the work of the full board.

- The duty of care describes the level of attention and competence expected of a board member. To fulfill this duty, board members must exercise the same care that an ordinarily prudent person would exercise for their own personal business in a like position and under similar circumstances. Ways in which to show "care" are to prepare for meetings, attend meetings, and participate in discussions by asking questions and offering advice.
The duty of loyalty is a standard of faithfulness to the organization. This fundamental responsibility is the duty to give undivided allegiance to the center when serving in the capacity of a board member. In practice this means that a board member must avoid conflicts of interest and should never act for personal gain or for the benefit of another organization at the expense of the center. The board should establish policies for handling conflicts of interest.

The duty of obedience requires board members to be faithful to the mission of the center and the CGIAR. Although board members may exercise their own reasonable judgment concerning how the center should best meet its mission, they should not act in a way that is inconsistent with the central goals of the center and of the CGIAR. In addition, board members should understand and act in accordance with the laws and regulations that govern their center's operations.

Basic Principles

In ensuring that the board achieves its purpose and fulfills its responsibilities, individual members should be guided by the duties of care, loyalty, and obedience described above. Each board member has a fiduciary duty to deal fairly, openly, and in good faith with the center.

In performing his or her work as a board member, it is generally accepted that a member can:

- delegate his or her authority to committees of the board, so long as he or she monitors the performance of the committees;
- rely on information provided by others with relevant expertise;
- receive reasonable remuneration; and
- avoid liability for simple negligence in the management of the organization, as long as the negligence is not gross and the member acts.
Legal Accountability and Liability

A board member is legally accountable under the laws and statutes governing the center’s incorporation, or under the international agreement establishing the center and the host country agreement under which it operates. These laws and statutes of incorporation vary from center to center, and each board should receive legal advice about the provisions that apply to the liability of its members. In general:

- board members have a legal duty to ensure that the organization keeps accurate records;
- business decisions made in good faith which turn out poorly do not constitute grounds for personal liability;
- board members can be held liable for a breach of fiduciary care if they fail to attend meetings or monitor the center’s affairs; and
- board members can be held personally liable if they vote for or assent to the improper distribution of the center’s assets or when they fail to dissent in writing when impropriety occurs.

Board members may be protected against the risk of legal liability in three ways: (a) through the articulation of policies and procedures to ensure good performance; (b) through indemnification by the center; and, (c) through liability insurance.

In practice, because it is difficult to judge research performance in any clear-cut way, and because board members are not typically residents of the country of incorporation, legal liability of CGIAR board members is difficult to enforce. However, poor performance by a board or major troubles at a center can have significant repercussions on the center’s standing and the goodwill of external stakeholders toward the center and the CGIAR system. Thus, board members should recognize their accountability and meet their responsibilities within the CGIAR system.

General Accountability

Each member of a CGIAR center board acts in his or her individual capacity, not as a representative of any constituency or outside en-
tity—be it a country, region, professional discipline, or other entity through which his or her membership is derived. Members bring to the board particular knowledge and perspectives that are relevant to the board; the nominating committee has put its faith in the individual member’s capacity to serve well as a board member, not as a representative acting under instruction. Without this distinction, board autonomy would be lost and artificial divisions would arise.

While these standards may be obvious to at-large and CGIAR-nominated members, they may be less clear-cut with regional and host country members, especially if these members are designated in the bylaws as *ex officio* members. Host country members are frequently regarded by their government as its representatives on the board. Such members have generally served their boards well, and their status with their governments has been very important to the operation of the centers. From the board’s perspective, however, while such members are expected to inform the board of their government’s views and concerns, they serve as individuals, not as directed representatives. Like all members of the board, their accountability is to the board and to themselves, even while recognizing that, if their government is unhappy with their performance, it may have the right to replace them.

All board members should see themselves as accountable to:

- the center’s beneficiaries;
- the center’s external stakeholders, including CGIAR members;
- the Director General and staff;
- the host country;
- the CGIAR system—the Group, its committees, and Secretariat; and
- the public at large.

While there will always be a degree of conflict among these areas of broad accountability, board members must use their own judgment in acting in particular circumstances to determine the center’s best interest. It is the responsibility of each member to speak out on issues that he or she
believes the system should address. Board members are expected to be enlightened international servants, who by their wise and prudent actions endeavor to advance the interests and the wellbeing of the groups and individuals that the centers and the CGIAR system serve.

References


A primer on the most fundamental and critical responsibilities that the board as a whole is charged to carry out. Also includes information on individual board member responsibilities.

Suggested Resources


An exploration of the board’s role in remaining accountable to the public. Questions for the board to address include: How does the board fulfill this responsibility? How is the board’s role distinct from the chief executive’s? What are the obstacles to remaining accountable? If the board fails to regulate itself, what are the consequences?


A discussion of how boards work best when they focus on setting direction, policy, and strategy, rather than on administration. This booklet suggests specific procedures and policies that chief executives, board members, and senior staff can follow to strengthen the board’s capacity to govern.

A guide to ensuring board effectiveness by examining its performance, composition, commitment, and structure. Contains chapters on board responsibilities, recruiting directors, the board/chief executive relationship, and evaluating performance.


Focuses on the details of board operation in the CGIAR and ways of overcoming the constraints that boards face in their work. It covers board responsibilities and accountability, membership, functions, committees, and officers.


Provides a description of the responsibilities critical to serving as board chairperson, including an outline of the personal characteristics, specific role responsibilities, and principles of effective leadership.


A discussion of the guiding concepts, principles, and philosophy that guide the boards of trustees of CGIAR centers. It covers, in particular, the roles, relationships and responsibilities of boards, and how these relate to the other components of the CGIAR system.


A comprehensive text providing practical advice, principles, and procedures on more than forty major topics affecting nonprofit boards. These topics include chief executive-board relations, evaluating the executive, and improving the quality of the board.

A guidebook that translates technical law into layman’s terms to help board members understand their legal responsibilities, including the duties of care, loyalty, and obedience.


A comprehensive guide to building strong boards by attracting qualified and committed new members. Contains practical tools, including model forms, sample letters, and checklists on assessing current board composition, identifying and recruiting new board members, and board orientation.


Based on the External Management Reviews of CGIAR centers undertaken during the period 1983 to 1990, it provides an overview of the state of management in the thirteen centers that, then, comprised the CGIAR system. Focuses on center governance, leadership, strategic planning, and management of research programs and resources. Highlights cross-cutting issues of adaptability, accountability, efficiency, and innovation.


An evaluation tool designed to help nonprofit boards determine how well they are carrying out their major responsibilities and highlight areas that need improvement. Each questionnaire allows individual board members to assess the board’s performance as a whole and their own contribution to the board’s work. The user’s guide provides a framework for administering the questionnaires, compiling the comments, and leading the board through a discussion of the results.