



Fund

## **Fund Council**

**9<sup>th</sup> Meeting (FC9)—New Delhi, India**

**April 25-26, 2013**

**Request for Proposal for Phase 2 of the CGIAR Governance Review**

(Working Document - For Discussion Only)

*Document presented for Agenda Item 5:  
Update on Governance Review Phase 1&2*

*Submitted by:  
Consortium Office*



**Request for proposal  
For Phase 2 of the CGIAR Governance Review  
Commissioned by the CGIAR Consortium and the Fund Council**

**1. Context**

- a) The CGIAR is a global partnership that unites organizations engaged in research for sustainable development with the funders of this work<sup>1</sup>. The funders include developing and industrialized country governments, foundations, and international and regional organizations. The work they support is carried out by 15 members of the Consortium of International Agricultural Research Centers (**CGIAR Consortium**), in close collaboration with hundreds of partner organizations, including national and regional research institutes, civil society organizations, academia, and the private sector. [www.cgiar.org](http://www.cgiar.org) - [www.consortium.cgiar.org](http://www.consortium.cgiar.org).
- b) CGIAR's vision is to reduce poverty and hunger, improve human health and nutrition, and enhance ecosystem resilience through high-quality international agricultural research, partnership and leadership. The CGIAR's Strategy and Results Framework (**SRF**) defines four system-level outcomes that shape the CGIAR's research priorities and activities: reduced rural poverty, improved food security, improved nutrition and health, sustainably managed natural resources.
- c) In December 2009, the CGIAR adopted a new institutional model designed to improve delivery of its research results in an ever-changing global environment. The new model emphasizes a more results-oriented research agenda, clearer accountability across the CGIAR, and streamlined CGIAR Research Programs (**CRPs**). The core elements of the new CGIAR are the CGIAR Fund and the CGIAR Consortium.
- d) The CGIAR Fund harmonizes donor contributions to improve the quality and quantity of funding available, engender greater financial stability, and reverse the trend toward restricted funding for the implementation of the SRF. The Fund Council is the CGIAR Fund's decision-making body and represents all Fund Donors.
- e) The CGIAR Consortium was established as an international organization on 2 March 2012 and is made up of 15 members (the International Agricultural Research Centers) engaged in research for a food-secure future. Before becoming an international organization, the CGIAR Consortium existed since 29 April 2010 as a contractual joint venture established by its 15 members. The CGIAR Consortium's main role is to lead the development and oversee the implementation of the CGIAR's SRF, including the CRPs, which are major programs of research reaching across the CGIAR Consortium's members and their partners.  
The CGIAR Consortium manages the allocation of funds to meet priorities identified in the SRF, and serves as a central point of fiduciary and operational accountability for the implementation of CRPs and the use of funds provided for CRPs (other than financial oversight of the use of "Window 3" Funds) (as defined in the CGIAR Glossary).
- f) The CGIAR system is designed to ensure that appropriate fiduciary responsibilities are imposed on all the organizations involved in implementing the CRPs. The CGIAR Consortium and the Fund Council enter into program performance agreements for the delivery of research through the portfolio of CRPs. The CGIAR Consortium in turn enters into performance agreements with Lead

---

<sup>1</sup> CGIAR is not a legal entity or partnership. It is defined in the CGIAR Glossary as meaning "the global scientific research-for-development partnership consisting of the Consortium, Centers, CGIAR Funders, Partners and other CGIAR Participants to implement the Strategy and Results Framework based on the goals expressed in the CGIAR Principles and the aspirations expressed in the Joint Declaration".



Centers of CRPs to implement the CRPs. These contractual arrangements are meant to strengthen accountability and the delivery of research results.

- g) The CGIAR Consortium and the Fund Council decided to jointly commission a governance review of the CGIAR System, including the CGIAR Consortium and its members, the Fund Council and the System components (i.e., the Independent Science and Partnership Council (**ISPC**) and the Independent Evaluation Arrangement (**IEA**)). This CGIAR Governance Review arises from a need identified by the Fund Council, together with the CGIAR Consortium and its members, to conduct a detailed and evidenced-based CGIAR Governance Review in order to review and assess the governance structures and controls in place across the CGIAR. This Review is detailed and evidence-based and conducted in multiple phases to ensure that the Review is conducted efficiently and effectively. Phase 1 is already underway.
- h) The CGIAR Consortium and the Fund Council established a Governance Review Reference Committee (**Reference Committee or GRRC**) to oversee the proper carrying out of the CGIAR Governance Review (see Annex 2 for more details on the Reference Committee).
- i) The CGIAR Governance Review will contribute to the information available to the Consortium Board in fulfilling its governance, risk and compliance responsibilities. In particular, the Consortium Board is responsible for ensuring that the governance controls in the CGIAR Consortium are properly structured and implemented. The review also supports a critical and timely collaborative process begun this year among all members of the CGIAR Consortium to seek best governance practices, and will assist the Fund Council and the Consortium in providing their overview of the governance and management performance of the CGIAR system.

## 2. Purpose of this Request for Proposal

The purpose of this Request for Proposal is to invite consulting firms to submit proposals to carry out Phase 2 of the CGIAR Governance Review commissioned by the CGIAR Consortium and the Fund Council (see **Annex 1** for the description of the scope of work and timeline for Phase 2).

## 3. Duration of Assignment

It is anticipated that proposals will be received by 21 January 2013, that a decision will be made to select a consulting firm by 4 February 2013, and that the contract with the selected contractor will be effective as of 18 February 2013 until 28 June 2013. The desired dates for the selected contractor to submit its final draft report and its final report are respectively 28 May 2013 and 28 June 2013.

## 4. Qualification and Expertise

The assignment will require a high level of technical competence in Organizational Development, Administrative Rules and Procedures, Human Resources Management, Conditions of Service, Financial Management Systems and Corporate Governance preferably at regional and/or international level and in complex organizational environments.

Therefore, Bidders should ensure an appropriate mix of the following skills and experience:

- a. Demonstrated experience in reforms in public-sector organizations and/or complex organizational environments, preferably at the regional and/or international level;



- b. High technical skills in corporate governance, organizational development and financial management systems, preferably at the regional and/or international level;
- c. Experience with the CGIAR or other similar international bodies.

All consultants shall have excellent written and oral English.

## **5. Proposal Details**

The Proposal should include the following:

- a. Details of the firm;
- b. CVs of the individuals who will be assigned to carry out the work;
- b. Details of the experience of the firm and individuals relevant to this assignment;
- c. Detailed work plan and the proposed methodology, which shall include full justification for procedures to be adopted;
- d. Financial proposal in US\$ (time and materials based on daily rates and estimated timescales); and
- e. Three references on recent relevant work by the firm or/and individual.

## **6. Language**

The Review and all correspondence and documents exchanged with the selected contractor shall be in English.

## **7. Budget**

The maximum budget for this Phase 2 consultancy is US\$ 300,000.

## **8. Manner of operation**

The Reference Committee assumes that IIA standards will apply to the work performed. For instance, the reviewees will be given an opportunity to correct errors of fact before any final reports are submitted. In addition to interim consultations with the Reference Committee and submission to it of draft reports, it is also further anticipated that the penultimate draft reports will be submitted to the Consortium Board's Governance, Risk and Compliance Committee for review and input which will be taken into consideration by the Reference Committee prior to the submission of the final reports by the consultants.

It is emphasized that the Reference Committee is more concerned to receive a series of actionable and prioritized recommendations with analysis, rather than an extensive report.

## **9. Award of Contract**

Proposals could form the basis for a contract between your firm/institution and the CGIAR Consortium. This letter is not to be construed in any way as an offer to contract with your firm/institution. The Reference Committee reserves the right to accept or reject any Proposal and to annul the solicitation process and reject all Proposals at any time prior to the awarding of the contract, without incurring any liability to the Bidder or any obligation to inform the Bidder or Bidders of the grounds for its action.



The CGIAR Consortium will award the contract to the qualified Bidder whose Proposal, after being evaluated by the Reference Committee, is considered by the Reference Committee to be the most competitive and appropriate for the needs of Phase 2 of the CGIAR Review.

#### **10. Submission of Proposals**

**Proposals must be submitted by email on or before 21 January 2013** to: Vinciane Koenigsfeld email: [v.koenigsfeld@cgiar.org](mailto:v.koenigsfeld@cgiar.org). Physical Address for hard copies: C/O Vinciane Koenigsfeld, Consortium Office: Agropolis International, 1000 Avenue Agropolis, F-34394 Montpellier, Cedex 5, France.



## Annex 1

### Description of Phase 2 of the CGIAR Governance Review

#### 1. Scope of Work of Phase 2 of the Review

- Phase 2 of the Review will build in part on the preparatory work undertaken by a team of 3 independent consultants in Phase 1 which consists in reviewing and assessing the governance structures in place across the CGIAR (the CGIAR Consortium, CGIAR Consortium members and Fund Council) and Centers' Boards and executive management as well as the governance processes, controls and oversight mechanisms in place (including the ISPC as an advisory body and the IEA as an oversight mechanism).

In particular, Phase 1 consists in (i) reviewing and assessing the roles and responsibilities of the governing bodies, their governance policies and procedures, their structure and remuneration; (ii) reviewing and assessing the roles and responsibilities of the ISPC as an advisory body and the IEA as an oversight mechanism; (iii) examining the adequacy of the (legal) principal/agency and fiduciary relationships between, on the one hand, the CGIAR Consortium, CGIAR donors and the Fund Council and, on the other hand, the individual Centers and their boards and management; (iv) reviewing and assessing from a risk management perspective for the CGIAR Consortium and each of its 15 members: their investment policies and practices (including current investment portfolio); audit procedures; communication channels and protocols for reporting mismanagement and/or exceptional and/or unforeseen circumstances or risks; and (v) identifying potential gaps and/or mismatches between accountability and / or responsibility as compared with authority as well as control systems.

The final report of Phase 1 is expected in mid-February 2013.

The 3 consultants will not be bidding for Phase 2 but representatives will be available for consultation during Phase 2.

- Phase 2 will consist of:
  - Reviewing the outputs of the Phase 1 work and carrying out any further supplementary analysis of the governance structures, processes, controls and oversight mechanisms in place across the CGIAR and in particular any inadequacies, gaps and/or overlaps;
  - Analyzing Centers' governance, investment and accounting policies and practices as they relate to Center reserves (unrestricted net assets<sup>2</sup>) and the Reserves Policy for Centers which is to be proposed by the CGIAR Consortium in January 2013; as well as advising on a CGIAR Fund Reserves Policy;
  - Reviewing how the governance structures are operated in practice in the CGIAR, in particular, evaluating responsibilities for monitoring compliance with, and enforcement and oversight of, the governance policies and main CGIAR agreements at all levels in the CGIAR;

---

<sup>2</sup> Unrestricted net assets means, in this context, available resources which may be designated or not designated as to usage, and excludes fixed assets which are not available.



This includes, in particular:

- Determining to what extent the CGIAR governance bodies (the Consortium Board, Center boards, and Fund Council) are following the requirements imposed by the CGIAR System agreements, i.e. are in compliance, and the effectiveness of their internal governance and/or internal controls policies;
  - Reviewing whether the CGIAR governance bodies have made Board and executive management decisions with respect to governance and internal controls that were not consistent with the CGIAR System requirements and internal policies, and review the impact of such decisions;
  - Determining any areas in which these CGIAR governance bodies are not meeting accepted best practices in corporate governance and internal controls including nomination and appointment of Center Board members, segregation of duties and roles within Board Committee members, performance appraisal of Center Heads by Boards, Risk Management Strategies;
  - Reviewing the overall efficiency and effectiveness of the CGIAR governance bodies (priority setting, approach to risk including financial risk);
  - Reviewing the efficiency and effectiveness of the training provided to the members of the Consortium Board and Center Boards;
  - Evaluating the collective competencies of members of the Consortium Board, Center Boards, and Fund Council;
- Providing a range of solutions to improve governance, address inadequacies, gaps and/or overlaps in governance structures, processes or controls, and improve governance compliance; these solutions should take into account the reform process and may potentially include the development of common policies and guidelines (internal to the CGIAR Consortium or for inclusion in the Common Operational Framework), best practices, board composition and appointment guidelines, control mechanisms, and minimum standards for investment and other policies.
- Phase 2 of the Review will be detailed and evidence-based and will not go further back than 2009 (unless there are specific reasons for doing so such as suspected fraud, etc). It will be mostly based on:
- The outputs of Phase 1;
  - Documents identified as relevant by the Reference Committee and the Consulting Firm and collected by the Consortium Office from the Consortium, the Centers, the Fund Office, the ISPC and the IEA;
  - Additional information collected by Consultants during consultations (remote, or on-site if deemed necessary by Consultants) with the CGIAR Consortium, Centers, the Fund Office, the ISPC or the IEA; it is expected that Consultants will undertake approximately five visits (e.g., three to Centers, one to the Consortium Office in Montpellier and one to the Fund Office in Washington DC). Information and insights, and potential solutions to improve governance and/or address the inadequacies, gaps and/or overlaps in governance structures, processes and controls identified by the consultants who undertook Phase 1 of the Review and shared with Consultants of Phase 2 through consultations.
- Adjustments may be made to the scope of work of Phase 2 based on information collected as Phase 1 progresses.



2. **Outputs from Phase 2 Consultancy**

1. A clear and concise report (maximum 50 pages excluding references and annexes) with analysis of the problems identified, the key findings and main recommendations; The report should cover:
  - Identified specific inadequacies, gaps and/or overlaps in governance structures, processes or controls, including those from the Phase 1 review;
  - Specific areas of failed or inadequate compliance with Governance Structures and Systems, best practices in corporate governance, and funding agreements;
  - Risks posed by the inadequacies, gaps, overlaps and failure to fully comply with governance structures, systems as well as best practices;
  - A range of options for addressing weaknesses above and specific recommendations arising from the analyses, including common policies and guidelines (internal to the CGIAR Consortium or for inclusion in the Common Operational Framework), best practices, board composition and appointment guidelines, control mechanisms, and minimum standards for investment and other policies.
2. Executive summary with key findings and recommendations (5 pages)

3. **Timeline for Phase 2 of the Review**

Phase 2 of the Review will be conducted over a period of approximately 3 1/2 months, from approximately 18 February 2013 to 28 June 2013. The tentative date for the final report for Phase 1 of the Review, including the recommendations, to be finalized and submitted by the Consulting firm to the Reference Committee is 28 June 2013.



## Annex 2

### GOVERNANCE REVIEW REFERENCE COMMITTEE OF THE CGIAR CONSORTIUM AND THE FUND COUNCIL (“Reference Committee” or “GRRC”)

(approved by the CGIAR Consortium and Fund Council on November 19, 2012)

#### I. Purpose

The Reference Committee is an ad-hoc committee established by the CGIAR Consortium and the Fund Council in order to oversee the proper carrying out of the CGIAR Governance Review commissioned by the CGIAR Consortium and the Fund Council.

#### II. Roles and Responsibilities

The Reference Committee shall in particular:

- a) Finalize the terms of reference of the CGIAR Governance Review;
- b) Select a team of consultants to conduct the different phases of the CGIAR Governance Review (**Review Team**);
- c) Provide operational direction to the Review Team;
- d) Interface between Review Team and the CGIAR Consortium and the Fund Council as appropriate;
- e) Determine the list of documents to be provided to the Review Team;
- f) Facilitate access of the Review Team to appropriate individuals in the System;
- g) Receive reports from the Review Team and submit them to the CGIAR Consortium and Fund Council with the Reference Committee’s analysis and recommendations;
- h) Carry out any other functions required to ensure the proper carrying out of the CGIAR Governance Review; and
- i) Recommend further actions to the CGIAR Consortium and Fund Council as appropriate.

The Reference Committee’s work will be supported by the Consortium Office and the Fund Office which will gather all relevant information for the CGIAR Governance Review and organize meetings as relevant.



### **III. Membership**

The Reference Committee shall be composed of six members, three appointed by the CGIAR Consortium and three appointed by the Fund Council.

The CGIAR Consortium appoints the following three individuals: the two co-chairs of the Consortium Board's Governance Committee (Lynn Haight and Sara Boettiger), and the CGIAR Consortium Chief Executive Officer (Frank Rijsberman);

The Fund Council appoints the following three individuals: the two following representatives of Fund Council members: Rob Bertram (USAID) and Luke Mukubvu (DFID), and the Fund Council Executive Secretary (Jonathan Wadsworth).

### **IV. Standards of performance**

Each Committee member shall preserve the confidentiality of information of a confidential nature to which he or she has had access during the performance of his/her duties.

Should a Committee member have an interest relative to any business before the Reference Committee that he or she considers may pose a potential conflict of interest, he or she shall declare it to the Reference Committee who will decide on the extent of the member's allowable participation in the Reference Committee's work on that business.

### **V. Meetings**

The Committee shall meet (physically, by teleconference or other electronic means) as often as the Committee deems necessary to function effectively.

### **VI. Procedures**

The Reference Committee shall report regularly to both the CGIAR Consortium and the Fund Council on its activities, and maintain minutes of all meetings.

Unless otherwise decided by both the CGIAR Consortium and the Fund Council, the Reference Committee shall be automatically dissolved upon satisfactory completion of the CGIAR Governance Review, as determined jointly by the CGIAR Consortium and Fund Council.