March 12, 2015

**DRAFT**

**Options for CGIAR Governing Structures and Decision Making**

***Note from the Options Team***

*This* ***draft*** *of the paper on* ***options for governance and decision-making in the CGIAR*** *has been prepared to solicit views and feedback from CGIAR partners on the on-going work of the team. The paper includes all the components that the team was asked to address with the exception of views on the required transitional arrangements. These will be covered in the final paper.*

*The options team and the Fund Council Governance Committee recognize that feedback and input from all partners will enrich the continuing work of the options team and contribute to a more robust final report.*

*The options team acknowledges with appreciation the comments that it received on the preliminary consultation draft of this paper that was circulated on March 3, 2015. While some of the comments submitted on that draft have been reflected in the current text, the team has not had sufficient to take fully into account the numerous comments that it received. We will continue to review and consider those comments in the next few weeks, together with any additional comments submitted on this draft, as the paper is finalized.*

***CGIAR partners receiving this draft paper are invited to submit their comments and views to the options team at cgiaroptions@worldbank.org by March 19, 2015.*** *All comments submitted to the team will be posted on the website at www.cgiar.org/cgiaroptions.*

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# I. Introduction

1. The CGIAR is a global partnership established as the Consultative Group on International Agricultural Research in 1971. In 2008/2009 the key stakeholders agreed on and initiated a substantive reform process intended to strengthen the ability of the partners to support the development of a global food system that meets the needs of all, particularly the poor. The overall objectives of the post-2009 CGIAR are to reduce rural poverty, reduce food insecurity, improve human health and nutrition, and ensure more sustainable management of natural resources.
2. Broad reviews of governance, resource mobilization, delivery, and impact have been sponsored by CGIAR entities in order to assess efficiency and effectiveness and identify areas for improvement. The most recent was the Mid-Term Review (MTR) by an independent panel (completed in November 2014). In parallel, a new Strategy and Results Framework (SRF) is being prepared to guide future CGIAR operations.
3. The aforementioned reviews have provided a large number of recommendations that would affect the future governance of CGIAR. The final report of the MTR Panel, including nine recommendations, was presented to the Fund Council in November 2014. The Fund Council endorsed all of the recommendations except *Recommendation 4*that a single CGIAR Board be established to replace the Fund Council and the Consortium Board and be supported by one administrative unit, replacing the Fund Office and Consortium Office. There was not a consensus among Fund Council members on the necessity or relative merit in carrying out this recommendation. Particular concerns included the need for detailed and evidence-based legal, administrative and governance implications for transitioning to such a system (Comments are compiled in Annex A).
4. The Fund Council has agreed that it would be useful to have additional analysis focusing on options for CGIAR governing structures and decision-making processes. Thus the Fund Council has requested that such an analysis be undertaken with a view to reaching a consensus among donors and other stakeholders on any changes or clarifications in structure, procedures or accountabilities across the partnership.
5. As agreed at the November Fund Council meeting, and as one of the decisions resulting from the discussion on the MTR recommendations, an options team was established to propose and analyze options for the governance structure and decision making in the CGIAR. The team is proposing five main options. These options were arrived at through: (i) a review of previous reports and analyses (see Annex B); (ii) consultations with various entities and stakeholders across CGIAR and external experts (see Annex C); (iii) a problem analysis; and (iv) comparison of other global partnerships, so as to illustrate other models that may provide useful lessons for CGIAR.
6. In addition to the proposed options, the team recognizes, and is providing proposals for, a number of cross-cutting issues that affect the effectiveness of the system and which should be integrated into all of the proposed options.

# II. Background

## **(a) Brief description of current structure**

1. The foundation of CGIAR continues to be its independent, non-profit research centers (the centers) – currently a total of fifteen.[[1]](#footnote-2) Each center operates under the authority of its own Board. The CGIAR Consortium[[2]](#footnote-3) was established as an international organization in July 2012 to integrate research across the centers and, in doing so, minimize duplication and streamline funding. The Consortium Office located in Montpellier, France, is responsible for the day-to-day functions of the Consortium.
2. As part of the reform, CGIAR developed a system-wide Strategy and Results Framework (SRF), intended to set out common goals, objectives and priorities, and shifted from an institutional to programmatic approach to research centered on large, cross-cutting CGIAR Research Programs (CRPs). The CRPs are intended to be guided by and generate results in accordance with the Strategy and Results Framework (SRF). However, in the initial stages of the reform process it was not possible to fully align decision-making on CRPs with an SRF since they were developed in parallel. There are currently 16 CRPs under implementation. Two CRPs, Global Rice Science Partnership (GRISP) and Climate Change, Agriculture and Food Security (CCAFS) were initiated in 2010 so that 2010 funding would not be lost. The Fund Council approved 12 more CRPs in 2011 along with a gene bank maintenance arrangement and one more in 2012. Thus, most of the CRPs have only been operational for two to three years. Binding results-based program performance agreements between the Fund and the Consortium are intended to define the funding and results-based operational dimensions of each CRP. In addition to results-based contracts, accountability is intended to be ensured through a streamlined monitoring and evaluation mechanism, with a new independent evaluation mechanism set up by the Fund Council as its anchor.
3. In December 2010, the CGIAR Fund was launched as a multi-donor financial intermediary trust fund to finance research carried out by the 15 centers in collaboration with hundreds of partners worldwide through the CRPs. The Fund aims to provide reliable and predictable multiyear funding to enable research planning over the long term, resource allocation based on agreed priorities and the timely disbursement of funds. The CGIAR Fund is administered by the World Bank, as Trustee, and governed by the Fund Council, a representative body of Fund donors and other stakeholders. The Fund Office, located at World Bank headquarters in Washington, D.C., supports the Fund Council and its Chair in the conduct of its business and meetings. The Head of the Fund Office also serves as the Executive Secretary of the CGIAR Fund Council.
4. Two independent bodies were established to support the work of CGIAR. The Independent Science and Partnership Council (ISPC),[[3]](#footnote-4) a standing panel of scientists, and the Independent Evaluation Arrangement (IEA)[[4]](#footnote-5) both advise the Fund Council.
5. A biennial Global Conference on Agricultural Research for Development (GCARD) is jointly organized by the Global Forum on Agricultural Research (GFAR) and the CGIAR to better align the work of the CGIAR with global and regional needs and activities. GCARD provides a forum to engage stakeholders in the SRF and CRPs so the CGIAR can avail itself of GCARD recommendations, including the identification of opportunities for partnerships and demand-driven research for development. A Funders Forum is convened every two years to deliberate on CGIAR’s mission, operations and achievements.

## **(b) Reasons system moved to current structure**

1. The key sources of information that have been reviewed include the documentation that supported the decision-making process in 2008/2009, in particular the November 2008 Independent Review of the CGIAR system[[5]](#footnote-6). The team has supplemented the documentation of the reform process with interviews with some of the key participants in the reform decision-making process and the current system (see Annex C). Other important reference documents that take a more historic view of the reform process include the 2013 publication, “The CGIAR at 40: Institutional Evolution of the World’s Premier Agricultural Research Network”[[6]](#footnote-7) and a 2014 draft paper by Uma Lele, Kendra White and Sambuddha Goswami, “The CGIAR Reforms: Old and New Challenges”.
2. Highlights of the information provided in these reports and interviews are summarized below:

***Reasons for which system moved to the present structure (drawn from evaluations and reform proposals[[7]](#footnote-8))***

*CGIAR as a “tragedy of the commons”: each donor furthers its aims by providing funds restricted to those aims, each center goes its own way, partly to get such funds, partly because doing so frees it from pressures to work with the system as a whole. The results are lack of system wide strategy, little sense of overall ownership, and loss of system efficiency.*(2008 Independent Review)

1. ***General objective of reforms:*** It was recognized that there was a need for a rebalanced partnership, with both contributors and centers adjusting their respective roles and responsibilities. The current structure was built on a common foundation set out through the CGIAR Joint Declaration[[8]](#footnote-9), which was discussed and endorsed at the 2009 CGIAR Business Meeting. The CGIAR Joint Declaration describes the fundamental principles unifying CGIAR participants, which are to harmonize the approach to funding and implementing agricultural research, to manage for results, to ensure effective governance and efﬁcient operations and to collaborate and partner with all users of CGIAR research. The CGIAR Joint Declaration also outlines the roles and responsibilities flowing from those principles crucial to achieving the objectives of the reform. Contributors were expected to provide unrestricted resources to finance implementation of a scientifically-based, coherent, and priority setting strategy. The centers were expected to take collective responsibility, collaborate to make the network more coherent, act programmatically, and be more cost-efficient.
2. More specifically, the reasons that the system moved to the reform structure include:
3. **mission of the CGIAR was no longer clear**: Over the course of its evolution, the CGIAR’s mandate increased significantly, growing from four centers with a narrow focus on productivity to 15 centers with an expanded agenda that address natural resource management and conservation issues critical to sustainable development. There had been progressive mission creep, a tendency to do everything, with research agendas driven by funding supply.
4. **deterioration of trust between centers and contributors:** Without clear strategic direction and with unpredictable funding, both contributors and the centers had lost confidence in the system. Relationships among the centers were marked more by competition for funds and projects than collaborative work on joint programs. Center autonomy was a core principle, and it was agreed that centers should continue to have autonomy but that there needed to be clear accountability and system harmonization.
5. **relevance**: CGIAR had been largely absent from key global debates on the food crisis and climate change, and centers were experiencing difficulties in attracting and retaining top scientists.
6. **lack of coherent strategy**: Resources had not kept pace with a broadening portfolio. The research being undertaken was more a reflection of capabilities of the centers and individual interests of donors rather than on pursuing big, forward-thinking, results-oriented programs based on collective, scientifically-sound strategies. There was a recognized need to move away from increasingly fragmented and restricted project and center-based programming and funding, to funding against major programs that would draw on the competencies of the relevant centers and partners to achieve results. It was recognized that it would be important in preparing a strategy to draw upon independent technical advice, a core CGIAR principle. Restricted and fragmented funding had diminished the authority of independent technical advice in priority setting and resource allocation.
7. **lack of robust partnerships** among centers and with outside stakeholders: This hampered the spread of research findings. There were considerable differences in the capabilities and mandates of the centers, and a perception that as a collective the number and mandates of the centers should be rationalized and greater collaboration was required on priority programs. Agricultural science and technology have become increasingly globalized, spurred by massive growth of private sector research and development (R&D) and rapid advances in information technology. International cooperation in R&D goes well beyond CGIAR, and there was a need for greater cooperation with research being undertaken outside the system. Growing capacities of national agricultural systems hold huge potential for increased South-South cooperation. But at the same time, many smaller developing countries were lagging behind in agricultural research, widening the gulf between strong and weak systems.
8. **financing** was fragmented and declining: Financing had not kept pace with new and emerging research needs (climate change, rapid population growth, land degradation). There was a need for a new channel for predictable, unrestricted funding to centers and for restricted funding to programs. There was also a need to maximize funding coordination and harmonization, reduce transaction costs, and avoid funding and research fragmentation. A first principle carried over from the “old CGIAR” was maintaining donor sovereignty. However at the same time it was necessary to improve harmonization among contributors in order to maximize pooled, fungible research funds. Additionally, while opening up the system to other scientific partners was considered essential to maximize results and impact, there weren’t mechanisms in place to provide funding of program, which included other partners besides the centers.
9. **results** were not sufficiently strategic at the system-level**:** Modern results-based strategy and management approaches were not being followed. Centers were required to comply with cumbersome monitoring and review procedures. Allocation of funds needed to be linked to performance agreements for specific results.
10. **unwieldy governance with unclear accountabilities and no central focal point for decision making:**
11. The CGIAR System had become increasingly complex, characterized by complicated governance structures. The result was a loss of efficiency due to overlaps in mandates, an inability to harmonize funding and resource allocation and a lack of authority to make or enforce difficult decisions. There was no mutually agreed “compact” outlining the obligations of donors and centers.
12. The partnership had no effective locus for system wide decisions on important governance matters, and this led to high transaction costs, and an inability of centers to mobilize quickly to respond to opportunities or to position their collective competence to create opportunities in the rapidly changing context of research for development.
13. It was agreed that governance and management functions should be separated to avoid conflicts of interest and confusion over mandates and authorities. Management responsibility for operations should be separated from oversight.
14. Centers should strengthen their institutions for common action by consolidating services, common policy and strategy, and program administration.
15. Both donors and centers should establish decision-making with clear authorities.

# III. Extent to which objectives of the reform have been achieved and analysis of current challenges

1. The CGIAR system includes a number of actors. Fifteen research centers located in a range of countries around the world, each a legal entity with its own board and constitution. A treaty-based Consortium of centers with a Consortium Board and Consortium Office charged with facilitating agreement on priorities, as well as coordinated, efficiently managed joint work by and collaboration among the 15 centers. The Fund Council currently comprising 26 members and a Chair - mostly autonomous sovereign donors - responsible for endorsing strategy and priority and securing adequate funds to carry out the work by the centers and their partners in line with the strategy and priorities, with support from the Fund Office (see Annex D for a list of current members on the Fund Council). The Independent Science and Partnership Council (ISPC) provides expert advice to Fund donors and aims to strengthen the quality, relevance and impact of CGIAR science and research. The Independent Evaluation Arrangement (IEA) commissions and manages evaluations of CGIAR Research Programs and institutions. A biennial Global Conference on Agricultural Research for Development (GCARD) is jointly organized by GFAR and CGIAR to better align the work of the CGIAR with global and regional needs and activities. A Funders Forum is convened every two years to bring together Fund contributors, bilateral donors and other invited stakeholders to exchange views about CGIAR’s mission, operations and achievements.

*Achievements of the reform*

1. The reform of the CGIAR, according to most stakeholders, is still a work-in-progress. Various reviews of the CGIAR over the last three years, including two studies commissioned by the Fund Council, the PricewaterhouseCoopers (PwC) study and the Mid-Term Review, have identified elements of the reform that are working well and those that have proven to be challenges to achieving its objectives and streamlining the system’s operational effectiveness and efficiency.
2. Some of the most important improvements of the reform of the CGIAR have come out of the adoption of the CRPs. Stakeholders across the system have reported that collaboration among centers has increased, with improved planning, coordination and joint work to undertake the CRPs. This includes a tangible increase in scientific collaboration across centers as evidenced by increased joint planning, implementation and publications. The CRPs have also facilitated broadened partnerships. In addition to continuing the practice of partnering with developing country partner national agricultural systems, some of the CRPs have been highly successful at establishing partnerships with outside organizations that not only enhance the quality of the research but also strengthen the linkage to scaling and delivery mechanisms. In these ways, the CRPs have improved CGIAR’s focus on development impact by strengthening the structure of research for development impact, including a focus on gender and inclusion.
3. The Evaluation of the CGIAR Research Program, *Policies, Institution and Markets*, has found that the CRP, engaging most of the social scientists across the CGIAR system, has created an intellectual critical mass to pursue cutting-edge science. Inter-center collaboration is (a) strengthening the impact pathways of the CRP research by engaging centers that are closer to the users of the research, (b) bringing together discovery and delivery-type researchers to address development challenges in a more complete way, (c) deepening country-level partnerships that have greater potential for more immediate development outcomes, (d) enabling researchers in the commodity-based centers to work on important socio-economic issues that are broader than the commodities covered by their centers, and (e) helping to raise the scientific quality of social science and policy research in the participating centers. Researchers are paying greater attention to impact pathways in the design and implementation of their research activities and to achieving development outcomes beyond their research outputs.
4. The decision to have a single, system-wide Strategy and Results Framework (SRF) is another positive outcome of the reforms in terms of identifying clearly defined impact pathways with measurable intermediate development outcomes. However, it is generally agreed that the current SRF is too broad to effectively prioritize research and outcomes. A second SRF is being prepared in tandem with this report.
5. The PwC study found that the Consortium Office has progressed in its ability to coordinate and improve the formulation of performance and quality metrics for the CRP portfolio. Additionally, monitoring for system-wide issues such as gender and capacity development is improving as well, in part due to the CRP review process. However, the implementation across different CGIAR entities has been uneven.

*Current challenges*

1. The PwC study and the Mid-Term Review (MTR) identified perceived ambiguities in the responsibilities, accountabilities, and decision-making processes by the various CGIAR entities. The perceived lack of clarity over such responsibilities affects a broad range of the functions of different CGIAR entities. This analysis of the “governance problems” is largely drawn from the work of the MTR Panel, which included interviews of key stakeholders from the Fund, the Consortium Board, the centers, the Fund Office, and the Consortium Office. It also draws from the PwC report, external analyses such as the one by Uma Lele and others, and inputs to the options team from the Consortium, centers, donors, ISPC, IEA, GFAR and the Trustee.
2. The CGIAR is certainly a complex and complicated partnership. It should be no surprise that the execution of the partnership has led to confusion regarding roles and responsibilities and inefficiencies over the years. Such challenges are inherent in such partnerships. The challenge as seen by the options team is to attempt to delineate the governance and high-level management problems in sufficient detail to assess the potential for governance options to eliminate or minimize hindrances to good governance and efficiency and effectiveness of operations.
3. As a starting point, it is important to note that the options team considers that the problems facing CGIAR governance are not due primarily to lack of clarity in the CGIAR agreement structure. The options team believes that the allocation of responsibilities and accountabilities agreements are generally clear, although the number of agreements adds to the complexity. These agreements include: (a) the Agreement Establishing the Consortium of International Agricultural Research Centers as an International Organization, (b) Constitution of the Consortium of International Agricultural Research Centers, (c) the Contribution Agreements, (d) the CGIAR Fund Governance Framework, (e) the Joint Agreement, (f) the Consortium Performance Agreements, and (g) the Program Implementation Agreements. These agreements, together with the provisions of the Joint Declaration and the CGIAR Principles, are summarized in Annex E.
4. While it is clear, based on recent inputs from the Consortium Board and centers (discussed below) that there are concerns about the allocation of responsibilities and accountabilities in these agreements, the options team does not believe the terms of the agreements are the main source of ambiguities in the overall system governance. Instead, the options team believes that the problems that are often referred to as lack of clarity in responsibilities and accountabilities in the CGIAR relate primarily to concerns about the broader governance arrangements of the CGIAR, including issues relating to adequate participation of key stakeholders in the CGIAR, tension between the dual roles of the Consortium as “facilitator” and “regulator”, lack of trust and transparency in current decision-making processes, and weak leadership in promoting a culture of partnership. We believe that a fundamental problem is that centers do not consider themselves adequately represented in key strategic decisions and decision-making. Other key stakeholders, such as national agricultural systems and private sector partners, do not have sufficient voice in deliberations on strategy and priorities. This issue of representation and participation in decision-making has come up repeatedly in discussions between the options team and different stakeholders, and addressing this issue is clearly a work-in-progress at the Consortium.
5. Another area of concern is the balance of roles and responsibilities between the Consortium and the Fund Council in the overall governance of the CGIAR. The CGIAR reform envisioned two separate but equal pillars – the Fund Council and the Consortium. In practice, the Consortium is not an equal partner. The subsidiary role it plays to the Fund Council exacerbates the centers’ sense of disenfranchisement or marginalization, and contributes to a loss of trust and good will on the part of all involved.
6. Regardless of clarity of the over-arching agreements governing the CGIAR, the operating systems that have evolved have resulted in duplication of actions by the Fund Council and Consortium Board, and Consortium Office and Fund Office. The back-and-forth communications between the two offices have not been sufficient to avoid confusion on key issues such as the recent misunderstandings at the November 2014 Fund Council meeting in Brussels regarding rollover of CRP budgets from one fiscal year to the next. There is also a duplication of some functions at the center and Consortium levels.
7. The PwC report concluded that there is a lack of strong and coordinated strategic leadership; clear accountability and ownership; transparency and coherence of overall decision-making; and efficient, lean and low-cost decision-making processes by both the Fund Council and the Consortium Board. A review of decisions reached at the Fund Council and Consortium Board meetings since their inception leads to the conclusion that both governing bodies spend a minimal amount of time on strategic decisions and addressing core issues of strategy, policy and risk and the majority of time on administration, budgets and operations. Less than a quarter of the decisions of the two governing bodies dealt with issues of strategy, policies and risks, while over 75 percent of decisions were concerned with administration, budget, operations and financing. Promoting high performance and efficient processes by establishing an appropriate balance between control by the governing body and delegation to an effective management unit is an important characteristic of effective partnerships.
8. The MTR panel pointed out further evidence that the Fund Council’s decision-making on core issues is limited and noted that, while a number of individual donors from the Fund Council have been actively engaged in the development of the draft SRF, the Fund Council, as a body, has not provided sufficient guidance to this critically important, strategic work as it develops. Relying on the ISPC to play this role and effectively waiting until the process is completed means that those donor partners that can afford to expend the resources to participate as individual donors in the formulation of the strategy have a much greater influence on the strategic direction of the CGIAR. The MTR panel also pointed out the importance of having a clear long-term strategy as well as a shorter-term business plan. The lack of both continues to plague the decision-making of the various CGIAR entities, currently having to function without strategic direction, while taking decisions on policies and procedures and financial commitments.
9. Additionally, a number of instances have been identified where high-level decisions took multiple Fund Council or Consortium Board meetings to reach a conclusion or have yet to reach a conclusion. Delays in making decisions leads to high transaction costs, unpredictability, and protracted meetings. There is also concern about the inefficiency in the requirement that most of the decisions of the Consortium Board be submitted to the Fund Council for final approval. Examples include: (i) the policy and project for open access in the CGIAR; (ii) the action plan for gender in research; (iii) financial guideline 5 on cost allocations; and (iv) the investment policy. The proposed policy and project for *Open Access in the CGIAR* was submitted to the tenth Fund Council meeting (FC10) in November 2013. Despite widespread support for an open access policy, the Fund Council expressed serious reservations regarding the project budget. The Consortium was requested to revise the budget and clarify issues raised during the discussion. Revised versions were submitted at both FC11 and FC12. A final proposal was only approved in March 2015. The *Gender in Research Action Plan* took about two years to finalize and approve. The action plan was approved in May 2014. However, an agreement providing for the required funding has not yet been signed. The Consortium is implementing and spending towards the gender action plan with the assumption that funding will be forthcoming. Proposals for both *Financial Guideline 5* and the *Investment Policy* were approved by the Consortium Board in 2013. The Fund Council Governance Committee (FCGC) has discussed each of these proposals in at least five meetings. The FCGC has not yet presented a recommendation to the Fund Council for its approval. Furthermore, it has been suggested that the Fund Council might not have the professional expertise needed to judge the policies and, therefore, external advice might need to be sought as to the appropriateness of their proposal.
10. Recent consultations with the Consortium and centers have been largely consistent in highlighting some of their concerns. They have concluded that the Consortium Constitution should be revised so that the entity becomes an organization that is more accountable to the CGIAR centers. They have concluded that the Consortium Board membership criteria do not ensure Board members with sufficient knowledge of the centers - what they do, how they operate and the way that they partner with different entities. The Consortium Board has insufficient accountability to the centers in terms of governance in funding and perspective. The way in which the mixed mandate of the Consortium Board/Consortium Office is executed creates an adversarial relationship with the centers. Finally they conclude that the current structure increases transaction costs with a doubling of reporting responsibilities. These reviews also note that one of the challenges is that the centers are not adequately unified on issues confronting them to expect them to come together on their own as a group and take overall responsibility for the functions that the Consortium has been assigned. The Consortium Board has proposed actions that seek to address some of these concerns (as described in the letter from the Interim Consortium Board Chair to the center DGs attached as Annex G), which are initial steps towards a strengthened relationship.
11. The Consortium Board and the centers have highlighted the need for improved communication among all key stakeholders. The letter from the Interim Consortium Board Chair to the center DGs proposes that the Consortium and the centers hold an annual general meeting (AGM). The AGM would provide an opportunity to discuss the very large range of issues facing them and future directions and to set priorities for joint activities and services. The current lack of such an opportunity to have these discussions is considered a major problem by the centers.
12. The level of funding has doubled since the reform process started, but there are critical issues relating to the way that funds are raised, who has responsibility for resource mobilization, and how funds are managed and committed. While the CGIAR reform brought about improvements/simplification to the funding approval process, it did not improve the way that cash flows from donors are managed. The current system continues to rely on: (a) an annual cycle of contributions rather than multiyear contributions, (b) unpredictable and sporadic timing of payments, (c) independent and disconnected decision-making on bilateral funding, (d) continuation of a bilateral donor approach through Window 3, and (e) direct donor negotiations with centers. The financing of the CGIAR presents a number of problems which can mostly be improved/ addressed only if the contributors change their behaviors to be in line with their commitments to the reform. Contributors need to address issues such as the mismatch between inflows and disbursements requiring scaling back programs and their costs, and ensuring adequate liquidity to cover disbursements. The lack of predictability of funding is a key concern- projected flows based on informal communications with contributors are used to plan CRP funding even though such funding is not guaranteed. Nevertheless, the Fund Council approves a portfolio of CRPs that exceeds projected funding. This means that some CRPs could end up with significantly less funding than what they understood was allocated. Finally, there continues to be a lack of incentive to have the Fund Council contributors increase their contributions to Windows 1 and 2, and there continues to be a lack of incentive to get non-CGIAR Fund Council bilateral contributors to join the CGIAR.
13. What used to be called CGIAR core funding is now being channeled through the CRPs, raising questions about sustaining the research infrastructures that the centers have built up over the years. Allowing the centers to allocate some Windows 1 and 2 funds to help finance the indirect administrative costs of bilaterally funded activities only partially addresses the issue that the centers are no longer receiving core-type unrestricted funds to sustain the research infrastructures. The centers have to be very disciplined about making sure that all contributors pay the full costs (the 2% administrative fee to fund system costs and the indirect administrative costs), of the research that they are funding. Contributors have made a commitment to full cost recovery from all sources of financing, including Window 3 and bilateral funding that are supporting the SRF for precisely this reason – to sustain the research infrastructure that the centers have built up over time. That some contributors may not be meeting these commitments is also an accountability issue that is threatening the maintenance of that infrastructure. The centers require long-term funding to sustain their research infrastructures, including maintaining their top-level research personnel.
14. Another critical issue that has been raised is the lack of a robust, scientifically-based process for identifying priorities for funding. Currently, the expectation is that priorities will be set through the development of the CRP portfolio proposals, taking into account the agreed results framework. But it is not clear that this approach will provide sufficient confidence to contributors that funds are being provided to address the major research challenges with potential for the highest return on the investment. It has been suggested that the ISPC should play a much stronger role, including through the convening of global eminent scholars and practitioners, in recommending the prioritization of research challenges and providing scientific leadership and independent scientific advice at appropriate points in the development of the strategy and the portfolio of CRPs to enhance their scientific quality.
15. All of the issues have served to contribute to an eroding trust and a lack of ownership in the system. It is widely believed that the current system lacks positive incentives to promote appropriate partnership behavior and has not been able to align goals and expectations so as to achieve a wide appreciation of the value of collaboration. The level of trust and the quality of working relationships between the system-level bodies and the centers seem to have deteriorated significantly since the reform. This has critical consequences for a system such as the CGIAR that has historically operated on an informal basis marked by consensus and negotiation. The current donor-recipient style communication between the Consortium Office and the centers does not reflect the responsibilities that the centers have towards bilateral donors that fund the majority share of the CRP portfolios.

# IV. Overview of other global partnerships

1. The following six global funds for health, education and climate change have been reviewed with a view to identifying models and structures that might be helpful to the CGIAR. These partnerships are of similar size and scope and, like the CGIAR, they are financial intermediary funds that leverage multinational sovereign and private resources in pursuit of international initiatives:
2. Clean Technology Fund (CTF)
3. Global Agriculture and Food Security Program (GAFSP)
4. Global Alliance for Vaccinations and Immunizations (GAVI)
5. Global Environment Facility (GEF)
6. Global Fund to Fight Aids, Tuberculosis and Malaria (The Global Fund)
7. Global Partnership on Education (GPE)
8. A variety of financial, organizational and decision-making parameters was explored for each partnership. Some overarching findings are presented below. Tables summarizing information on each partnership are presented in Annex H.

**Governance**

1. *Multilateral board*: At the head of each partnership is a multi-stakeholder decision-making body. For the most part, membership is constituency based.
2. *Chair*: The partnerships deal with the selection of the governing body chair or chairs in a number of different ways. Some elect candidates from among the voting members of the governing body, often for a relatively short term (one meeting, one year or 18 months), with provision for co-chairs or a chair and vice-chair.
3. Other partnerships elect chairs from outside their voting members and often for a longer term (2 or 3 years). These independent chairs are expected to dedicate a significant amount of time to their board duties and advocacy for the organization. The Global Fund requires that its Board Chair and Vice-Chair be able to dedicate “between one and two working days a week to [fund] matters”, and potentially, “commit full capacity to [fund] matters for several consecutive days.” The GPE Board Chair has a formal role in resource mobilization efforts and “represents the Partnership in political and public fora.”
4. *Decision making procedures*: For the most part, voting members of these bodies consist of delegates from contributor or recipient countries/regions. Three partnerships - GAVI, the Global Fund and GPE - also include representation from some combination of civil society and the private sector. Multilateral organizations are also represented on the board, but usually without voting authority. While all partnerships strive for consensus decision making, when consensus cannot be reached they provide for some variation of majority rule decision-making. Of the three other governing bodies, two, the CTF Trust Fund Committee and the GAFSP Steering Committee, govern only by consensus. If a vote is required in the GEF Council, a double-weighted majority procedure is followed.
5. *Executive Director*: Furthering the differences between the CTF and GAFSP and the other organizations is the fact that the neither of the former have a formal Executive Director. In the other four organizations, the Executive Director appears to have a strong role. Each one of them directs a large secretariat and has a strong public profile. The importance of the CEOs of GAVI and the GEF are underwritten by formal association with the decision-making body. GAVI’s CEO is a permanent, voting member of the Alliance’s Board, and the GEF CEO is Co-Chair of the Council.

**Fundraising**

1. *Multiyear fundraising cycles*: The Global Fund, GEF, GAVI and the GPE raise funds in multiyear cycles. The Global Fund, GAVI and the GPE operated using ad-hoc or annual funding drives in their early days before switching to fundraising methods that require/encourage long-term financing commitments from donors. The GEF has a four year replenishment cycles, and contributions take into account a burden-shared approach. The Global Fund has a three year replenishment cycle. GAVI seeks four year donor commitments, though this will switch to a longer commitment period by 2021. The GPE adopted a three year replenishment cycle in 2011.
2. The GAFSP Steering Committee is currently considering moving to a multiyear funding cycle and has commissioned a vision paper. The CTF does not raise funds by multiyear cycles, although this must be qualified by the fact that the fund has a sunset clause so its long-term future is unclear. Contributions are made by contributors on a voluntary basis.

# V. Considerations of Options for Governance and Decision-Making in the CGIAR

1. After undertaking the problem analysis, it was considered useful to consider some basic principles of good governance that should be kept in mind in considering options for the CGIAR governance structure, focused as it should be on the science for development. These are listed below.

## **(a) Principles for Good Governance in CGIAR**

1. Governance of the CGIAR should enable the system’s donors, centers, programs and partners to foster and engage in the highest quality science for development. In a research environment that is fast moving and competitive, leadership of the CGIAR at the governance level should:
2. articulate a clear and compelling strategy for a coherent system that prioritizes scientific research with development impacts, especially for the poor;
3. encourage innovation, problem solving and initiative;
4. mobilize sufficient and predictable resources needed to sustain research over time; and
5. assure contributors and stakeholders of the meaningful delivery of global and regional public goods.
6. Effective governance should focus on creating the framework, incentives and conditions through which scientists and partners can achieve results.
7. A key element of CGIAR’s governance will be a structure that drives and supports partnership. The presence of clear and well-publicized objectives, an alignment at all levels in support of those objectives, and clear incentives for achieving results are critical components of a successful partnership. Governance of the CGIAR should reflect and reward partnership, engendering trust in the value of collaboration.
8. The governance structure should be flexible enough to accommodate partners, dynamic enough to adjust to changing circumstances, nimble enough to provide for efficient and effective decision making but fixed enough in mission to serve the common goal.
9. It should distinguish between the duties, roles and responsibilities of governance (i.e., strategic direction, management oversight, resource mobilization, stakeholder participation, risk management, audit and evaluation) and the duties, roles and responsibilities of management (i.e., program implementation, regulatory compliance, reviewing and reporting, administrative efficiency, learning and performance assessment).
10. Effective governance structures should incorporate processes and procedures for (i) mobilizing and allocating resources, (ii) coordinating activities among partners, (iii) establishing good communications channels, (iv) capturing and sharing innovation and knowledge, (v) monitoring and evaluation to track program outputs and outcomes and demonstrate results to show achievement of the goals of the partnerships, (vi) periodic assessment of the governance structure and function, (vi) managing change and (viii) mitigating risks.
11. To assure that it maintains the trust of partners and stakeholders in its work, the governance structure should be attentive to preserving the following characteristics:
12. *legitimacy*: governance and management structures should facilitate the participation and voice of stakeholders;
13. *accountability*: accountability should be defined, accepted, and exercised by all partners;
14. *fairness*: partners should perceive that they are being treated fairly, and partners and participants, similarly situated, should have an opportunity to influence or benefit from the partnership;
15. *transparency*: decision-making, reporting, and evaluation processes should be open and freely available to the general public;
16. *efficiency*: governance and management structures should enhance efficiency in the allocation and use of the resources;
17. *effectiveness*: results in terms of outputs and outcomes should be measured and shared; and
18. *independence*: decision making and oversight should be unconstrained by conflicts of interest.

## **(b) Options**

1. Based on its review of the reference material and the consultations that it has carried out to date, the options team is currently presenting five main options, with a variation under some depending on the allocation of fiduciary accountability for the CRPs. The options fall on a spectrum that begins with a proposal for a number of modifications to the existing structure and decision-making process, without significant changes in the responsibilities of the Consortium Board and the Fund Council but with measures to improve communications, transparency, voice and efficiency. At the other end of the spectrum is the most sweeping change – the proposal for one governance body, the proposed CGIAR Council, and one administrative/management office (in one or two locations).[[9]](#footnote-10) Three other options build on the modifications proposed in option 1, with option 2 proposing an annual joint meeting of the Consortium Board and the Fund Council to discuss and agree on strategic areas of significant concern to both, option 3 proposing a strengthened Fund Office and a Consortium of the centers with responsibility for facilitating collaboration and coordination among the centers, and option 4 proposing that the functions of the Consortium Office and the Fund Office be consolidated in one office to streamline management and administrative functions.
2. The summaries below are followed by a further elaboration of each option. The following is a summary of the five options. Annex I includes a table summarizing how the options address the challenges of CGIAR governance and decision-making identified in Section III. Annex J presents a cost analysis of each option. The summaries below are followed by a further elaboration of each option.

### **Option 1. Modifications of the existing system structure and decision-making processes and accountabilities**

***Key points of the option***

1. The main modifications to the existing structure are intended to place greater emphasis on the role of the Consortium in promoting and facilitating collaboration among the centers and managing disagreements between centers and to reaffirm the role of Fund Council in approving system strategies, priorities and timely financing.
2. changes in the composition of the Consortium Board to include as voting members representatives of the centers and a greater number of active observers[[10]](#footnote-11);
3. reduction in the size of the Fund Council, while preserving adequate representation by contributors as well as encouraging contributions to the Fund, to streamline functions and decision-making;
4. clear decision-making rules for the Fund Council to ensure that when consensus cannot be reached, there is an equitable system for voting that takes into account financial contributions to the CGIAR Fund;
5. responsibility of Fund Council to approve and oversee a resource mobilization strategy, with the strategy laying out clear roles and responsibilities of entities in the CGIAR system for mobilizing funds;
6. the adoption by both the Fund Council and the Consortium Board of a risk management framework to oversee risks in their areas of responsibility; and
7. additional measures proposed to improve communications and integration of the pillars.
8. Another modification that could be considered as an alternative to the current arrangement, where the Consortium has programmatic and fiduciary responsibility for the implementation of the CRPs and the use of funds provided from the Fund to the lead centers, would be for the Consortium to retain only programmatic responsibility and for the lead centers to become directly accountable to the Fund Council and contributors for the use of funds.

***Problems this would address/benefits it would produce***

1. Centers would be among the decision makers on the Consortium Board and would be given voice at the Fund Council as active observers. This will address the perception of the centers that the reforms have marginalized their voice and prevented the Fund Council from fully understanding their needs with respect to delivering high quality scientific research.
2. The Consortium would be more able to balance its two roles: (1) as facilitator of collaboration among the centers and (2) as regulator with fiduciary responsibility for ensuring the financial and operational performance of the CRPs. The facilitation role would be more enhanced from the status quo.
3. If the additional modification is made to remove the Consortium from having fiduciary responsibility, the Consortium’s facilitation role would become even more enhanced. Furthermore, this should reduce the number of its decisions that must be approved by the Fund Council.
4. The Fund Council would be expected to focus on strategy, priorities, and financing. A smaller Council, with clear decision making rules, should lead to more effective decision making.
5. Reinforcing the authority of the Fund Council for resource mobilization and financial decisions should also reinforce the responsibility of the donors to deliver predictable and sufficient funding to achieve the goals of the system.
6. Regular risk monitoring will allow for more effective decision-making, early identification and resolution of emerging problems, and increased credibility of the system.
7. Regular communications among the system entities at various levels will contribute to a stronger partnership through aligning objectives at all levels and building trust and more effective collaboration.

***Problems that may not be fully resolved***

1. This option may not sufficiently address the tension between the Consortium and the centers and the practical interrelationships between the centers and the Consortium for coherence, clarity and effectiveness.
2. Potential for duplication could remain between the two governing bodies and two administrative offices.
3. The new Fund Council composition may marginalize smaller contributors and hence risk losing their contributions. The new composition may weaken stakeholder representation since current stakeholder members will become active observers.
4. The system would still need to address the issue of providing a strong voice that speaks for the system in the international arena and dynamic leadership of the system.
5. Fund Council’s role to develop and oversee a resource mobilization strategy may meet with resistance by the centers should this affect their own bilateral resource mobilization,
6. This is the least radical option and may not sufficiently address all the concerns in the MTR and problems identified by the team. If the option includes the change in the Consortium’s fiduciary responsibility, a level of oversight would be removed.

### 

### **Option 2. Modifications of the existing system structure and decision-making processes and accountabilities, including an annual joint meeting of the Fund Council and the Consortium Board**

***Key points of the option***

1. This option would include all of the proposed modifications under Option 1, with the additional element that the Consortium Board and the Fund Council would meet jointly once a year to address issues of critical importance (quality of science, financing and risk management) as well as taking action on certain items including strategy, CRP proposals, and annual budgets.

***Problems this would address/benefits it would produce***

1. This option would have the benefits of Option 1, and in addition, the joint meeting would raise the bar higher regarding voice, collaboration and understanding. The two pillars of the current system would have a formal structure in which joint decisions are to be taken. This would lead to a greater understanding of the concerns and needs of each partner in the system and align and unify decision-making. The joint meeting would significantly contribute to the articulation of shared objectives, alignment of goals, ability to understand and respond to changing circumstances, mitigation of risks and building trust. It would greatly enhance the legitimacy and transparency of decision-making in the system and minimize the risk of important decisions remaining unresolved. It would also serve to eliminate perceptions that one pillar does not understand nor listen to the other and alleviate concerns about their relative stature in the governance system.

***Problems that may not be fully resolved***

1. This option may not sufficiently address the tension between the Consortium and the centers and the practical interrelationships between the centers and the Consortium for coherence, clarity and effectiveness.
2. Potential for duplication could remain between the two governing bodies. An annual joint meeting may not be sufficient.
3. The new Fund Council composition may marginalize smaller contributors and hence risk losing their contributions. The new composition may weaken stakeholder representation since current stakeholder members will become active observers.
4. The system would still need to address the issue of providing a strong voice that speaks for the system in the international arena and dynamic leadership of the system.
5. Fund Council’s role to develop and oversee a resource mobilization strategy may meet with resistance by the centers should this affect their own bilateral resource mobilization,
6. This is not a radical option and may not sufficiently address all the concerns in the MTR and problems identified by the team. If the option includes the change in the Consortium’s fiduciary responsibility, a level of oversight would be removed.

### **Option 3. Modifications of the existing system structure and decision-making processes and accountabilities with strengthened Fund Office and a Consortium of the centers**

***Key points of the option***

1. The main modifications to the existing structure are intended to change the nature of the Consortium Board and Office so that the Consortium focuses on being a joint venture of the centers for coordination and shared services. Correspondingly, the oversight role would be removed to a strengthened Fund Office. The CRP lead centers would receive funding directly from the Fund for execution of the CRPs. While the Fund Office would have a monitoring role with respect to the implementation of the CRPs and the use of funds, the Fund Office would not have fiduciary accountability. Instead, the lead centers would be directly accountable to the Fund Council and contributors for the use of funds. A strengthened ISPC would take on the roles of priority setting and budget recommendations for the Fund Council. The changes to the Consortium would remove the conflict between its supervising the centers and also representing them. Features:
2. changes in the composition of the Consortium Board, to be made up of center Directors and center Board Chairs;
3. increased role of the Fund Office, to provide oversight of the CRPs on behalf of the contributors;
4. responsibility of the Fund Council to approve and oversee a resource mobilization strategy, with the strategy laying out clear roles and responsibilities of entities in the CGIAR system for mobilizing funds;
5. adoption by both the Fund Council and the Consortium Board of a risk management framework to oversee risks in their areas of responsibility;
6. joint meetings between the Fund Council and the centers will promote dialogue between the Fund Council and the centers on research programs and governance decisions; and
7. strengthened ISPC to include more explicit role in setting the scientific priorities of the system, and reviewing budgetary matters for recommendation to the Fund Council.

***Problems this would address/benefits it would produce***

1. Centers do not feel they are being represented by the Consortium. By changing the composition of the Consortium Board to be made up of the centers Directors and Board Chairs, the Consortium Office will be responsive to the needs of the centers.
2. The conflict between the Consortium’s role as supervisor of the CRPs and representative of the centers would be eliminated by focusing on the role for which the Consortium is best suited. The Consortium would focus on facilitating shared services across centers, where there is a benefit to be gained by either centralizing for efficiency or concentration of expertise. It would also serve as an advocate for the centers and their programs and provide a single voice of the centers when needed in such matters as international treaties (e.g., International Treaty on Plant Genetic Resources for Food and Agriculture).
3. Funders to the system need to ensure that their funds are being spent in an efficient and effective way. Program officers in the Fund Office would act in a manner similar to that in which donor agencies oversee their funding. The program officers would be responsible for overseeing the CRPs’ progress and ensuring the CRPs were reporting in a timely and comprehensive way, while suggesting areas for improvement and collaboration across the portfolio. Overall strategic direction would come from the Fund Council based on advice of the ISPC, through approval of the science agenda, and resource allocation. For implementation and administration matters, the program officers would act as representatives of the contributors.
4. Reinforcing the authority of the Fund Council for resource mobilization and financial decisions should also reinforce the responsibility of the contributors to deliver predictable and sufficient funding to achieve the goals of the system.
5. Regular risk monitoring by the Fund Office will allow for more effective decision-making, early identification and resolution of emerging problems, and increased credibility of the system.
6. Centers and funders feel that they are more disconnected from funding decisions and programs. An annual meeting between the funders and the centers to focus on the research programs of the centers would increase the connections and promote dialogue around governance decisions.

***Problems that may not be fully resolved***

1. This option does not address the inefficiencies/indecision of the Fund Council.
2. There is the potential for biased decision-making by the Consortium Board. Lack of independent board members could jeopardize the Boards ability to make difficult, impartial decisions. Furthermore, without independent members, the Board may lack the representative skills needed for an effective governing body.
3. The system would still need to address the issue of providing a strong voice that speaks for the system.

### **Option 4. Two governing bodies (Fund Council and Consortium Board) with one administrative/management office for the CGIAR**

***Key points of the option***

1. This option would include all of the modifications of Options 1 and 2, with the additional element that the Consortium Office and the Fund Office would be merged and there would be one Director and a single office for the management and administration of the CGIAR. The Consortium Board and the Fund Council would continue to operate as separate governing bodies, meeting jointly once a year. The joint meeting would be responsible for overseeing the performance of the Director and the operations of the administrative/management office.

***Problems this would address/benefits it would produce***

1. This option would take the system one step further towards effective communications, strong collaboration and efficient decision-making and implementation. Having the management functions of the system performed from one office, under the supervision of a single director, would facilitate the efficiency with which management exercises its responsibilities for program implementation, regulatory compliance, reviewing and reporting, learning and performance assessment. It will facilitate the identification of synergies in the day-to-day coordination of the system and the effective implementation of the decisions for the Consortium Board and Fund Council in a holistic way. It would enhance the flow of information among the partners and coordinated approaches on resource mobilization, communication, knowledge management, risk management, and monitoring and evaluation.

***Problems that may not be fully resolved***

1. This option would, however, result in the single office being responsible to two separate governing bodies. Careful consideration would be needed as to how address any potential conflicts that such a structure might pose with respect to the responsibilities of the single office to each of the two governing bodies.
2. Potential for complex reporting arrangement given one office supports two governing bodies.
3. There is the potential for biased decision-making by the Consortium Board if the Board does not include a majority of independent members.
4. High costs associated with transitioning to one administrative/management office.
5. The new Fund Council composition may marginalize smaller contributors and hence risk losing their contributions. The new composition may weaken stakeholder representation since current stakeholder members will become active observers.
6. Would need to address the issue of the Consortium’s legal entity.

### 

### **Option 5(a): One governing body with one administrative/management office in one location**

***Key points of the option***

1. This option elaborates upon the proposal of the MTR for one governing body (the CGIAR Council) with one administrative/management office. The CGIAR Council would be responsible for all the functions currently assigned to the Consortium Board and the Fund Council.
2. It is proposed that the Council be of a manageable size, and include representatives from CGIAR contributors from OECD DAC member countries and other CGIAR contributor countries, foundations contributing to the Fund, multilateral organizations contributing to the Fund, centers and a number of independent members with technical expertise of value to the Council. Representatives from other groups, including national agricultural systems, the private sector, and civil society organizations, could be included in the Council as full members or as active observers. Either solution should achieve the objective of ensuring that their voice in included in the deliberations of the Council.
3. Other entities in the system (ISPC, IEA, Trustee) would be represented as active observers at the Board.
4. There would be clear rules for decision-making.
5. In addition to the CGIAR Council, a Centers Committee, chaired by the Director of the administrative/management office, would be established to facilitate frequent consultations, collaboration and engagement with the centers.

***Problems this would address/benefits it would produce***

1. This proposal calls for a leaner governance structure with clear leadership responsibilities for strategy, policies and funding. The proposed CGIAR Council is sized to be effective but would include broader representation of stakeholders in the decision-making of the system, thereby allowing for a more effective balancing and understanding of different perspectives and requirements.
2. The single board would be able to maintain oversight of the system, and to delegate accountabilities (with the flexibility to change such delegation should circumstances dictate that it would be prudent) to the appropriate partners.
3. Under this streamline proposal the duties, roles and responsibilities of the governing body (underscoring the strategic and oversight role of the CGIAR Council) can clearly be distinguished from those of management (responsible for program implementation, regulatory compliance, reviewing and reporting, administrative efficiency, learning and performance assessment.)
4. As the diverse partners in the system would be represented at the CGIAR Council, the legitimacy and transparency of decision-making would be enhanced. Trust in the system should increase.
5. The expectation is that consolidating the governing functions in one Board and the management functions in one office should reduce the complexity of the current system, since the chain of review and approvals of the current, two pillar system, could be greatly streamlined. There should be significant costs savings from fewer meetings of governing boards and in reducing duplicative administrative functions.

***Problems that may not be fully resolved***

1. It would require a complex process to change to this new governance system, with substantial transition costs, particularly regarding the transitioning to one administrative/management office.
2. Would need to address the issue of the Consortium as a legal entity.
3. Addition of Center’s Committee would add to transaction costs.
4. The complex process of this change risks disrupting the research of the centers.
5. Inconvenient time for a significant structural change due to the new SRF and the second call for the CRPs.
6. The new CGIAR Council composition may marginalize smaller contributors and hence risk losing their contributions. The new composition may weaken stakeholder representation since current stakeholder members will become active observers.

### **Option 5(b): One governing body with one administrative/management office with units in two locations**

***Key points of this option***

1. Under this option the Fund Council and the Consortium Board would be merged into one governing body, the CGIAR Council. The CGIAR Council would be responsible for the functions currently assigned to the Consortium Board and Fund Council. There would be one administrative/management office, under the supervision of one director, with units in two locations. One unit (centers unit) would be responsible for facilitating collaboration, coordination and common services among the centers, retaining the “facilitation” functions of the current Consortium Office. The other unit (council unit) would assume the remaining administrative/management functions of the system.
2. The CGIAR Council would have the composition and role proposed in Option 5(a).
3. The difference from Option 5(a) is that the administrative/management office would have two units. These units could evolve from the current Consortium Office and the Fund Office. Each unit would be headed by a manager, with a single director responsible for overall management of both units.

***Problems this would address/benefits it would produce***

1. As in Option 5(a), one governing body would be responsible for providing clear leadership for strategy, policies and funding. This would address the problem of “mixed messages” currently experienced with two governing bodies. The proposed CGIAR Council is sized to be effective but would include broader representation of stakeholders in the decision-making system, thereby allowing for a more effective balancing and understanding of different perspectives and requirements.
2. The single board would be able to maintain oversight of the system, and to delegate accountabilities (with the flexibility to change such delegation should circumstances dictate that it would be prudent) to the appropriate partners.
3. As the diverse partners in the system would be represented at the CGIAR Council, the legitimacy and transparency of decision-making would be enhanced. Trust in the system should increase.
4. Having two units under a single director would provide visibility and greater accountability to the responsibilities of each unit. The centers unit, with a mandate to promote collaboration among the centers, would retain the facilitation role of the current Consortium Office, and its primary goal will be to promote efficiency, frequent communication and a strong partnership among the centers. The centers would have a clear champion in the system responsible for servicing their needs, developing common policies and services, and resolving conflicts among the centers. The manager of the centers unit would be responsible for representing the perspective and voice of the centers in senior management meetings of the administrative/management office. The oversight functions would be managed from the council unit, thereby removing some of the perceived conflicts arising from the dual functions of the Consortium Office. A single director for both units would be expected to convene frequent management meetings including the managers of the two units and other appropriate staff, thereby guarding against duplicative administrative functions and “mixed messages”.

***Problems that may not be fully resolved***

1. It would require a complex process to change to this new governance system, with substantial transition costs, particularly regarding the transitioning to one administrative/management office.
2. Would need to address the issue of the Consortium as a legal entity.
3. Addition of Center’s Committee would add to transaction costs.
4. The complex process of this change risks disrupting the research of the centers.
5. Inconvenient time for a significant structural change due to the new SRF and the second call for the CRPs.
6. The new CGIAR Council composition may marginalize smaller contributors and hence risk losing their contributions. The new composition may weaken stakeholder representation since current stakeholder members will become active observers.

### **ELABORATION OF OPTION 1 – CURRENT SYSTEM WITH MODIFICATIONS AND MEASURES TO IMPROVE EFFICIENCY AND EFFECTIVENESS**

**CONSORTIUM**

1. The purpose of the Consortium is to coordinate activities among member centers and other partners within the framework of the strategy and CRPs in order to enable its members to enhance their individual and collective contribution to the achievement of the CGIAR vision and goals.

**Functions of the Board**

1. The Consortium Board is the Consortium’s decision making body. It would have the following functions[[11]](#footnote-12):
2. strengthening centers’ partnership and facilitate collaboration and alignment of activities
3. approving Consortium inputs into SRF
4. endorsing coherent portfolio of CRP proposals
5. approving common policies of the Consortium
6. taking ultimate financial and operational accountability for funds received from the CGIAR Fund
7. reviewing implementation of common policies
8. reviewing alignment of center activities with SRF
9. approving risk framework for the Consortium and monitor Consortium risks
10. keeping under review the performance and structure of the centers and CRPs and decide on appropriate action
11. seeking to resolve conflicts among the centers
12. ensuring that the CGIAR evolves into a performance based system
13. endorsing annual work plans and budget of the Consortium Office and Consortium Board for approval by the Fund Council
14. approving proposals for shared services and review their performance
15. approving standards for membership and monitor compliance of membership requirements
16. recommending annual budget proposals for CRPs for submission to the Fund Council for approval
17. reviewing and approving CRP annual financial reports
18. reviewing and accepting audit reports
19. initiating periodic external reviews of Consortium’s functioning and performance
20. reporting to Fund Council on its activities
21. proposing amendments to the Consortium Constitution, in consultation with Fund Council
22. appointing the Director of Consortium Office
23. reviewing the performance of the Director of Consortium Office

**Consortium Board Structure**

*Modifications*

1. It is proposed that the Board consist of members representing the following groups:
2. center board members
3. center DGs
4. CRP directors
5. independent members
6. The following entities or groups would be invited to identify observers to attend the Board meetings:
7. Fund Council
8. Fund Office
9. ISPC
10. IEA
11. partners significantly engaged in CRPs
12. Trustee
13. The distribution of the seats is still to be elaborated. A key point for discussion is whether there should be a greater number of representatives from the center-related groups than independent members, or vice versa.
14. A Chair will be elected from among the members.
15. The Director of the Consortium Office would be the Secretary of the Board
16. Decision making rules:
17. Decisions of the Consortium Board should normally be taken by consensus. If, however consensus cannot be reached, the Chair may call for a formal vote.
18. Decisions requiring a formal vote by the Consortium Board should be taken by a [2/3][3/4] majority of the members.

**CONSORTIUM OFFICE**

1. The Consortium Office is the administrative/management office of the Consortium responsible for the day-to-day activities of the Consortium.

**Consortium Office Functions**

1. The Consortium Office would have the following overarching functions[[12]](#footnote-13):
2. servicing the Consortium Board and organize its meetings
3. overseeing implementation of Consortium Board decisions
4. establishing strong communications channel with, and collaboration with, the centers to, among other things, align values and incentives, build trust and facilitate coordination and partnership
5. servicing the centers to enable them to execute their roles and responsibilities
6. coordinating activities among centers and center inputs into CG processes such as SRF and links with other entities in the system
7. coordinating development of coherent portfolio of CRP proposals, budgets and performance agreements
8. coordinating activities to monitor performance of CRPs and other activities implementing the SRF
9. developing proposals for common policies and oversee that such common policies are implemented
10. managing a process to move towards a performance based system
11. developing proposals for common services among the centers and ensure that approved services are effectively implemented
12. working jointly with the Fund Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system
13. developing and overseeing implementation of a robust knowledge strategy, including facilitating communities of practice
14. maintaining partnerships with Fund Office, ISPC and IEA
15. building strategic collaboration and relations with external partners
16. establishing and maintaining system-wide assets, including a comprehensive database of CGIAR activities, knowledge management system, results measurements
17. representing CGIAR system at events where a consolidated voice on CRPs is needed
18. gathering and collating information from centers needed for Consortium Board and Fund Council
19. developing an annual work plan for approval by Consortium Board
20. reporting to the Consortium Board on its activities at least twice a year

**FUND COUNCIL**

1. The Fund Council is the governing body with primary responsible for strategy, funding and financial decisions. It is proposed that the Fund Council’s responsibilities be confirmed to include specific responsibility for system strategy and priorities, resource mobilization, approval of CRPs and funding, approval and monitoring of a risk framework, and approval of a system-wide communications strategy.

**Proposed Functions of Fund Council**

1. Fund Council is the CGIAR’s Fund decision-making body. It would have the following functions:
2. approving system’s strategy and priorities and taking strategic decisions to guide their implementation
3. approving portfolio of CRP proposals, and endorsing anticipated funding requirement
4. approving resource mobilization strategy to facilitate robust and predictable funding
5. informing Funders Forum on the status of the Fund, approved CRPs and facilitate pledges to ensure sufficient funding
6. keeping financial status of the CGIAR Fund under review
7. approving annual funding for CRPs
8. approving administrative budgets for Fund Office, Trustee, Consortium Board, Consortium Office, ISPC and IEA
9. approving risk framework and monitor system risks
10. approving communications strategy
11. approving annual report
12. commissioning, reviewing and taking appropriate decisions on periodic independent evaluations
13. appointing the Director of Fund Office and review the Director’s performance
14. appointing ISPC members and ISPC Chair

**Fund Council Structure**

*Modifications*

1. It is proposed that the voting members of the Fund Council be reduced from 26 to 16. Each member would have an alternate who can attend the meeting and represent the member in his/her absence. The members and the alternates would be agreed through consultations among those in the interest group. Alternates may be drawn from other representatives in the interest group (i.e., from another country) so that a broader representation from the group would be at the meetings of the Fund Council.
2. The following interest groups would have voting representatives on the Council:
3. CGIAR contributors from OECD DAC member countries
4. other CGIAR contributor countries
5. foundations contributing to the Fund
6. multilateral organizations contributing to the funds.
7. The following entities or groups (which would be invited to consult among themselves) would be invited to identify an active observer[[13]](#footnote-14) to attend the Fund Council meetings.
8. Trustee
9. Consortium Board
10. Consortium Office
11. Centers
12. ISPC
13. IEA
14. GFAR
15. Regional organizations representing national agriculture systems and other research institutions
16. Private sector
17. A number of options could be considered for chairing the meetings: (a) an independent chair appointed by the Council members, as a remunerated position with expectations of 30-40% of the time of a full-time position, (b) a senior representative of the World Bank, to be appointed by the World Bank President, able to commit a significant amount of time to leading the CGIAR, (c) a single chair elected from Council Members, (d) two co-chairs elected from Council members, and (e) an independent co-chair elected by the Council members or a World Bank senior representative, and a co-chair elected from among the voting members.
18. Two regular meetings would be held each year with at least one held at the seat of the Fund Office.
19. Decision-making rules
    1. Decisions of the Fund Council should normally be taken by consensus. If, however, consensus cannot be reached, the Chair may call for a formal vote.
20. Decisions requiring a formal vote by the Fund Council should be taken by a double weighted majority, that is, an affirmative vote representing both a [2/3][3/4] majority of the total number of voting members and a [2/3][3/4] majority of the total contributions.
21. Decisions could also be taken by mail, with a lack of written objection during the prescribed time for replying being considered as an affirmative vote.

*Justification for proposed changes to Fund Council*

1. In the reform proposal that served as the basis for the 2008-2009 reforms[[14]](#footnote-15), it was proposed that the Fund Council serve as the key decision making body of the Fund and that the Council should have 15 members – 12 contributors and 3 stakeholder representatives. It was further proposed that the contributors serve on a rotational basis, representing regional constituencies.
2. The proposal was submitted and discussed at the Annual General Meeting in December 2008 in Maputo, Mozambique. At that meeting, the CGIAR approved, in principle, the proposal. Regarding the Fund Council composition, it was decided that it would “be organized such that it includes donors to the Fund from both the south and north with some stakeholders.”
3. Voting members of the Fund Council would be reduced to 16. Each member would have an alternate who could attend the meeting and represent the member in his/her absence. The members and the alternates would be agreed through consultations among contributors forming an “interest group” (likely to be based on regional representation). Alternates could be drawn from other representatives in the interest group (i.e., from another country) so that a broader representation from the group would be at the meetings of the Fund Council. In selecting representatives, consideration should be given to the size of contributions.
4. The proposed reduction in the size of the Fund Council is to allow for more effective decision-making, while preserving adequate regional and interest group representation and also providing an incentive for increased contributions to the Fund.
5. The options team recognizes that there is no one-size-fits all solution to the issue of board size, and that the nature of an organization has an impact on the optimal size of its board and its ability to carry out its mandate. Nonetheless, it is useful to look at the literature on this point.
6. A survey published by Deloitte and the Society of Corporate Secretaries & Governance Professionals[[15]](#footnote-16) found that the 87 percent of public, private, and nonprofit companies had 7-14 board members. Nonprofit organizations tend to have slightly larger boards, averaging approximately 16 members[[16]](#footnote-17). A report published by Bain & Company[[17]](#footnote-18) estimated that after a decision-making body includes seven members, each additional member reduces decision effectiveness by 10 percent.
7. While such models do not address all the issues and interests present in the CGIAR system, it is clear from a number of studies, including a policy paper published by the Center for Global Development analyzing governance effectiveness of 11 global partnerships[[18]](#footnote-19) that the effectiveness of a group’s decision-making decreases as a board gets larger, particularly if they include more than 16 members. A number of challenges often arise from a large board that impact their decision-making: for example, decision-making can become unwieldy, individual members may lose a sense of personal accountability for board decisions, it can be difficult to create opportunities for interactive discussion, core groups can be formed which deteriorate overall cohesion and transaction costs are high. Additionally, such boards often are unable to effectively address core issues of strategy, policy and accountability, and end up micromanaging instead.
8. In proposing the reduction of the Fund Council to 16 members, the team has considered the different stakeholders engaged in the CGIAR, the agreement reached at the Fund Council meeting in November 2012 on regional distribution of seats, and the funding provided by contributors. The team believes that the principles and considerations agreed at the Fund Council meeting in November 2012 can be fully accommodated by a Board of 16 members. The options team is also proposing that a number of organizations be able to participate in the board as active observers. An active observer will be able to fully participate in the discussion of the meetings, but will not have any voting power. Recognizing that voting is expected to be a rare occurrence, active observers in almost all circumstances will be able to participate in the meeting in a way similar to full members. If in the exceptional case a consensus decision cannot be reach, only those contributing to the fund will have a vote, providing an additional incentive to contribute to the fund. While active observers may not have the right to vote, such procedures will ensure that their voice is heard in the discussions leading to a final decision.
9. Decision-making in the Fund Council is currently by consensus only. It is common practice among global partnerships for consensus decision-making to be the preferred manner in which to reach agreements. Consensus is a procedure for adopting a decision when no participant in the decision-making process blocks a proposed decision. Consensus does not necessarily imply unanimity. A dissenting decision maker, who does not wish to block a decision, may state an objection by attaching a statement or note to the decision. Even though consensus is the preferred mode of decision-making, many organizations also provide for a voting system in instances where consensus cannot be reached, since without such procedures, all members of the governing body have veto authority which can be a barrier to effective decision making. This is the case of the Clean Technology Funds referred to in section IV. A recent evaluation of the CIF found that consensus decision-making had led to protracted meetings and decision-making and sometimes indecision and micromanagement. During its consultations, the options team heard views that the Fund Council has been relatively ineffective in its decision-making.
10. The team is proposing that the decision-making rules be amended to provide for a voting rule in cases where consensus cannot be reached. Drawing from the rules of the GEF, the team is proposing, in the exceptional cases where voting may be required, that a successful proposal would require support from a majority counted in two respects. The vote would need to include an agreed percentage of votes based on a one-member one-vote count as well as a percentage of votes based on cumulative contributions to the CGIAR trust fund. This second part of the double majority provides assurance to contributors that they have a voice commensurate with their investment. Such a provision can act as a further incentive to contribute to the Fund. Clearly, the higher the required majority, the greater the agreement among all stakeholders yet it can still allow a decision to be reached when a relatively few are of a different view. In determining the number of votes based on contributions, the representative member on the Fund Council would be able to indicate the vote of the separate members in the interest group if there is no consensus among such contributors.
11. Another point that has been raised during the team’s consultations is the seniority and authority of the members of the Fund Council. Representatives on the Fund Council should be of a high level in their national systems, with experience in the field of agricultural research and funding of international programs, and with the authority to take decisions during the Council meetings that have the force of their national governments behind them. Having senior representatives will add to the trust in the decision-making of the Council and to promoting confidence in the strategic leadership and guidance of the Council. Senior representatives will also be better able to reach out within their governments and to other partners to generate support for the system.

**FUND OFFICE**

1. The Fund Office is the administrative/management office of the Fund Council.

**Fund Office** **Functions**

1. The Fund Office would have the following functions[[19]](#footnote-20):
2. servicing the Fund Council and organizing its meetings
3. developing a strategy for resource mobilization and managing its implementation
4. overseeing implementation of Fund Council decisions and maintaining an archive of all Council decisions
5. managing relations with Fund contributors
6. working with the Trustee to monitor funding status of the CGIAR Fund and compiling and preparing a report on the funding status of the Fund for review by the Fund Council at each of its regular meetings
7. analyzing the Consortium’s compliance with performance agreement, based on information submitted by the Consortium, and provide a report to the Fund Council
8. working jointly with the Consortium Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system
9. coordinating relations with Consortium, ISPC and IEA
10. developing and maintaining a risk matrix for the CGIAR and prepare annual risk reports for the Fund Council
11. collaborating with the Trustee to ensure that the Trustee receives all the information necessary to carry out its responsibilities

**Measures to improve communication and integration of “pillars”**

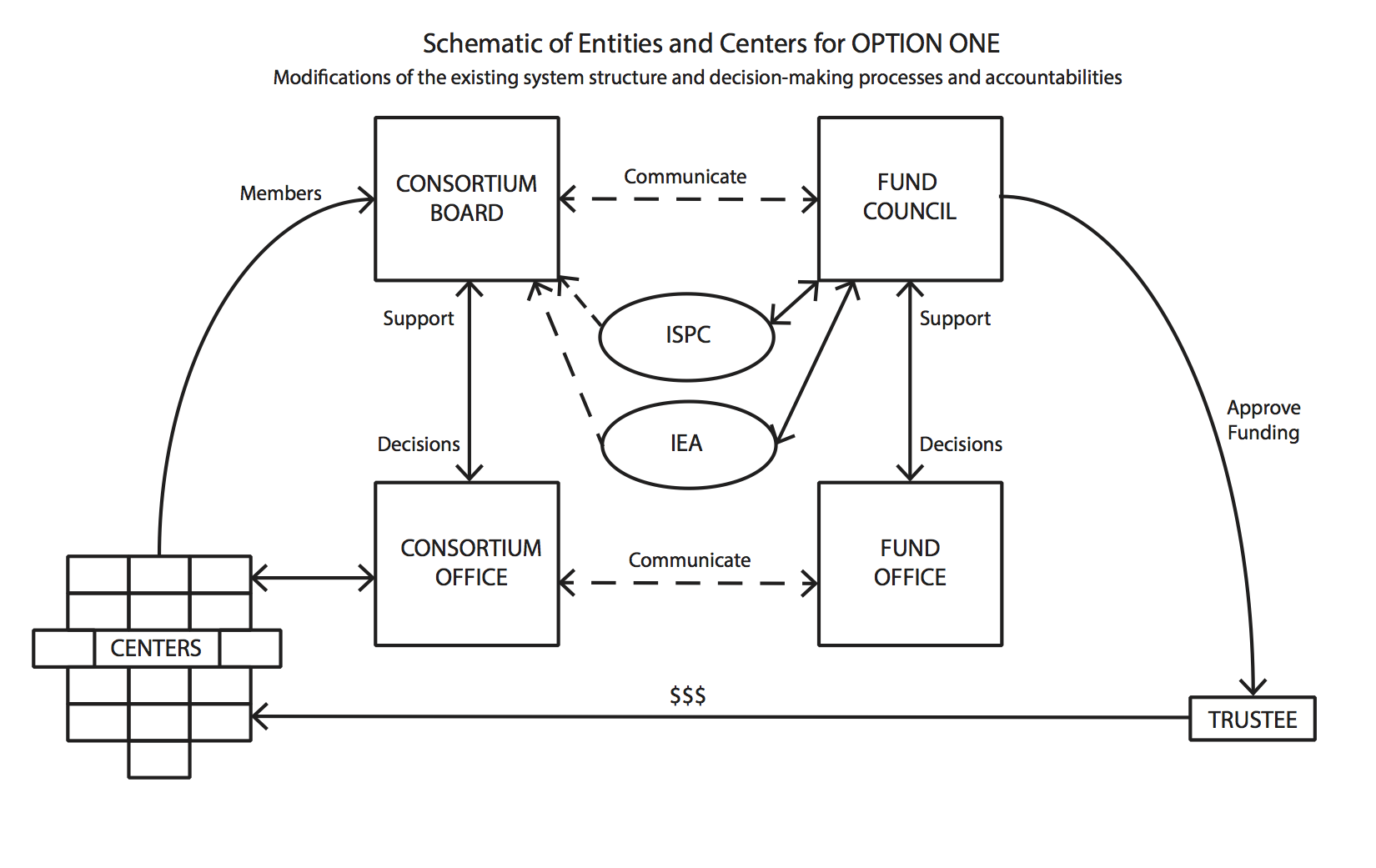
1. Timely access to relevant information about decision-making processes and substantive information on the matters under consideration are essential for accountability and to enable participants and stakeholders to make meaningful contributions to deliberations. Open and effective communications are particularly critical to create trust in dispersed partnerships, and trust is critical to partnership functioning.
2. The chairs/co-chairs of the Fund Council and the Consortium Board and the Directors of the Fund Office and the Consortium Office, together with up to two additional representatives from each of the governing bodies, should meet in person at least twice a year to review the work of the system, to exchange proposals for the on-going and forthcoming work programs, and to make recommendations to their respective governing bodies on any measures to improve the effectiveness of the system. In addition, this group may wish to organize at least one virtual meeting in between their in-person meetings to provide updates on their activities and identify challenges and jointly discuss possible ways to address such challenges.
3. The Fund Office and the Consortium Office should agree in advance on an annual calendar of meetings, including timeline for meeting and document preparation so that there is an efficient flow of information required for effective decision making.
4. The Trustee, Fund Office and Consortium Office should agree on clear, robust and harmonized reporting procedures (including timing) and content guidelines. This includes financial, performance, and results reporting.
5. The Fund Office and the Consortium Office should have regular (at least monthly) virtual meetings to discuss their work programs and system issues.
6. The Fund Council and the Consortium Board should establish joint committees when needed to address matters affecting the CGIAR system.

**Legal Implementation Requirements for Option 1**

1. This option would require amendments to the Consortium Constitution and the CGIAR Governance Framework. The Consortium Constitution would need to be amended to change the composition of the Consortium Board and to include a greater number of active observers. An amendment might also be needed to the provision in the Constitution regarding the function of the Consortium Board with respect to the resource mobilization strategy. Amendments to the Constitution require the approval of three-quarters of the members of the Consortium Board and three-quarters of the Centers. The Consortium Board is also to consult with the Fund Council before adopting amendments to the Constitution.
2. The CGIAR Governance Framework would need to be amended to provide for voting if decisions are to be made in the absence of consensus and to address any changes in Fund Council membership decided under this option. The Governance Framework might also need to be amended to clarify observer participation in Fund Council meetings and the role and responsibilities of the Fund Council with respect to resource mobilization.
3. The Governance Framework provides that decisions of the Fund Council are made by consensus. The Framework would need to be amended to provide by voting rules for decisions to be made in the absence of consensus.
4. The Governance Framework includes provisions regarding the composition of the Fund Council. It provides that members are selected from Fund donors eligible to participate in the Fund Council, either through their constituencies or by their institutions, depending on the nature of their seat. The Framework states that any Fund donor that has paid an average annual minimum amount of $500,000 during the two years prior to each three-year term of the Fund Council is eligible for representation on the Fund Council. The Governance Framework also states that the Fund Council seeks to maintain a North-South balance in its membership. The Framework establishes five regional constituencies for Fund donors from the South, as well as representatives from the regional fora of agricultural research by countries in each of the five regions and four regional constituencies for Fund donors form the North and additional representatives drawn from multilateral organizations, a constituency of donor foundations and GFAR. The Governance Framework would need to be amended if there is a reduction in the size, or change in the composition of, the Fund Council from that currently provided in the Framework. In making such amendments, consideration should be given to minimizing the provisions in the Framework on the Fund Council composition and instead addressing some matters in Fund Council decisions or rules of procedure to provide flexibility to adapt to future changes in the composition of Fund donors and minimize the need to amend the Framework itself to address such changes.
5. The Governance Framework does not address the participation of observers in Fund Council meetings, but the Rules of Procedure of the Fund Council provide for the participation of the Chair and/or CEO of the Consortium to be an observer. The Framework could be amended to provide expressly for observer participation in Fund Council meetings.
6. The Governance Framework provides that the Fund Council is responsible for “[c]ontributing to the development and implementation of a joint resource mobilization strategy for raising funds for the CGIAR Fund in support of the Consortium Board’s core responsibility for resource mobilization.” Option 1 envisions that the Fund Council would be responsible for approving the resource mobilization strategy, with the strategy laying out clear roles and responsibilities or entities in the CGIAR system for mobilizing funds. The Governance Framework provisions on resource mobilization would need to be amended to the extent that Option 1 would entail a change in the Fund Council’s responsibilities from those currently set forth in the Framework.
7. Additional changes would be needed if the modifications in Option 1 include the elimination of the Consortium’s fiduciary responsibilities with respect to the funds provided to lead centers for CRPs. Removal of such responsibilities from the Consortium would require changes to the CGIAR Principles and amendments to the Constitution, the Governance Framework, the Contribution Agreements and the Joint Agreement. Some provisions of the Common Operational Framework may also need to be amended. The Consortium Performance Agreements between the Consortium and the Fund Council and the Program Implementation Agreements between the Consortium and the Lead Centers would be superseded by new agreements. Such agreements might include direct agreements between the Fund Council or the Fund Office and the CRP lead centers and/or financial procedures agreements between the Trustee and the lead centers.
8. The Governance Framework provides that it may be amended by consensus of the Fund Council without the need for further action unless such amendments conflict with the terms of the Contribution Agreements with Fund contributors or World Bank policies and procedures applicable to trust funds. Moreover, if the amendment would impose obligations on, or infringe the rights of, the Consortium or the centers, such amendment would not be effective as to them if the Consortium observer objects to the amendment at the time it is considered by the Fund Council.
9. If the modifications in Option 1 include the elimination of the Consortium’s fiduciary responsibilities, consideration should be given to whether further approvals (either on an absence of objections basis or by providing any that do not concur with the changes to opt out of further participation in the system) should be sought from all Fund donors and centers to the proposed amendments to the Consortium and Governance Framework that would be needed in reallocate such responsibilities.
10. Elimination of the Consortium’s fiduciary responsibilities would also require changes to the CGIAR Principles and the Contribution Agreements. The CGIAR Principles can be changed by adoption of revised principles by the Fund Council and the Consortium Board. Annexes 1 (Glossary) and 2 (Trustee Provisions) to the Contribution Agreements would need to be amended. Those Annexes may be amended by agreement of the Trustee and a decision of the Fund Council, provided that the amendment does not conflict with World Bank policies and procedures applicable to trust fund and, given the nature of the amendments that would be required, the Consortium Observer to the Fund Council does not object to the amendments.
11. The Joint Agreement would also need to be revised substantially to address the changes in the roles and responsibilities of the Consortium. The Joint Agreement may be amended by written agreement of the Consortium and the Fund Council. The Joint Agreement also provides that no Fund donor shall be obligated to make any additional financial contributions under any such amendments unless it expressly agrees to do so. (Alternatively, the Joint Agreement might be replaced by a different agreement between the Consortium and the Fund Council that is better tailored to the revised arrangements between them.)
12. New agreements would need to be prepared to replace the Consortium Performance Agreements and the Program Implementation Agreements for the CRPs. Those new agreements might include agreements for CRPs between the Fund Council or the Fund Office and the lead centers and/or financial procedures agreements between the Trustee and the lead centers.

**Programmatic and Fiduciary Responsibilities**

1. If Option 1 does not include any change in the Consortium’s fiduciary responsibilities, then this option would not entail any change in the current allocation of programmatic and fiduciary responsibilities. The Consortium would retain both fiduciary responsibility (i.e., to monitor and be responsible for the intended use of Window 1 and Window 2 funds) and programmatic responsibility (i.e., to be responsible for implementation by the Centers and partners of the CRPs). There would not be any change in the current contractual arrangements. No amendments would be needed in the Joint Agreement or the Consortium Performance Agreements between the Consortium and the Fund Council or the Program Implementation Agreements between the Consortium and the Lead Centers for the CRPs.
2. If Option 1 includes the elimination of the Consortium’s fiduciary responsibilities, then the Consortium would no longer have any fiduciary responsibility to the Fund Council for the use of Window 1 and Window 2 funds allocated and transferred to the lead centers for the CRPs but would retain responsibility for programmatic monitoring and oversight. This would result in the elimination of the supervising intermediary body between the lead centers and the Fund Council for financial fiduciary matters that now exists in the form of the Consortium. The lead centers would have direct access to the Fund and be directly accountable to the Council for the use of the Window 1 and Window 2 funds provided to them for CRPs without there being a supervising entity overseeing the use of the funds with fiduciary accountability to the Council. The Fund Office might have a role in monitoring the use of funds by the lead centers, but the Fund Office would not have fiduciary responsibilities for the use of the funds, as the assumption of such responsibilities by the Fund Office would not be consistent with World Bank policies.
3. There would be direct agreements for the CRPs between each of the CRP lead centers and the Fund Council or the Fund Office and/or under financial procedure agreements between the CRP lead centers and the Trustee, with the Trustee committing and transferring funds to the lead centers (and possibly to the other centers and partners participating in the CRPs) as authorized by the Fund Council in its approval of funding for the CRPs. In either case, the agreements would govern the use of such funds provided to the lead center and the lead centers accountability to the Fund Council for their use. Under this approach, there would not be any intermediary entity supervising the use of funds by the lead center. This approach would therefore be similar to the approach used for Window 3 allocations and direct bilateral contributions to centers, where there is a direct agreement between the relevant donor and the center but no intermediary entity supervising the use by the centers of such funds. If donors are prepared to provide Window 3 and bilateral contributions directly to centers, it would appear possible for them also to provide direct access to Window 1 and Window 2 funds. Centers are separate legal entities and donors that provide funding directly to them now have presumably determined that the centers have acceptable fiduciary management standards. The Consortium Constitution also provides for the establishment of common policies and standards for centers performance and efficiency, which could include fiduciary management standards.[[20]](#footnote-21)



### **ELABORATION OF OPTION 2 – CURRENT SYSTEM WITH MODIFICATIONS AND MEASURES TO IMPROVE EFFICIENCY AND EFFECTIVENESS, INCLUDING AN ANNUAL JOINT MEETING OF THE FUND COUNCIL AND THE CONSORTIUM BOARD**

1. This option calls for all the same modifications as in Option 1 with the addition of the following.

**JOINT MEETINGS OF THE FUND COUNCIL AND CONSORTIUM BOARD**

1. The second meeting in each calendar year of the Fund Council and the Consortium Board (CB) would be held jointly.
2. In the joint meeting, the two governing bodies will exercise the following functions:
3. approving the SRF
4. approving the portfolio of CRPs proposals (prepared and submitted by the centers and the Consortium Office) and endorse anticipated funding requirements
5. reviewing and recommending CRP annual budget proposals
6. reviewing monitoring and evaluations reports and recommending appropriate action
7. reviewing annual report on risks
8. reviewing financial reporting
9. commissioning, reviewing and taking appropriate decisions on periodic independent evaluations.
10. Subsequent to the joint meeting, the Fund Council or the Consortium Board could meet separately (in the same location) to deal with other functions that each entity is to fulfill but which are not included in the functions of the joint meeting (for example, the Fund Council could meet after the joint meeting to approve the annual budgets of the CRP, based on the review and recommendations of the joint meeting).
11. Joint meetings would be co-chaired by a chair of the Fund Council and the chair of the Consortium Board.
12. Membership of joint meetings would combine the membership of the two governing bodies to include representatives from:
    1. CGIAR contributors from OECD DAC member countries
    2. Other CGIAR contributor countries
    3. foundations contributing to the Fund
    4. multilateral Organizations contributing to the Fund

e. CB members

f. CB members from center boards

g. CB members from centers (DGs)

h. CRP Directors

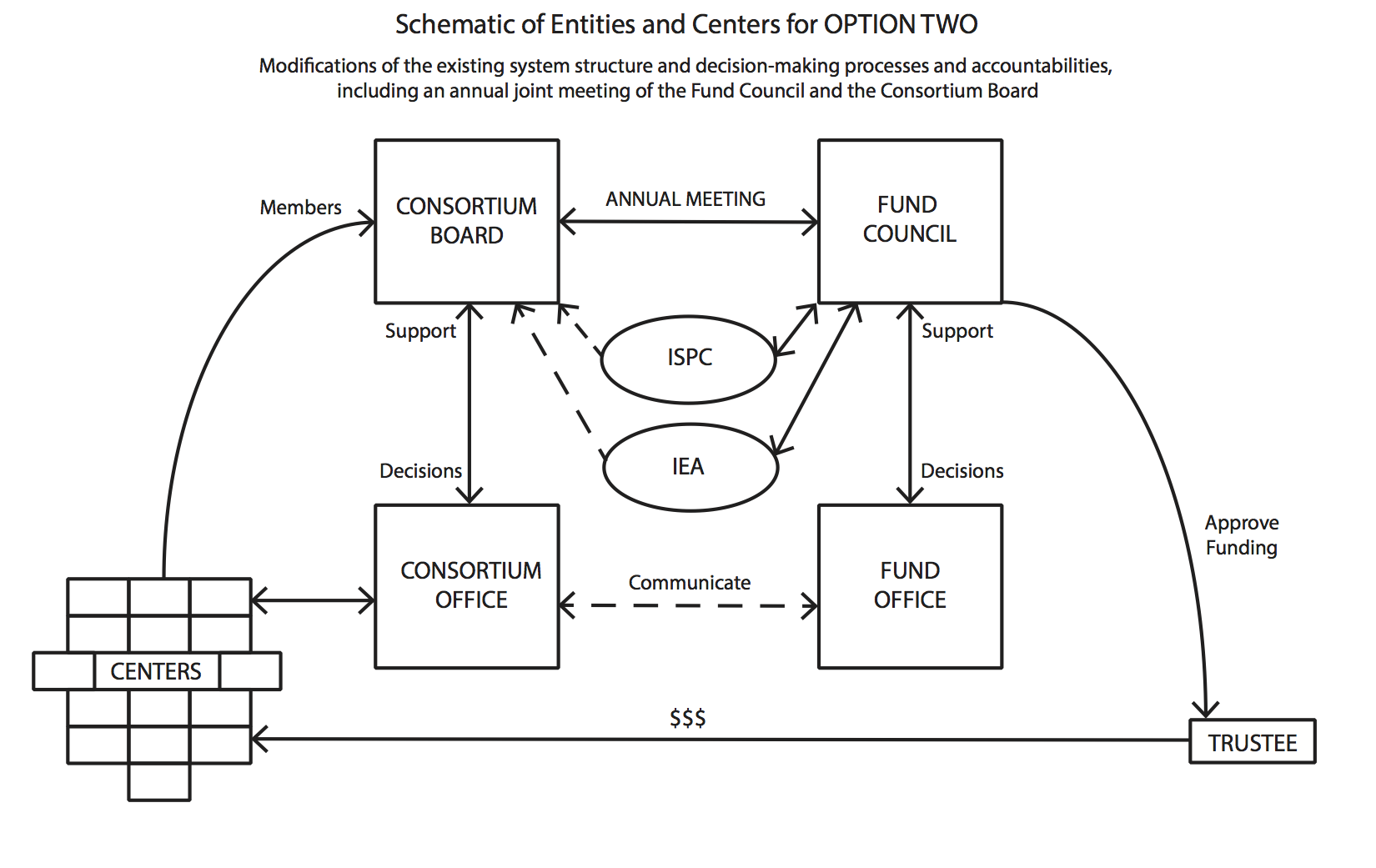
1. Active observers[[21]](#footnote-22) would include representatives from:
2. Trustee
3. Consortium Office
4. ISPC
5. IEA
6. GFAR
7. Regional organizations representing national agricultural systems and other research institutions
8. Private sector
9. Decision making during joint meeting:
10. Decisions of the joint meeting should normally be taken by consensus. If, however consensus cannot be reached, the Chairs may call for a formal vote.
11. Decisions requiring a formal vote by the joint meeting should be taken by a double weighted majority, that is, an affirmative vote representing both a [2/3][3/4] majority of the total number of voting members and a [2/3][3/4] majority of the total contributions.

**Legal Implementation Requirements**

1. Same as Option 1, with the addition of any amendments to the Constitution and Governance Framework that would be needed to accommodate the joint meetings of the Consortium Board and the Fund Council. There would also need to be rules of procedures adopted that would address issues concerning the conduct of such joint meetings (including, for example, arrangements for chairing such meetings and provide the secretariat services for them).

**Programmatic and Fiduciary Responsibilities**

1. Same as Option 1.

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JOINT

### **ELABORATION OF OPTION 3. MODIFICATIONS OF THE EXISTING SYSTEM STRUCTURE AND DECISION-MAKING PROCESSES AND ACCOUNTABILITIES WITH STRENGTHENED FUND OFFICE OF A CONSORTIUM OF CENTERS**

**CONSORTIUM**

1. The purpose of the Consortium will be to facilitate collaboration, coordination and shared serves among the centers. The Consortium would be an independent, center-owned co-operative that is governed by its members.

**Functions of the Consortium Board**

1. The Consortium Board is the Consortium’s decision making and oversight body. The Board’s primary role is to manage the business of the Consortium, provide leadership and ensure maximum returns to centers. It would have the following functions:
2. strengthening centers’ partnership and facilitating collaboration and alignment of activities
3. ensuring a consultative process to coordinate Consortium inputs into SRF
4. ensuring a consultative process to develop a coherent portfolio of CRP proposals
5. approving common policies of the Consortium and keep their implementation under review
6. approving a risk framework for the Consortium and monitor Consortium risks
7. seeking to resolve conflicts among the centers
8. ensuring that the CGIAR evolves into a performance based system
9. approving proposals for shared services and review their implementation
10. approving standards for membership and monitor compliance of membership requirements
11. reviewing internal audit reports
12. reporting to the Fund Council on its activities
13. appointing a manager of the Consortium Office and review his/her performance

**Consortium Board Structure**

*Modifications*

1. It is proposed that the Board consist of members representing the following groups:
2. Center Board members
3. Center DGs
4. The following entities or groups would be invited to identify active observers[[22]](#footnote-23) to attend the Board meetings:
5. Fund Council
6. Fund Office
7. ISPC
8. IEA
9. partners significantly engaged in CRPs
10. Trustee
11. A Chair will be elected from among the members.
12. The manager of the Consortium Office would be Secretary of the Board
13. Decision making rules:
14. Decisions of the Consortium Board should normally be taken by consensus. If, however consensus cannot be reached, the Chair may call for a formal vote.
15. Decisions requiring a formal vote by the Consortium Board should be taken by a [2/3][3/4] majority of the members.

**CONSORTIUM OFFICE**

1. The Consortium Office is the administrative office of the Consortium responsible for the day-to-day activities of the Consortium.

**Consortium Office Functions**

1. The Consortium Office would have the following overarching functions:
2. servicing the Consortium Board and organizing its meetings
3. overseeing implementation of Consortium Board decisions
4. establishing strong communications channel with, and collaboration with, the centers to, among other things, align values and incentives, build trust and facilitate coordination and partnership
5. servicing the centers to enable them to execute their roles and responsibilities
6. coordinating activities among centers and center inputs into CG processes such as SRF and links with other entities in the system
7. coordinating development of coherent portfolio of CRP proposals
8. coordinating activities to provide consistent and coherent information to the Fund Office on monitoring of the portfolio of CRPs and other activities implementing the SRF
9. developing proposals for common policies and monitor their implementation
10. facilitating a process to move towards a performance based system
11. developing proposals for common services among the centers and monitoring the effective implementation of agreed services
12. working jointly with the Fund Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system
13. developing and overseeing implementation of a robust knowledge strategy, including facilitating communities of practice
14. maintaining partnerships with Fund Office, ISPC and IEA
15. building strategic collaboration and relations with external partners
16. establishing and maintaining system-wide assets, including a comprehensive database of CGIAR activities, knowledge management system, monitoring results
17. serving as an advocate of the centers and represent CGIAR system at events where a consolidated voice on CRPs is needed
18. gathering and collating information from centers needed for Consortium Board and Fund Council
19. developing an annual work plan and budget for approval by Fund Council
20. reporting to the Consortium Board on its activities at least twice a year.

**FUND COUNCIL**

1. The Fund Council is the governing body with primary responsible for strategy, funding and financial decisions. It is proposed that the Fund Council’s responsibilities to include specific responsibility for system strategy and priorities, resource mobilization, approval of CRPs and funding, fiduciary oversight, approval and monitoring of a risk framework, and approval of a system-wide communications strategy.

**Proposed Functions of Fund Council**

1. Fund Council is the CGIAR’s Fund decision-making body. It would have the following functions:
2. approving system’s strategy and priorities and taking strategic decisions to guide their implementation
3. approving portfolio of CRP proposals, and endorsing anticipated funding requirement
4. approving a resource mobilization strategy to facilitate robust and predictable funding and oversee its implementation
5. keeping financial status of the CGIAR Fund under review
6. approving annual funding for CRPs
7. approving administrative budgets for Fund Office, Consortium Board, the Consortium Office, Trustee, ISPC and IEA
8. approving risk framework and monitor system risks
9. approving communications strategy
10. approving annual report
11. commissioning, reviewing and taking appropriate decisions on periodic independent evaluations
12. appointing manager of Fund Office and review manager’s performance
13. appointing ISPC members and ISPC Chair

**Fund Council Structure**

1. No change proposed to current structure

**FUND OFFICE**

1. The Fund Office is the administrative unit of the Fund Council.

**Fund Office** **Functions**

1. The Fund Office would have the following functions:
2. servicing the Fund Council and organizing its meetings
3. developing a strategy for resource mobilization and managing its implementation
4. overseeing implementation of Fund Council decisions and maintaining an archive of all Council decisions
5. managing relations with Fund donors
6. working with the Trustee to monitor funding status of the CGIAR Fund and compiling and preparing a report on the funding status of the Fund for review by the Fund Council at each of its regular meetings
7. providing oversight of the CRPs on behalf of the Fund Council
8. working jointly with the Consortium Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system
9. coordinating relations with Consortium, ISPC and IEA
10. developing and maintaining a risk matrix for the CGIAR and preparing annual risk reports for the Fund Council
11. collaborating with the Trustee to ensure that the Trustee receives all the information necessary to carry out its responsibilities

**Annual meeting between the Fund Council and the Centers**

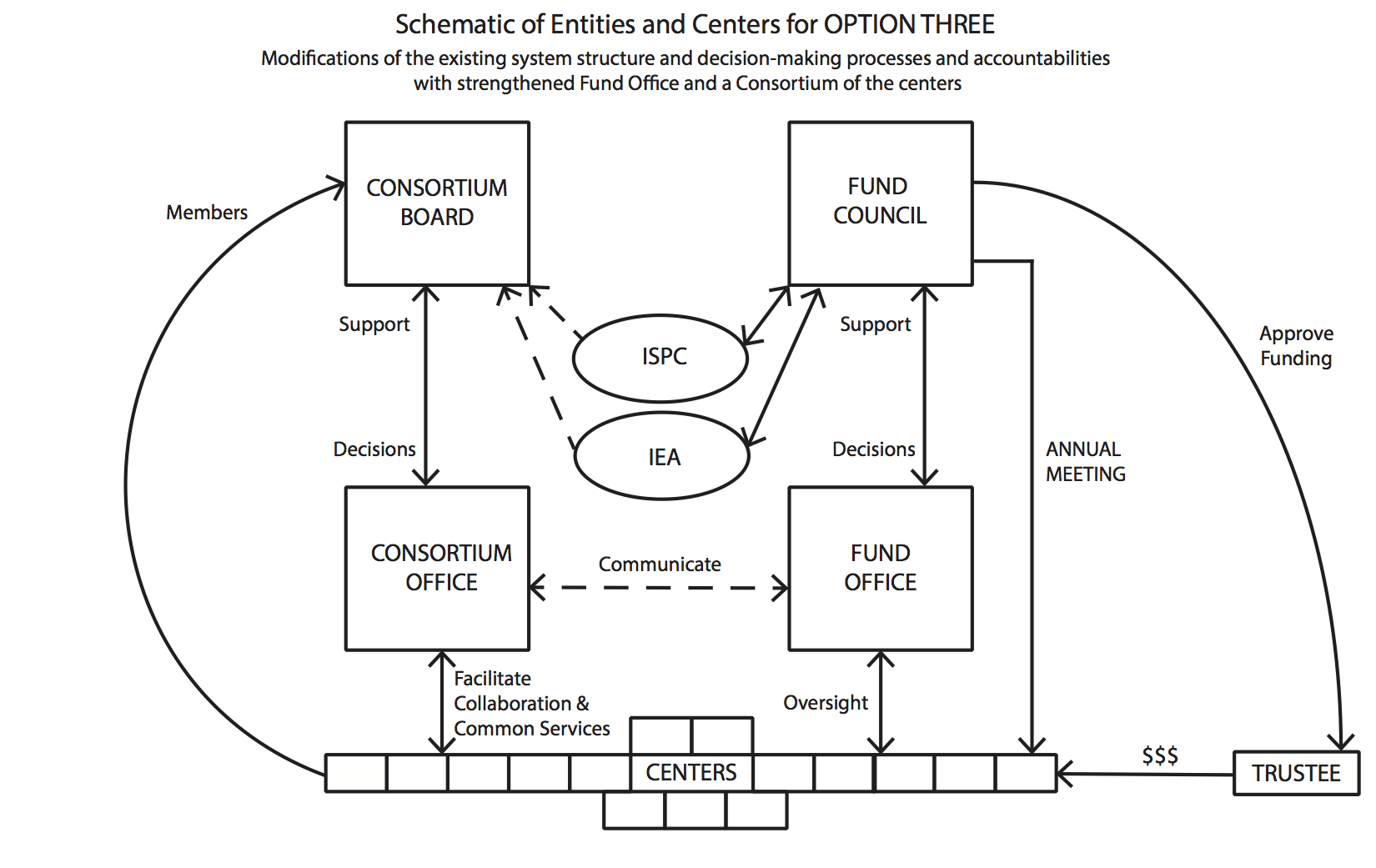
1. An annual meeting of the Fund Council and the centers will be held to promote dialogue between the Fund Council and the centers on the research programs and governance decisions.

**Legal Implementation Requirements**

1. Same as Option 1, including the modifications that would be needed with respect to the changes in the Consortium’s fiduciary responsibilities.

**Programmatic and Fiduciary Responsibilities**

1. Same as Option 1, with the changes in the Consortium’s fiduciary responsibilities, with the Fund Office providing programmatic oversight in addition to financial oversight.

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### **ELABORATION OF OPTION 4 – TWO GOVERNING BODIES WITH ONE ADMINISTRATIVE/MANAGEMENT OFFICE**

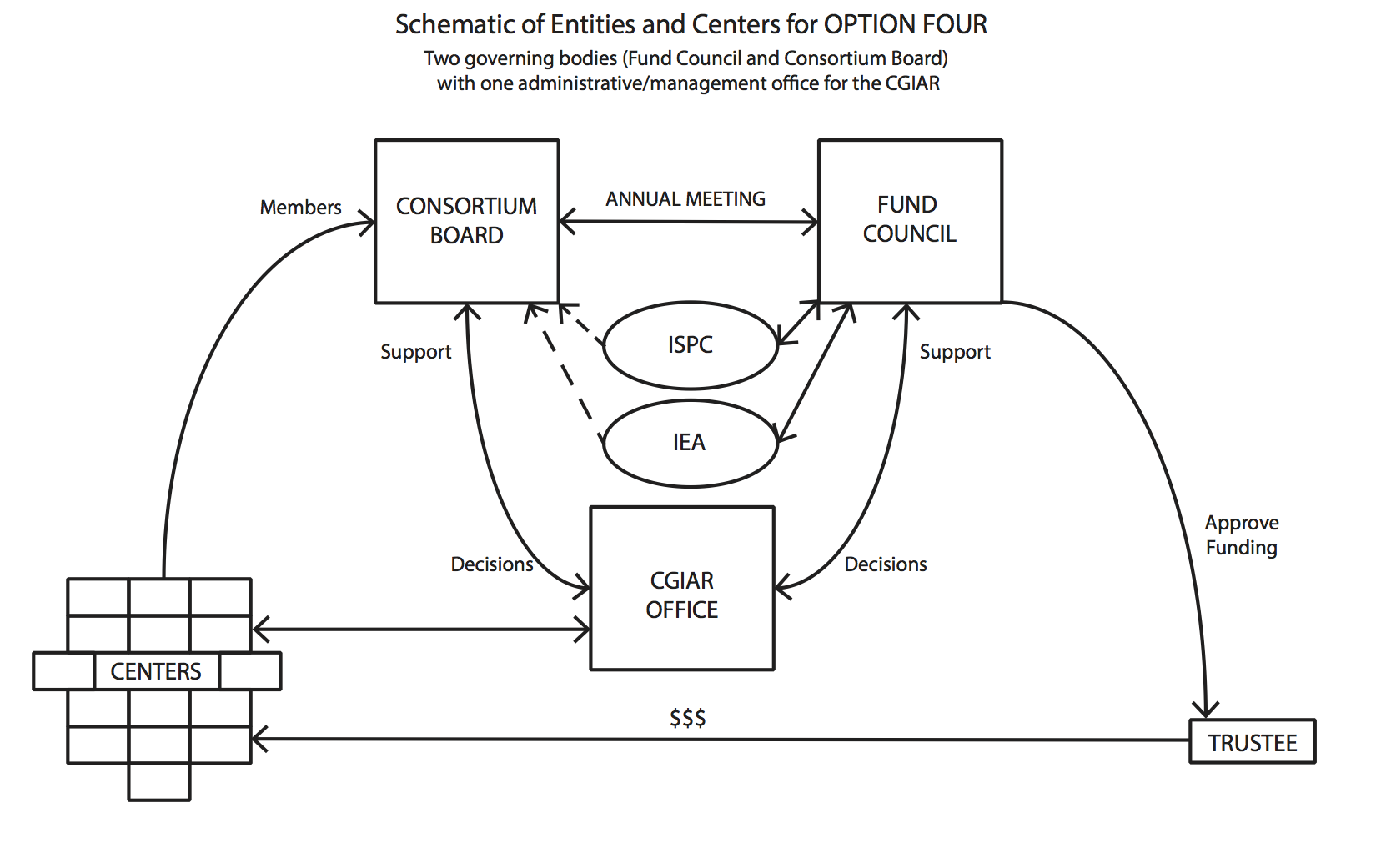
1. Under this option, the Fund Council and Consortium Board would continue to function as two separate governing bodies, with the functions described in either Option 1 or Option 2 (under which they would hold an annual joint meeting). The new element in this option is that there would be one administrative/management office that would service the CGIAR system, including the two governance bodies, and facilitate collaboration among the partners in the system. It would bring together the functions of the Consortium Office and the Fund Office (servicing of the two governing bodies, operations, facilitating collaboration among the centers, financial management, knowledge management, communications, resource mobilization, monitoring and results, risk management and audits.)
2. Recognizing that co-location can greatly enhance effective communication, strong collaboration and efficiency, it is proposed that this one office be housed in one location.

**Legal Implementation Requirements**

1. Same as Option 2 with the addition of amendments to the Constitution, the Governance Framework and Contribution Agreements to consolidate the Consortium Office and the Fund Office functions into one office. The form of the consolidation of the two offices would need to be agreed. Currently, the Consortium is an independent international organization, established under international law with legal personality and capacity. The Fund Office is an administrative unit housed within the World Bank without its own legal personality or capacity.
2. One option would be for the functions now performed by the Fund Office to be assumed by the Consortium. In that case, the Constitution would need to be amended to include the Fund Office functions in the Consortium, to clarify the respective responsibilities of the Director to the Consortium Board and the Fund Council, given that some of the Director’s responsibilities would be the Fund Council instead of the Consortium Board, and to address the manner in which the Director would be selected, given that the Director would report to both the Consortium Board and the Fund Council. The Governance Framework and the Annexes 1 and 2 to the Contribution Agreements would also need to be amended. Both include provisions concerning the Fund Office’s roles and responsibilities, which under this option would be assumed by the Consortium.
3. Another option would be for the Consortium to be dissolved and for its functions to be assumed by the Fund Office. If the Consortium were to be dissolved, the Consortium Board would also cease to exist and it would be necessary for another arrangement to be agreed between the centers to establish the legal relationship between them (for example, to provide for a new Centers Board to be the body that represents them as their governing body under Option 4). The Constitution provides that Board may adopt a resolution by three-quarters majority dissolving the Consortium if it determines that the Consortium is no longer able to function effectively. The Board is to consult the Fund Council, the Member Centers, and the States that are parties to the agreement establishing the Consortium as an international organization, prior to taking such a decision. Three-quarters of the Member Centers would need to agree to the dissolution
4. In either case, there would also be a need for there to be some form of agreement (somewhat similar to a partnership or joint venture agreement) between the Fund Council and the Consortium (if it is not dissolved) or with the Centers themselves (represented by the Centers Board) that addressed the relationship between the two governing bodies in the governing of the remaining entity. Alternatively, conforming decisions could be adopted by the Fund Council and the Consortium Board or new Centers Board, as the case may be, that regulates the rights and responsibilities of the two governing bodies with respect to the remaining entity.
5. It would also be necessary to consider carefully how to address conflict of interest issues that could arise and to consider if certain functions of the remaining entity will need to be segregated or ring-fenced so that they service only the relevant governing body.
6. Regardless of whether the new office emerges from the Consortium Office or the Fund Office as the single entity, the contractual arrangements with the Lead Centers for the CRPs would change from the current arrangements. As the new entity would be an organ of the new structure (two governing bodies with one office), the lead centers would have direct access to the Fund. Unlike the current structure, there would be no independent, intermediary legal entity that would contract with the Fund Council to make funds available to the lead centers for CRPs pursuant to an agreement between that entity and the lead center. Either the new office, directly or on behalf of the Fund Council, would enter into the agreement for the CRP with the Lead Center and/or the Trustee would enter into a financial procedures agreement with the Lead Center and commit and transfer funds for the CRP with the approval of the Fund Council.

**Programmatic and Fiduciary Responsibilities**

1. As this option would result in direct access by the Lead Centers to funding from Windows 1 and 2 of the Fund, the lead centers would be directly accountable to the Fund Council for the use of the funds. There would not be an intermediary that would assume the programmatic and fiduciary responsibilities like those of the Consortium under the current structure. The remaining office could monitor the implementation of the CRPs and the use of funds by the Lead Center, but it would not have fiduciary responsibilities to the Fund Council as the office and the Fund Council would be part of the same structure and the office would not be independent of the Fund Council.



JOINT

### **ELABORATION OF OPTION 5(A) – SINGLE BOARD WITH ONE ADMINISTRATIVE/MANAGEMENT OFFICE**

1. As proposed in the MTR, this option outlines ideas for the functions and structure of one CGIAR Council with one Administrative Office

**CGIAR COUNCIL**

1. The CGIAR Council would be the CGIAR decision-making body. As such, it would be responsible for determining the strategy and policies of the system. Its functions would include:
2. approving strategy and priorities
3. ensuring that the CGIAR evolves into a performance based system
4. approving portfolio of CRP proposals
5. approving common policies
6. approving common services
7. approving program criteria and financing modalities
8. approving resource mobilization strategy
9. approving indicative allocation of funds to CRPs
10. approving annual funding for CRPs
11. maintaining oversight of lead centers financial and operational performance
12. approving a CGIAR Risk Framework
13. monitoring alignment of center activities with the Strategy and Results Framework
14. monitoring risks and authorizing corrective action
15. monitoring/reviewing financial accountability of centers
16. reviewing reports from the Trustee on the financial status of the CGIAR Fund
17. approving work plans and administrative budgets for system entities (Administrative Office, ISPC, Trustee, IEA)
18. approving communications strategy
19. approving knowledge management strategy
20. approving annual report
21. commissioning, reviewing and taking appropriate decisions on audits and periodic independent evaluations and review such audits and evaluations
22. appointing Director of Administrative Office and review management performance
23. appointing ISPC members and ISPC Chair

**Structure of the CGIAR Council**

1. It is proposed that the Council be of a manageable size and include members and alternates from:

* 1. CGIAR contributors from OECD DAC member countries
  2. Other CGIAR contributor countries
  3. foundations contributing to the Fund
  4. multilateral Organizations contributing to the Fund[[23]](#footnote-24)
  5. centers
  6. independent members
  7. [national agricultural systems]
  8. [Private Sector]
  9. [Civil Society Organizations]

1. The following would be invited to identify representatives to attend the meetings of the Council as active observers[[24]](#footnote-25):
   1. Trustee
2. ISPC
3. IEA
4. GFAR
5. [regional organizations representing national agricultural systems]
6. [private sector ]
7. [civil society organizations]
8. A number of options could be considered for chairing the meetings: (a) an independent chair appointed by the Council members, as a remunerated position with expectations of 30-40% of the time of a full-time position, (b) a senior representative of the World Bank, to be appointed by the World Bank President, able to commit significant time to leading the CGIAR, (c) a single chair elected from Council Members, (d) two co-chairs elected from Council members, and (e) an independent co-chair elected by the Council members or a World Bank senior representative, and a co-chair elected from among the voting members.
9. Two regular meetings would normally be held each year.
10. Decision-making rules
    1. Decisions of the CGIAR Council should normally be taken by consensus. If, however consensus cannot be reached, the Chair may call for a formal vote.
11. Decisions requiring a formal vote by the CGIAR Council should be taken by a double weighted majority, that is, an affirmative vote representing both a [2/3][3/4] majority of the total number of voting members and a [2/3][3/4] majority of the total contributions.
12. Decisions could also be taken by mail, with a lack of written objection during the prescribed time for replying being considered as an affirmative vote.

**ADMINISTRATIVE/MANAGEMENT OFFICE**

1. An administrative/management office would be established to service the CGIAR Council and service the operations of the CGIAR system.

*Functions of the administrative/management office*

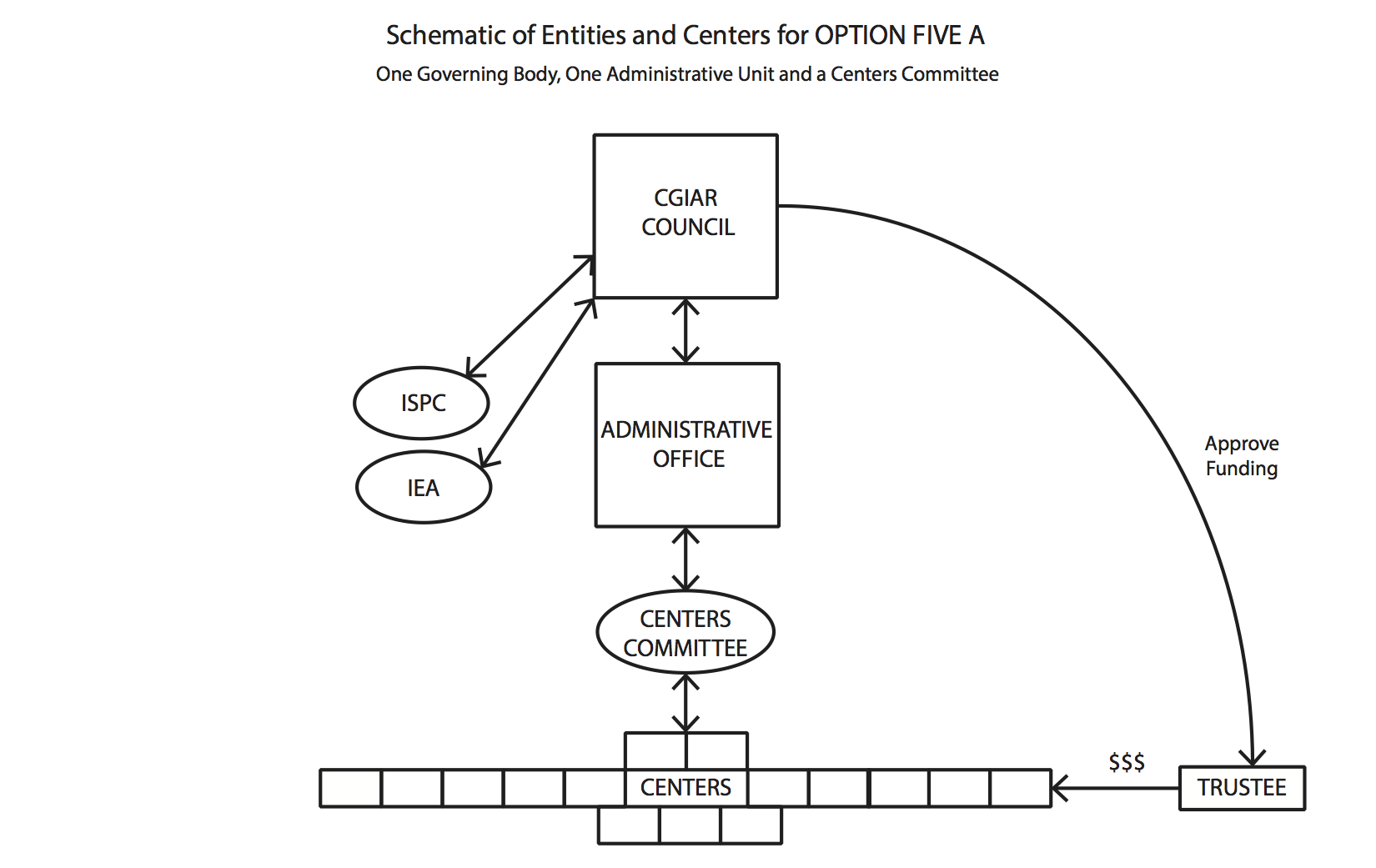
1. The office will have the following functions:
2. servicing the Council and organizing its meetings
3. overseeing implementation of Council decisions
4. establishing strong communications channel with centers to, among other things, align values and incentives and build trust (establishment of a centers Committee that meets regularly)
5. coordinating activities among centers
6. establishing and maintaining system-wide assets, including a comprehensive database of CGIAR activities, knowledge management system, results measurements
7. facilitating shared services as agreed with centers Committee
8. providing oversight of the CRPs managing a process to move towards a performance-based system
9. implementing, in collaboration with other entities in the system, the communication strategy and the knowledge management strategy, including the facilitation of communities of practice
10. developing an annual work plan and administrative budget for the CGIAR system entities for approval by the CGIAR Council
11. preparing an annual consolidate report on CGIAR’s activities, CRP performance, lessons learned, status of implementation, funding allocations for the previous period, funding projections, administrative costs and other pertinent information
12. managing relations with Fund contributors
13. coordinating relations with other entities in the system
14. managing partnerships and external relations
15. developing a strategy for resource mobilization and manage its implementation
16. developing and maintaining a risk matrix for the CGIAR and preparing annual risk reports for the Fund Council
17. collaborating with the Trustee to ensure that the Trustee receives all the information necessary to carry out its responsibilities.

**CENTERS COMMITTEE**

1. To facilitate collaboration, coordination and information exchange among the centers, a center Committee comprising representatives of the centers and the Director of the administrative/management office would be established. The Centers Committee would be chaired by the Director of the office.

*Functions of the Centers Committee*

1. The Centers Committee would:
2. serve as a forum to ensure regular and effective operational coordination, exchange of information and experience among the centers;
3. coordinate center input into CGIAR processes such as the SRF development, CRP development and approval, links with other entities in the system.
4. develop and monitor a strong portfolio of CRPs
5. agree on areas in which administrative/management office would develop common policies and review such policies as they are developed[[25]](#footnote-26)
6. agree on common services to be developed and review proposals to implement such services as they are developed
7. prior to each meeting of the governing body, review a provisional agenda and documentation prepared by the administrative/management office and agree to a timetable for submission of information;
8. review recommendations proposed by the administrative/management office
9. develop proposals on allocation of available resources
10. monitor progress in implementing CRPs and reporting to the governing body on compliance with approved policies on the use of CGIAR resources;
11. review a draft annual consolidated report on the CGIAR’s activities, performance, and lessons, including details of the CGIAR CRPs, status of implementation, funding allocations for the previous period, funding projections, administrative costs incurred, and other pertinent information;
12. collaborate with the administrative/management office on its work program, including the implementation of a comprehensive knowledge management and learning program, communications and results measurement system, taking into account opportunities for synergies with the activities of the centers;
13. performing any other functions agreed among the centers or assigned to it by the governing body.
14. The Centers Committee will meet (normally through a virtual meeting) at such frequency as it may deem necessary, but at least [once a month][once every two months][once a quarter.]



### **ELABORATION OF OPTION 5(B) ONE GOVERNING BODY WITH ONE ADMINISTRATIVE/MANAGEMENT OFFICE WITH UNITS IN TWO LOCATIONS**

**CGIAR COUNCIL**

1. The CGIAR Council would be the CGIAR decision-making body. As such, it would be responsible for determining the strategy and policies of the system. Its structure and functions would be those listed in paragraphs 223-225.

**ADMINISTRATIVE/MANAGEMENT OFFICE**

1. An administrative/management office would be established to service the CGIAR Council and service the operations of the CGIAR system. The office would have two units: a Centers Unit, and a Council Unit.

*Functions of the administrative/management office*

1. The office will have the following functions:

(a) Council Unit would be responsible for:

1. servicing the Council and organizing its meetings
2. overseeing implementation of Council decisions
3. providing oversight of the CRPs
4. developing a strategy for resource mobilization and manage its implementation
5. preparing a system-wide communications strategy and oversee its implementation
6. developing an annual work plan and administrative budget for the CGIAR system entities for approval by the CGIAR Council
7. preparing an annual consolidate report on CGIAR’s activities, CRP performance, lessons learned, status of implementation, funding allocations for the previous period, funding projections, administrative costs and other pertinent information
8. managing relations with Fund contributors
9. coordinating relations with other entities in the system
10. managing partnerships and external relations
11. developing and maintaining a risk matrix for the CGIAR and preparing annual risk reports for the CGIAR Council
12. collaborating with the Trustee to ensure that the Trustee receives all the information necessary to carry out its responsibilities.

(b) Centers Unit would be responsible for:

1. establishing strong communications channel with centers to, among other things, align values and incentives and build trust (establishment of a Centers Committee that meets regularly)
2. coordinating activities among centers
3. providing programmatic oversight of the CRPs
4. overseeing implementation of shared services as agreed with Centers Committee
5. managing a process to move towards a performance-based system
6. establishing and maintaining system-wide assets, including a comprehensive database of CGIAR activities, knowledge management system, results measurements (including the preparation of an annual monitoring report).
7. implementing, in collaboration with other entities in the system, the knowledge management strategy, including the facilitation of communities of practice
8. coordinating and collaborating on operational and scientific issues with the ISPC and the IEA,
9. building strategic collaboration and consultations with external partners,
10. gathering and collating information from centers needed for CGIAR Council

*Staff of administrative/management office units*

1. To provide these services, the office would require staff or units with specific responsibilities for:

(a) Council Unit:

1. financial management, Trustee relations, risk management
2. council servicing
3. communications
4. resource mobilization

(b) Centers Unit:

1. centers collaboration
2. commissioning, reviewing and taking appropriate decisions on periodic independent evaluations operational policies and implementation
3. common services
4. monitoring
5. knowledge management
6. partnerships and external relations relevant to the CGIAR programs

**CENTERS COMMMITTEE**

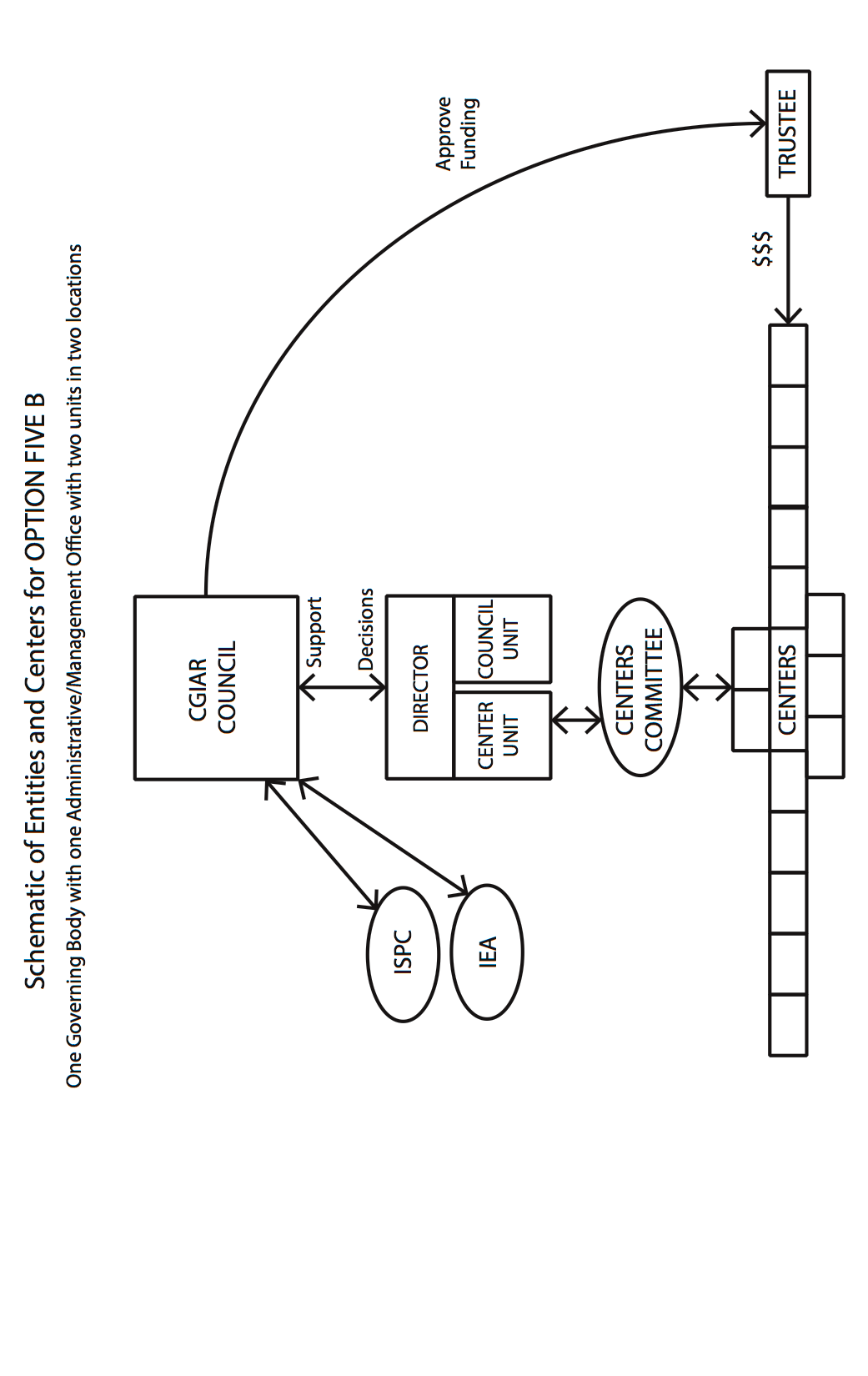
1. To facilitate collaboration, coordination and information exchange among the centers, a Center Committee comprising representatives of the centers and the manager of the centers unit would be established. The Centers Committee would be chaired by the manager of the centers unit. The Centers Committee may choose to delegate some of its functions to working groups or communities of practices. The functions of the Centers Committee would be the same as those listed in paragraph 224.

**Legal Implementation Requirements for Options 5(a) and 5(b)**

1. This option would require a complete revision of the governing documents and contractual agreements. One approach would be to maintain the Consortium as an international organization and amend the Constitution to reflect the one integrated governance structure and one office. The Fund Governance Framework would be terminated and the Contribution Agreements amended to reflect the new structure. The Joint Agreement and the Consortium Performance Agreements would no longer be used. The Consortium would enter into CRP agreements with the lead centers.
2. Another approach would be to dissolve the Consortium and for there to be a new Governance Framework adopted that would reflect one integrated governance structure and one office, either as in independent international organization or an office hosted by the World Bank or another international organization. The Contribution Agreements would be amended to reflect the new structure. The Joint Agreement and the Consortium Performance Agreements would no longer be used. Either the new organization or the new CGIAR governing body, or the new office acting on behalf of the governing body would enter into agreements with the lead enters for the CRPs.

**Programmatic and Fiduciary Responsibilities**

1. As the new entity would be an organ of the new structure, the lead centers would have direct access to the Fund. There would be no intermediary legal entity that would contract with the CGIAR Council to make funds available to the lead centers for CRPs. Either the new entity, if it has legal capacity, or the new CGIAR Council or the office, on behalf of the Fund Council, would enter into the agreement for the CRP with the lead center and/or the Trustee would enter into a financial procedures agreement with the lead center and commit and transfer funds for the CRP with the approval of the CGIAR Council.

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# VI. Other partners of the CGIAR System

***Role of Multilateral Organizations***

1. As part of the reform, it was agreed that it would be important to have partner multilateral agencies with food security mandates as part of the renewed system to:
2. provide an essential context for the CGIAR in the multilateral system,
3. play a key role in policy advocacy in terms of positioning the CGIAR in the boarder development context,
4. facilitate and catalyze a stronger linkage and scaling up of CGIAR research with the delivery and extension systems at program levels, through, e.g., linking CGIAR work to the mainstream activities of UN agencies and multilateral development banks, information and knowledge exchange.
5. It was, therefore, agreed that **FAO**, **IFAD** and the **World Bank** would each be invited to participate as members in the Fund Council.
6. **FAO** contributes to the CGIAR by hosting the secretariats of IEA and ISPC at its headquarters in Rome, and it contributes financially to the ISPC ($1.35 million annually). In agreeing to locate these secretariats at FAO headquarters, which also hosts the GFAR Secretariat, it was noted that co-location and close cooperation of staff supporting foresight, evaluation and impact assessment should provide strategic benefits and increased programmatic effectiveness, as well as efficiency and cost savings. In the case of IEA, it was also considered beneficial that the secretariat should be located in a neutral location, avoiding the perception of lack of independence from any major donor to the CGIAR or the FC Office or the Consortium.
7. **IFAD** contributes funds to Window 3 of the CGIAR Fund as well as bilateral funds to the centers. The European Commission channels it’s funding for CGIAR through IFAD. As the partnership between IFAD and the EC has grown, the EC has chosen to devolve the management of these funds to IFAD.
8. The **World Bank** currently fulfills four distinct roles in the system:
9. as a contributor to Window 1 of the Fund;
10. as Chair of the Fund Council;
11. as host of the Fund Office; and
12. as Trustee for the CGIAR Fund.

*World Bank as a contributor to the Fund*

1. The World Bank has continuously supported the CGIAR for more than 40 years, and for approximately the past 25 years, the Bank has provide $50 million each year to the CGIAR. As noted at the Fund Council meeting in May 2014, as part of its current reform, the World Bank Group is developing a new group-wide strategy focused on eradicating poverty, promoting shared prosperity and addressing climate change. The World Bank recognizes that without extensive investments in agriculture research, it would be very difficult to achieve its strategy. However, as part of its current reforms, it is examining the phase out of its grant financing to the CGIAR from its below-the-line budget funding. For the past year, the World Bank has been looking at ways that it can continue to be a major contributor to the CGIAR in a long-term, sustainable manner and can continue to play a leadership role in the system. The World Bank representatives are optimistic that a solution will be identified in the near future.

*World Bank Chair of the Fund Council*

1. The World Bank has indicated that it is open to considering different options for strengthening leadership in the system, including how best to appoint the Fund Council Chair. The World Bank has emphasized that form should follow function, and depending upon the overall governance structure that is selected, it recognizes that arrangements for providing continued leadership through the Chair of the governing council should be revisited.
2. An option presented in this paper is that the World Bank President may be invited to appoint a senior representative to Chair the Fund Council or the CGIAR Council who will be able to commit a significant amount of time to the position. Such a time commitment is a prerequisite for the leadership role that the person would be expected to play.

*Host of the Fund Office*

1. The World Bank hosts the CGIAR Fund Office and is fully reimbursed for all expenses of the office from the Fund. It is expected that this role will continue, pending a decision on any new option for governance and decision-making that may affect this role.
2. As evidenced by a large number of other global partnerships, the World Bank is experienced in hosting platforms for such partnerships but it also recognizes that the CGIAR partners may decide that it would be more effective to merge the administrative/management functions at a location other than World Bank headquarters.

*Trustee of the CGIAR Fund*

1. As can be seen from the review of the global partnerships in Section IV, the World Bank has emerged as the principal provider of financial intermediary trustee services to major global partnerships and emerging global challenges and emergencies.  The experience and skills of the Bank in providing such services effectively and efficiently are reasons for the World Bank to continue to exercise this role under all of the proposed options.  Furthermore, as described in section VII, the Trustee has identified changes that could be made to improve the financial management of the CGIAR funds.
2. Furthermore, the World Bank has significant convening power that can be drawn upon and the experience, skills and reputation to be a key partner in mobilizing resources for the system.

*Role of multilateral organizations in the proposed options*

1. Under options 1 and 2, it is proposed that the size of the Fund Council be limited so as to promote more effective and efficient decision-making. In options 4 and 5, it is proposed that a new CGIAR Council be established. In each of these options, it is suggested that multilateral organizations contributing resources to the Fund should have one seat on the board. The organizations would agree among themselves how to rotate their representation at the governing board meetings. In addition to the one seat as a member and one alternate position, the third organization could attend the governing body meetings as an active observer.
2. In options 4 and 5, which include one administrative/management office with a single director, it is proposed that the IEA and ISPC secretariats could usefully be housed at the same location as the central office. Consequently, FAO would no longer serve as the host of these two entities, unless the administrative/management office was to be also hosted by FAO. Co-locating the entities would facilitate good communication and regular interaction among the teams regarding planning, scheduling and problem solving. While it may be argued that having the two units in a neutral location is important to avoid any perception of undue influence by the administrative/management unit, this may be addressed by ensuring that the managers of these units have autonomy, a separate budget to carry out their work programs for which each manager is accountable, and reporting lines of authority for their substantive work program and performance is to the governing body.

*Linking CGIAR work to the mainstream activities of UN agencies and multilateral development banks, information and knowledge exchange*.

1. If the CGIAR is to meet its objectives to reduce rural poverty, reduce food insecurity, improve human health and nutrition, and ensure more sustainable management of natural resources, it is critical that the results of their research efforts contribute to, are applied by, and are taken to scale by multilateral development organizations in their on-the-ground activities. While this goal appears to be shared by all the multilateral partners of the CGIAR, there is no evidence of a structured approach or incentives to make this happen but a number of interesting initiatives are emerging.
2. The World Bank is currently reviewing its action plan on food security and health. Within this plan, there will be a focus on research and its contribution to the World Bank’s goals. The Bank is also making a major push in strengthening its project requirements to require that proposals for agriculture investments include a review of relevant agriculture research to ensure that the best science is being utilized in the design of the investment.
3. Another innovative development is efforts to explore opportunities for countries, through their World Bank lending, to support the centers to undertake work of priority concern to the country. This could prove an additional source of funding for the system’s research efforts.
4. It is proposed that under any of the options, the office responsible for programming and monitoring should convene an annual meeting with multilateral development partners to explore CRP proposals and on-going work, emerging findings and knowledge, best practices for incorporating agricultural research into the on-the-ground activities of the development partners and opportunities to channel funds from country programs to the work of the centers when interests are aligned. In addition, regular consultations could usefully be held with the country teams working in the same countries as the CGIAR to seek opportunities for aligning programs and supporting synergies.
5. There is also a responsibility on the side of the implementing partners and contributors to promote the results of CGIAR research and the application of such research in development programs. In developing and approving the SRF and the CRPs, contributors should ensure that the research to be undertaken will respond to what is needed by the global community and will be delivered in such a way as to be easily taken up by that community. The SRF should provide strong signals as to the results that are needed, while recognizing that research requires patient investments with a 10 to 15 year timeframe before results are produced.

***ISPC***

1. *Recommendation 9* in the MTR addresses the need to strengthen the capacity of the CGIAR to pursue research that is highly strategic, likely to yield significant impact, increases knowledge and maintains the quality of science conducted throughout the system. To achieve a more integrated approach to the continuum of activities that lead from strategy formation and priority setting to ongoing evaluation of results, the MTR recommended empowering the ISPC to play a stronger role in each aspect of this process. In empowering the ISPC to take on a larger role, the MTR identified a more specific role for the existing Independent Evaluation Arrangement (IEA) in evaluating governance and management.
2. The options team recognizes that the ISPC will convene a separate taskforce at the direction of the Fund Council to look more specifically at how ISPC might enhance its role and responsibilities within the system. The options team’s has focused its consideration of ISPC in terms that reflect the governance options developed and presented by the team. In addition, it has sought feedback from partners and stakeholders on how to strengthen the role. The team has identified four areas where ISPC should play a stronger or enhanced role: (a) priority setting; (b) contributing to the development of the SRF and CRPs; (c) undertaking foresight studies and impact assessment; and (d) assessing and reporting on research results and the quality of science, particularly in relation to IEA.
3. One of the challenges of the first cycle of CRP reviews and approvals was the incremental nature of the process itself. There was limited opportunity and no clear responsibility for looking across the portfolio as a whole and determining whether the programs were coherent in terms of strategy and were complementary rather than duplicative. This shortcoming was somewhat addressed by ISPC in its review of the extension proposals and has been a feature of the Consortium’s role. A new SRF and the second call for proposals should include an explicit role for ISPC in commenting on the coherence of the portfolio and the potential to achieve results. The credibility of the system will be greatly enhanced by an independent perspective on the overall quality and effectiveness of the portfolio to deliver on the strategy, particularly with respect to those options in which the lead centers will have direct access to the CGIAR Fund.
4. While supporting a greatly enhances role of the ISPC regarding the quality of the science in the system, the options team is suggesting that its mandate on overseeing and promoting partnership could be more effectively implemented by one of the administrative/management offices (see the subsection below on partnerships).

***IEA***

1. The creation of an independent evaluation unit was an effort to bring internationally accepted evaluation practices to the CGIAR, both to improve the consistency and quality of evaluation within the system and to provide donors with a level of assurance about performance that would reduce the number of donor-commissioned evaluations and reviews. The Fund Council endorsed a CGIAR Evaluation Policy in 2012, which defined both policy and practice related to evaluation and the relative roles of ISPC and IEA. The Fund Council also approved an accelerated plan of work that would inform the second call for proposals.
2. While the reform created a new structure and subsequent decision making would appear to support it, donors continue to commission evaluation and reviews outside the current structure. It is unclear whether this results from the continuing flow of bilateral support to the CRPs and the centers with attendant reporting requirements, or if the relative newness of the program evaluations has meant donors do not have a basis on which to adjust their own review requirements. (One CRP evaluation has been completed, four more are to be completed by April 2015, and another five will be completed in 2016 before the second call for proposals. Additionally, quality assurance assessments on CRP-commissioned evaluation will be completed for five CRPs that have not been active long enough to warrant a full evaluation. )
3. As evaluations are completed, there needs to be a clear and timely path for the evaluations to be reviewed and recommendations endorsed for the full value of an independent evaluation to be realized. The effort to complete evaluations of the CRPs prior to the call for the second round of proposals has revealed a serious shortcoming and bottleneck in the finalization process that should be addressed. A CRP evaluation now follows multiple paths to finalization with lags between when CRP management/lead center, the Consortium and the Fund Council separately respond. More critically, the Fund Council relies on the Evaluation, Impact and Assessment Committee, a voluntarily constituted committee of donors that does not convene on a regular basis, to review and present the evaluations to the Fund Council. The Council to date has not allocated sufficient time in its agenda to review the evaluations and agree on appropriate action. While the evaluations are of value to all partners in the system for priority setting, learning and improvement, the Fund Council is the primary “customer” for the evaluations and should leverage full value from them.
4. The establishment of an independent evaluation unit and the systematic adoption of international evaluation practices have highlighted the degree to which program monitoring for the CRPs is underdeveloped. The articulation of clearer intermediate development outcomes for each CRP creates a framework for program monitoring and performance review, but the capacity within programs to undertake these tasks is still a work in progress. Each of the CRPs has or is developing an independent science panel with a role in monitoring program strategy and performance, including recommending periodic reviews. Evaluations that can inform planning and priority setting, resource development and decisions about resource allocation at the system level rely in part on the quality of underlying efforts at the program level to monitor and measure performance. It is important to maintain clear responsibility for consistent annual reporting of programmatic results against projected outcomes, and synthesizing the results across the portfolio of the CRPs. This responsibility currently rests with the Consortium. But some options shift this programmatic oversight responsibility to the Fund Office or an administrative/management office.

***Relationship between ISPC and IEA***

1. The MTR called for greater rigor in assessing and reporting on the quality of research results across the system, and recommended that while the role that IEA is playing in reviewing the governance of CRPs is appropriate, the review of the quality of research should be under the oversight of the ISPC.
2. The option team has identified two alternatives to address these concerns: (a) to maintain the lead role of IEA for all evaluations, while calling for stronger links with the ISPC, or (b) to shift responsibility for the evaluation of research quality to the ISPC and to assign the function of organizing other independent evaluations called for by the Fund Council or the CGIAR Council to the office servicing the Council.

*Pros and Cons of the two alternatives:*

1. As part of the reform, two separate, independent system-level entities were established: one to provide expert scientific advice to the CGIAR on science strategy and assure the alignment of research with the resulting SRF, and the other to assure that actual performance and results leads to learning and improvements at the program and system levels.
2. A number of options propose changing the current accountability structure for the CRPs by linking accountability for CRP performance directly to the lead center. Removing the current role of the Consortium in the accountability structure might argue for maintaining an independent evaluation arrangement that strengthens and preserves the role of ISPC in research strategy, priority setting, impact assessment and foresight activities.
3. At various points in the current evaluation process, IEA and ISPC interact formally and informally to assure that CRP evaluations draw on scientists with the appropriate knowledge and standing to undertake the evaluation and address quality of science issues. There are similar formal and informal opportunities for ISPC to review and comment on drafts, and receive and reflect on the final reports and recommendations. The value of these interactions could be strengthened through a more formal role that ensures that ISPC engages at such times as are necessary to allow it to help shape the substantive work of the team and contribute its views on scientific aspects of the evaluations. Once evaluations are completed, ISPC and IEA should collaborate to recommend where responsibility should rest for assuring that action plans arising from the recommendations are followed and incorporated into subsequent work.
4. The creation of IEA was also intended to resolve a potential conflict if one entity were to assume responsibility for both advising on the direction, relevance and quality of science, and evaluating research performance. Such potential conflict could be managed, however, by ensuring that when evaluations are organized under the auspices of ISPC, the team carrying out the evaluation has the necessary independence from the ISPC secretariat to ensure that it is providing its full and impartial judgment. This is common practice in many international organizations and partnerships.
5. Furthermore the team has noted that among the other global partnerships reviewed in Section VI, the GEF is the only one that has established an independent evaluation office. The other partnerships rely on their secretariats to commission independent teams to carry out any evaluation requested by their governing bodies.

*EIAC under the two alternatives*

1. In the first of the two alternatives (IEA maintains a lead responsibility for evaluations) the function of providing secretariat support to EIAC could usefully reside with IEA (rather than the Fund Office) to make a stronger connection between the IEA and the Fund Council. In the second alternative, EIAC would continue to be serviced by the administrative office of the Fund Council or the CGIAR Council.
2. With respect to the options for a revised governance structure, in option 1, the EIAC could be a joint Fund Council/Consortium Board committee that would enable more effective and timely action on evaluations. In options 2 and 4, the annual joint meeting of the Fund Council and Consortium could contribute to a more unified and streamlined process for finalization of the CRP evaluations. In options 3 and 5(a) and (b), EIAC would remain a committee of the Fund Council or the CGIAR Council.

***GCARD/GFAR***

1. The Global Conference on Agricultural Research for Development (GCARD) was envisioned as an alternative to the CGIAR’s former Annual General Meeting, a way to engage with a broader array of stakeholders and partners to identify priorities in agricultural research for development, and to help shape CGIAR strategies and consider their effectiveness. The CGIAR shift to a programmatic strategy for research was accompanied by a strategy to engage partners systematically and at a variety of levels in undertaking research and delivering results. GCARD is a key mechanism for convening partners at a high level, leveraging knowledge, particularly from among regional and national partners, and accessing stakeholder input in an organized fashion. Along with the Science Fora, convened by ISPC, GCARD brings CGIAR leaders and research into more systematic engagement with the expertise, perspectives and capacities of those “external” to the CGIAR.
2. GCARD is jointly planned by the Global Forum on Agricultural Research (GFAR) and the CGIAR, through the Consortium. The relationship of the two organizations is formalized through GFAR’s inclusion in the Fund Council and the Consortium CEO on GFAR’s board.

Two global conferences have been held and a third is scheduled for 2016. The 2016 GCARD is the culmination of a number of smaller workshops and meetings, convened in partnership with CRP leaders and others, to contribute to the development of the new SRF. This pattern—smaller meetings, often using technology to bring participants together, which lead to a “milestone” meeting —is considered by GFAR and the Consortium to be a more productive strategy for achieving the goals of the conference.

1. The options team considers GCARD, or a meeting like it, to be an important input to the work of the CGIAR. The efforts to improve the conference through better preparation and planning, and to assure that it continues to convene participants who add value to the goals of the conference should be ongoing. The timing of GCARD should align closely with the timetable for the development of the SRF as well as any system-level evaluations. The options team has proposed a three year/six year/12 year cycle in which the CGIAR’s work could be aligned with a 12 year SRF, refreshed every three years; a six year CRP program with a three-year programmatic and budget update, and a three-year replenishment cycle for the Fund. GCARD’s original biennial cycle has already shifted to a more likely three- year cycle, which would be consistent with the proposed cycle of CRP proposal development and reviews of the SRF.
2. In considering various governance options, the options team has provided in all options for GFAR to have an active voice in the governance structure’s deliberations..

**Funders Forum**

1. The Funders Forum is convened every two year to bring together Fund contributors, bilateral donors and other invited stakeholders to exchange views about CGIAR’s mission, operations and achievements. The timing of the Funders Forum should align closely with the timetable for the development and approval of the SRF, system-level evaluations and the CRP portfolio. The options team has proposed a three year/six year/12 year cycle in which the CGIAR’s work could be aligned with a 12 year SRF, refreshed every three years; a six year CRP program with a three-year programmatic and budget update, and a three-year replenishment cycle for the Fund. The Funders Forum should also shift its cycle to every three years, and serve not only to bring all contributors together to exchange views about CGIAR’s mission, operations and achievements but also as a platform to provide predictable pledges of funds to support in the system in the forthcoming three year period of CRP research. The Funders Forum may usefully be convened back-to-back with GCARD to facilitate a sharing of a broad range of perspectives and knowledge generated by the centers and others in the community of agricultural research for development.

***Partnerships***

1. In reviewing the report of the Mid-Term Review panel, there was agreement in the Fund Council that the system required more engagement with advanced research organizations from both developed and developing countries as well as from the public and private sectors. It was also agreed that there is a need to develop better partnerships and capacity development with national agricultural systems and greater involvement with the private sector.
2. The MTR reported that since the reforms, the centers have made considerable progress in establishing and managing partnerships, with each other, with national agricultural systems, with other public sector research institutions and with private sector counterparts. The report also noted that there is considerable room for expanding existing, and establishing new, partnerships. The panel therefore recommended that the Fund Council seek the assistance of contributors and key organizations engaged in research with a global reach to assist CGIAR in developing guidelines of identifying, establishing, managing and reviewing partnerships. It called for the guidelines to be clearly tailored to meet the strategic objectives and results delineated in the SRF. The ISPC has been requested to develop the guidelines.
3. In addition to the need to strengthen the efficiency and effectiveness of the current CGIAR system operations, the MTR panel report identified the additional potential leadership role of the CGIAR, in the near-term, to dramatically scale-up and accelerate agricultural research required to meet food security and nutrition needs in 2030. The panel pointed out that taking on such a leadership role would require a clear value proposition and prioritization in its ongoing and next round of CRPs- but also the ability to identify critically needed blue-sky research and establishing collaborative partnerships that facilitate the needed scale and speed to address glowing growing global challenges.
4. Based on the response to the MTR panel recommendations, there seems to be a broad recognition of the need for new partnership models, taking advantage of the capabilities and strengths of a broader range of partners than is currently engaged with the CGIAR centers. Long-term mega programs designed to effectively address complex challenges likes food security will, in any case, require greater engagement with non-traditional CGIAR partners, in particular the private sector. Private sector funding for research and development has increased dramatically in the last decade. In 2010, global private sector investments and agricultural research and development was about $11 billion as compared to about $5.6 billion in 1994. Most private investment in agricultural research and development is for initiatives for which returns are calculable. The private sector has increased research funding for plant biology, plant breeding and the production of seed and planting materials, agrochemicals, food processing storage and transport, etc. – all of which are also CGIAR research areas. Many of the CGIAR centers are already actively engaged with international, national, and local private sector partners. But if the CGIAR is to play a dynamic leadership role in scaling-up research programs in partnership with less traditional partners such as the food and beverage industry, it will be necessary to have a system-wide strategic approach to establish impact partnerships for discovery and delivery that optimize the capabilities of partners while achieving the objectives of partners. The current ad hoc approach will not suffice and consequently, regardless of the option taken for governance, it is considered necessary to establish a central capacity for strategy and engagement with potential non-traditional partners, with a particular focus on the private sector.
5. As part of the reform, lead responsibility for partnerships was assigned to the ISPC. The Consortium Office and the Fund Office also contribute to the development of partnerships through their programming and funding activities, respectively. With the proposed enhanced role of the ISPC in the area of foresight thinking, scientific review and advice, it is proposed that responsibility for building and strengthening partnerships be shifted from the ISPC to the appropriate administrative/management office in each of the options. In options 1 and 2, the Consortium Office would best assume this role. In Option 3, the role may best be placed with the Fund Office. Regardless of which office assumes this responsibility, it is proposed that a minimum of two dedicated staff positions, one for partnerships with research, national agricultural systems and civil society organizations, and one for partnerships with the private sector, be established with responsibility for identifying and encouraging partnerships within the CGIAR system. An initial responsibility of the new officers would be to develop, in consultation with all entities in the system, as well as the guidelines called for by the MTR and a partnership strategy aimed at greater collaboration, co-learning, co-development and joint achievement of development outcomes.

# VII. Cross Cutting Issues that should be applied under all options

## **Funding and Financial Management Issues**

***Resource Mobilization***

1. As noted in paragraph 33, the issue of funding through the CGIAR Fund presents a number of challenges which should be addressed by the contributors to the Fund if they are to meet commitments made at the time of the reform to join together in the CGIAR Fund, with the aim of harmonizing their contributions to agricultural research for development, improving the quantity and quality of funding available, and engendering greater financial stability. The CGIAR Fund was expected to harmonize and maximize funding for priority research areas, simplify structures, and reduce transaction costs. While the CGIAR Fund has succeeded in pooling significant resources for research priorities, without similar progress toward predictable multi-year funding, the full benefits of the CGIAR Fund may not be realized. It is proposed that an agreed, systematic resource mobilization process linked to the approval of a portfolio of CRPs be followed as one tool to facilitate more predictable funding for the system.

*Challenges of funding CRPs*

1. The CRPs, including their budgets, are drafted by the respective lead CGIAR center, with significant input from other centers and partners. CRP budgets are reviewed and cleared by the Consortium Board before the entire program is sent to the Fund Council for approval. The total budget of each CRP is separated into two components, the Fund Council component, expected to be funded from Windows 1 and 2 of the Fund, and the bilateral component, funded from Window 3 and other bilateral funds.
2. At the time a CRP and its budget are approved, the CGIAR Fund does not have sufficient resources (either in cash or in commitments from donors to contribute to the CGIAR Fund) to allow the Trustee to commit resources for the full amount set forth in the Consortium Performance Agreement (CPA). Thus, at the time the CPA is signed, neither the Consortium not the lead center is assured that there will be sufficient resources in the CGIAR Fund to finance the Window 1 and Window 2 allocations for the CRP over the life of the CRP. In effect, at the time of CRP approval, all the Fund Council is doing is approving the CRP budget as reasonable, noting that Window 1 and Window 2 funds will be approved annually based on annual financing plans for the CRP and based on available funding in Window 1 and Window 2 of the CGIAR Fund at that time. The Fund Council only approves the funding to be provided from Window 1 and Window 2 for the CRP annually based on the financing plan approved for the CRP for the following year and based on available funding.
3. Thus, the current arrangement does not provide any assurance to lead centers with respect to the actual funding they will receive from Window 1 and Window 2 for the CRP at the time the CRP is approved. The lead center can only rely on the annual funding amounts approved by the Fund Council, creating possible mismatches between funding requirements and funding availability thereby complicating financial planning and contracting by the centers for activities under the CRP.
4. The portfolio of CRPs clearly defines the research required to achieve tangible impacts on global development challenges and lays out the associated costs of the CRPs over the next three to five years. However, given the uncertainty around future levels of bilateral funding, the expected split in the proposed budgets between the CGIAR Fund component and the bilateral component beyond the first year of a CRP are tentative. Since lead centers for each CRP require predictable funding over the same period in order to set up contractual arrangements with the participating CGIAR centers and other non-CGIAR partners, in the absence of robust funding projections, lead centers may be reluctant to enter into multi-year agreements with research providers due to the mismatch between short-term funding for long-term research.
5. The challenges resulting from unpredictable funding must be overcome if the CGIAR is to achieve its objectives. A number of worrying signs continue to exist, including:
   1. The total expected inflow to the CGIAR Fund is usually not known with certainty until the last quarter of the year;
   2. Few donors have agreed to sign multiyear contribution agreements/arrangements;
   3. Timely disbursements to CRPs are constrained by liquidity issues;
   4. The projected inflows for a funding cycle are based on informal communications with donors which cannot be guaranteed, yet the Fund Council approves a portfolio of CRPs which exceeds the projected funding supply—albeit in good faith that donors will make the necessary contributions in time to meet disbursements.

*Resource Mobilization Approaches*

1. All large multilateral funds must address the question of which resource mobilization mechanism meets their needs. For funds supported primarily through ODA grants, the fundraising process is handled in a range of ways. Most large multilateral funds begin in a somewhat ad hoc way with commitment of contributions from the initial donors, followed by outreach to additional donors. Over time, many move to a more regular and systematic process to replenish their resources, which could involve single- or multi-year commitments made at periodic “replenishment rounds”. Large multilateral funds also must tackle a key consideration of the funding approach—“burden-shared” (under which donor shares are roughly based on an independent measure such as share of world GDP) vs. voluntary approaches (under which donor amounts are based on individual interest/capacity). There is no perfect or ‘best practice’ method. Each fund must choose for itself a method that suits its operations and the budgetary procedures of its particular donors. The following paragraphs present a brief summary of the history of the resource mobilization mechanisms of several large multilateral funds.
2. The *Global* E*nvironment* Facility**:** After a brief pilot period with a voluntary funding mechanism, the Global Environment Facility (the GEF) established a resource mobilization mechanism based on the replenishment mechanism of the International Development Agency (IDA). GEF’s donors were largely the same as IDA’s. They were thus familiar with the IDA process and believed it functioned effectively. GEF replenishment cycles span four-year periods, and include, like IDA, a burden-shared approach. The GEF is currently in its sixth pledging cycle.
3. *The Global Fund to Fight AIDS, Tuberculosis and Malaria***:** In the case of the Global Fund, donors decided on an annual, ad hoc fundraising mechanism for its first few years. This made it difficult to plan a work program beyond one year since many Global Fund donors pledged only for a single year. To help provide assurance of sustainable and predictable funding beyond one year, the Global Fund eventually moved to a periodic multi-year pledging mechanism based on a number of other large multilateral funds. It began with a two-year funding cycle, but eventually moved to three-years. Contributions of the Global Fund are voluntary and not burden-shared.
4. *The GAVI* *Alliance* operated for ten years before moving to its first big pledge campaign in 2011. The change to a four-year donor commitment period was in response to developing countries’ preference to match the cycle of donor commitments more closely with those of their national plans. The current funding cycle for the GAVI Alliance covers a four-year commitment cycle by donors. Like the Global Fund, the GAVI resource mobilization mechanism provides for voluntary contributions.
5. *The* Global *Partnership for Education*operated for many years without predictable long-term financing commitments from donors. Similar to the very early days of the CGIAR, the Global Partnership for Education (the GPE) had multiple multi-donor trust fund accounts with pledges from donors, some of which were single year, some multi-year. A decision was made in May 2011 by the then Board of Directors to launch a formal replenishment campaign to mobilize resources both for the Global Partnership for Education Fund and for basic education generally, for the period 2011 to 2014. The first ever pledging conference was held in November 2011. The GPE held their 2nd pledging conference in 2014 and received pledges of $2.1 billion.
6. It should be noted that, in all cases cited above, the adoption of a formal resource mobilization mechanism does not preclude the acceptance of contributions, voluntary or otherwise, outside of the funding cycle.

*Benefits of a formal resource mobilization mechanism for the CGIAR Fund*

1. Underpinning each of the resource mobilization mechanisms discussed above are two critical elements. These include (i) an outreach plan to engage contributors and other stakeholders, such as recipients, civil society, and international organizations and (ii) logistical planning—typically handled by the secretariat of the fund (number and location of meetings, etc). As a general rule, the outreach strategy includes consultations, both formal and informal, to ensure engagement at all levels and explore ideas on both programming and financial arrangements. Both elements are tailored to build global visibility and international and local support.
2. A collective mechanism to mobilize resources provides has several benefits. First, it can help to reinforce accountability and leads contributors to strategically prioritize resources. Second, it provides a forum for vital exchange on contributor expectations. And last, it enables governing bodies to better plan their financial commitments to recipients.
3. One of the key outcomes of a successful funding mechanism is a multi-year programming ‘envelope’ (the financing needs of a fund) backed by a realistic, and transparent resource envelope (the financial contributions from contributors). Other outcomes, no less important, are agreement on goals and expected achievements for the funding period and a common set of financial arrangements, such as coordinated contributor payment schedules and the use of promissory notes or letters of credit[[26]](#footnote-27). Using these financial instruments allows a fund to make commitments to recipients upfront and in advance of cash receipt from donors. Further, these instruments have the added benefit of easing the pressure on contributors’ annual cash outlays because cash payment is spread across multiple years to align, for the most part, with disbursement needs. .[[27]](#footnote-28)

*CGIAR Fund—moving to an established resource mobilization mechanism*

1. The ‘best fit’ mechanism for any fund is one that takes into account its unique characteristics. For the CGIAR Fund, this would mean a funding mechanism that is flexible and adaptable. These two traits are very important to the CGIAR Fund. It has growing demands, and it has a diverse set of contributors with distinct budgetary cycles and processes. This translates into a requirement for an appropriate mechanism—one that enables contributions to be received outside of a formal contribution announcement session.
2. With a formal resource mobilization mechanism, estimates of financial inflows for the CGIAR Fund would be more predictable.[[28]](#footnote-29) This improvement over the current annual process would enable the system and its partners to optimize financial planning and help ensure matching of the planned inflows (projected resource envelope) with the planned outflows (projected programming envelope). This in turn would create more confidence in the CGIAR reform and strengthen the buy-in from stakeholders, as well as support the long-term planning of CRPs and system costs.
3. However, it is important to point out that even with a formalized mechanism for resource mobilization, uncertainties in predicting donor financing will continue—on some level. Contributions across multiple years may not be paid in the year for which they were scheduled due to political or budgetary complications. Hence, an adequate rolling level of CGIAR Fund liquidity must be maintained to avoid disruption of research programs.

*Three year cycles*

1. Agreement on a compelling SRF and a strong portfolio of CRPs is a prerequisite to mobilize significant contributions to the CGIAR fund. It is proposed that a cycle for programming and resource mobilization could be organized as follows, assuming: a 12 year cycle for the SRF, a 6 year cycle for the CRPs, with a midpoint review and revisions if required, a 3 year cycle of pledging of contributions, a three year cycle of foresight analysis and reviews by ISPC, a 6 year cycle of CRP evaluations by IEA, and a three year cycle for a partnership forum and knowledge exchange:

Year 0-1 **Development and approval of an SRF (for 12 years, years 2-13)**

This process to be informed by

1. foresight proposals prepared by ISPC
2. knowledge exchange and broad-based consultations through a partnership forum

Year 1-2Based on approved SRF, consultations among potential contributors on 3-year pledges to the CGIAR Fund, ending with **multiyear pledges to CGIAR Fund ((for 3 years, years 3-5,** first three years of CRPs)

Year 2 **Development of a proposed portfolio of CRPs (for 6 years, years 3-8)**

This process to be informed by:

1. priority setting by ISPC and
2. evaluation of CRPs by IEA

Year 2(end) Approval of CRP portfolio with indicative funding for 6 year program, more detailed funding proposal for first 3 years

Commitment of funds for first year of CRP activities

Year 3-5 Funding commitments for annual CRP activities approved by the governing body in advance of the calendar year in which activities are to be carried out

Year 5 Review of progress achieved in SRF and CRPs, to be informed by appropriate reviews by ISPC and IEA, and knowledge exchange and broad-based consultations through a partnership forum

Updates proposed, as required, to CRPs and funding plan for second 3 year phase of CRPs

**Multiyear pledges to CGIAR Fund ((for 3 years, years 6-8)**

Year 6-8 Funding commitments for annual CRP activities approved by the governing body in advance of the calendar year in which activities are to be carried out

Year 6-7 Review of SRF and agreement on any mid-course corrections

This process to be informed by:

1. priority setting by ISPC
2. evaluation of CRPs by IEA
3. knowledge exchange and broad-based consultations through a partnership forum

Year 7-8 Based on review of SRF and mid-course corrections, consultations among potential contributors on 3-year pledges to the CGIAR Fund, ending with **Multiyear pledges to CGIAR Fund ((for 3 years, years 9-11 -**first three years of CRPs)

Year 7 -8 **Development of a proposed portfolio of CRPs (for 6 years, years 9-13)**

Year 8(end) Approval of CRP portfolio with indicative funding for 6 year program, more detailed funding proposal for first 3 years

Commitment of funds for first year of CRP activities

Years 9-11 Funding commitments for annual CRP activities approved by the governing body in advance of the calendar year in which activities are to be carried out

Year 11 Review of progress achieved in SRF and CRPs, to be informed by appropriate reviews by ISPC and IEA, and knowledge exchange and broad-based consultations through a partnership forum

Updates proposed, as required, to CRPs and funding plan for second 3 year phase of CRP

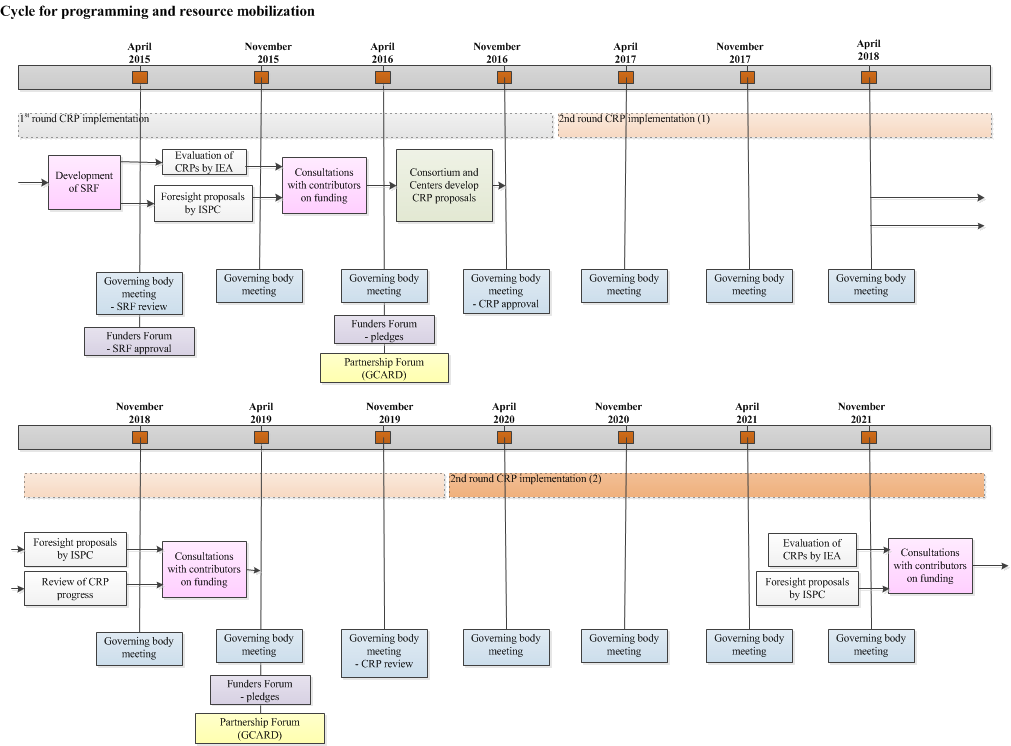
**Multiyear pledges to CGIAR Fund ((for 3 years, years 12-14)**

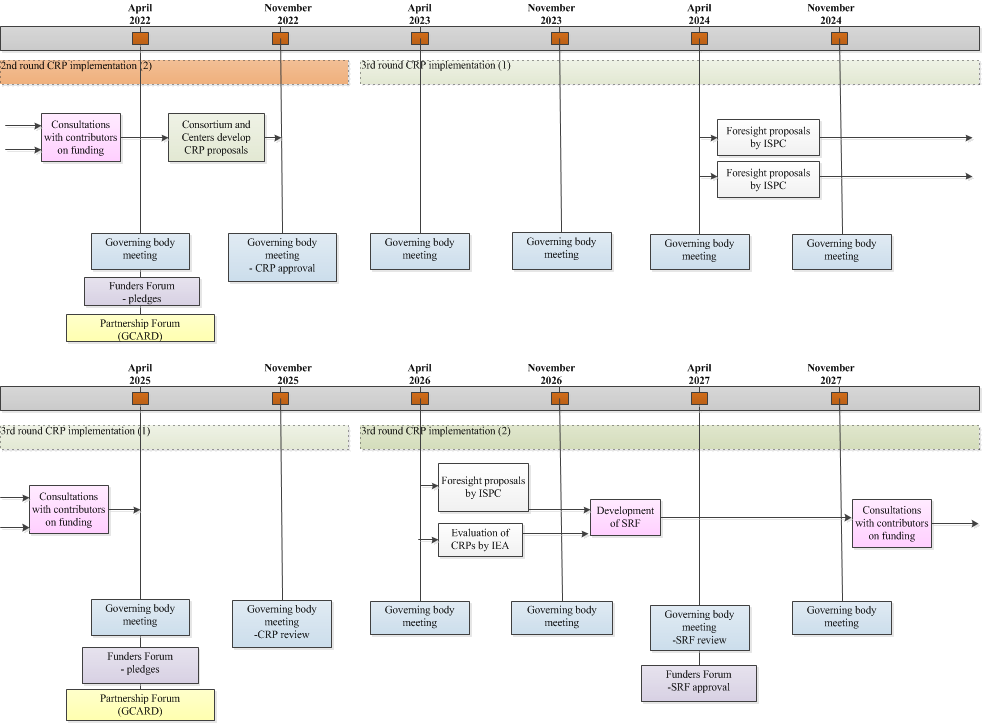
Year 12-13 **Development and approval of an SRF (for 12 years, years 14-25)**

This process to be informed by

1. foresight proposals prepared by ISPC
2. evaluations prepared by IEA
3. knowledge exchange and broad-based consultations through a partnership forum

Repeat process (See diagram on following page.)





## **Financial Flows through the CGIAR system**

1. As noted in the previous section, predictability of funding flows is crucial to the long-term stability of the CGIAR. But the actual funding flows through the system and the arrangements to support these flows are no less critical. Under the current CGIAR framework, contributors to the CGIAR are strongly encouraged to channel their resources through the CGIAR Fund. However, of the approximately $1 billion annual flows through the CGIAR system, approximately $500 million flows directly from contributors to Centers, creating approximately 16 channels to support financial flows in the CGIAR system.
2. While there may be legacy reasons to continue with these multiple channels, it is important to recognize that this multi-channel financial network is not optimized for efficiency, transparency and reporting of the flows, and more importantly, meeting the cash flow needs of the system as a whole. Processes and procedures, agreements, transactions and IT platforms that underpin this financial network are duplicated across the system, creating a complex and transaction heavy financial platform with little integration or opportunities to streamline. In particular, there is evidence that the arrangements established to support the financial flows in the CGIAR Fund trust fund create delays in both the inflows (e.g., contributions) and outflows (e.g., transfers to Centers and other CGIAR Partners), and in the case of bilateral contributions to centers, under-recovery of costs from contributors. The latter may contribute to liquidity issues for the CGIAR Fund as some Centers may seek funds from Window 1 to make up for the shortfall.
3. What used to be called CGIAR core funding is now being channeled through the CRPs, and this has raised questions about sustaining the research infrastructures that the centers have built up over the years. Financing from Windows 1 and 2 of the Fund has come to be viewed as largely short-term and unpredictable, while bilateral funds are perceived as more long-term and reliable. Bilateral funds are now viewed as forming the foundation of research programs and Windows 1 and 2 funds as financing to support research which builds on this foundations. The timely disbursements of funds has also been hampered by the arrangements for fiduciary oversight. Putting in place three levels of contracts to provide for the fiduciary oversight of funding from Windows 1 and 2 has impeded the flow of funds down to the principal researchers managing each research activity, including the need for the lead centers to sign annual program agreements with each center participating in the CRP before it disburses the funds to the center.
4. The following functional inefficiencies could benefit from simplification of the underlying processes and procedures:
5. *Multiple funding channels*: Contributors continue to contribute approximately $500 million of total contributions bilaterally to the centers resulting in a fragmented framework from which to operate.
6. *Cumbersome processing of legal agreements/arrangements*: CGIAR Fund contribution agreements/arrangements and related amendments require significant time to process. CGIAR Fund Use Agreements require amendment with each new approval of funding.
7. *Transaction heavy cost recovery process:* Centers are expected to collect a fee from each bilateral grant agreement for transfer back to the CGIAR Fund (and collected by the Trustee). In addition, the Trustee must collect 2% of all contributions to Windows 2 and 3 of the CGIAR and transfer each payment to Window 1. All related transactions must have full audit trails and documentation to satisfy required controls for an external audit.
8. *Fragmented reporting:* Reporting on bilateral contributions that are made directly to the center is not synchronized with reporting on the CGIAR Fund.
9. *Complex flow of funds:* The Trustee transfers CRP funds to the lead center, which in turn transfers funds to the other centers participating in the CRP. Transfers to centers from Window 3 require lengthy paper processing.
10. *Uneven cash flow:* While contributors to the CGIAR Fund are encouraged to maximize coordination and harmonization by commingling contributions in Window 1, they continue to contribute to Window 2, thereby creating from time to time cash flow shortfalls in Window 1. Designation of contributions to CRPs in Window 2 reduces the ability of the CGIAR system to support capital revitalization or other system costs outside of the CRPs. Not all bilateral contributions to the centers are assessed a cost recovery fee, which contributes to the cash flow shortages in Window 1.
11. The review of the CGIAR governance creates an opportunity to improve the financial management and associated administrative activities with a focus on simplification and administrative efficiency. This includes providing contributors with straightforward and uncomplicated processes to notify, designate and pay contributions and simplified procedures to commit and transfer funds to the centers or other entities in the CGIAR partnership. In addition, there is an opportunity to provide contributors a centralized point of contact for support on their financial contributions to the system.
12. The following proposals would streamline the processes, procedures and financial flows and ease the transactions burden felt across the system. A better alignment between functions and the core competencies of the appropriate entities and further centralization and streamlining of financial flows would result in more efficient administration of these resources and better value-for-money.

*Proposal to streamline the funding channels, reporting, and cost recovery process:* ***donors who contribute $1 million or more bilaterally to Centers (i.e., direct to Centers) would make such contributions through Window 3 of the CGIAR Fund.***

1. Channeling the majority of bilateral contributions flow through Window 3 would lead to a more comprehensive and cohesive picture of the flows in the system. It would streamline the financial flows to the centers and centralize financial management of most of the funds available to the CGIAR system. It would also reduce the administrative burden on both contributors and centers. Reporting and tracking of the flows would also be centralized, for the most part, and the information would become more complete and transparent. In addition, the consolidation of the majority of bilateral funding through Window 3 would mean that the cost recovery from contributors across the board would be more assured. This would also ease the burden on the centers to collect, track and send the cost sharing percentage funds to the Trustee.
2. Bilateral contributions less than $1 million could continue to flow directly from contributors to Centers. Alternatively, solutions could be explored to channel these smaller bilateral contributions to an entity that is more accustomed to entering into contribution agreements for smaller amounts or with non-sovereign donors. This other entity would then transfer collected funds to Window 3.

*Proposals to simplify legal documents and funds flow and processes***:**

**(a) amend the contribution agreements/arrangements to include only provisions related to the financial management of the CGIAR Fund**.

1. Contributors can agree to a single framework agreement that would set out the standard provisions of all CGIAR Fund contributions. Commitment of contributions would entail the signing of a single notice, setting out the basics of the contributions, such as currency, amount, and designations to CRPs or Centers. Payment dates can be agreed with the Trustee through a separate form if needed and would not require counter-signature. This process would apply to both initial and additional contributions. This simplified process builds on the practices of other funds managed by the World Bank and addresses some contributors concerns about the length of time it takes to contribute funds to the CGIAR Fund. A move in this direction would be expected to reduce the amount of time it takes to draft each agreement/arrangement or subsequent amendment.

**(b) draft a master legal agreement between Trustee and the centers and other entities receiving cash from the Trustee**

1. Following the practice of other funds managed by the Trustee, each entity receiving CGIAR funds from the Trustee would enter into a single agreement with the Trustee setting out the basic principles of how and when funds will be committed and transferred to the center, including Window 3 transfers. This document, called a Financial Procedures Agreement, would also lay out the requirements for reporting, audits and the return of funds to the CGIAR Fund. Entering into this single agreement reduces the periodic amendment of Fund Use Agreements as new funds are allocated by the Fund Council. It would also eliminate all the documentation required between the Trustee and the Centers for each transfer from Window 3.

**(c) amend processes for transferring funds to Centers for CRPs**

1. To address the lengthy and cumbersome process required to transfer CRP funds from the lead Center to other Centers participating in a CRP, the Trustee would commit and transfer each Center’s CRP allocation directly. These transfers would be underpinned by a financial procedures agreement, mentioned in (b) above.

*Proposal to address uneven cash flow*

1. **All contributions to the CGIAR Fund (Windows 1, 2 and 3) would be designated to CRPs or centers, up to a maximum percentage amount of the contribution,(for instance 80% of the total contribution). The remaining amount of the contribution that is not designated would flow to Window 1. Once CRPs are fully funded in accordance with the approved proposal, all remaining contributions would be designated directly to Window 1. Cost sharing percentage designations on Windows 2 and 3 contributions would cease.**
2. By moving to a mandated approach to designated contributions, Window 1 would be able to build up a liquidity reserve that could serve to reduce cash flow shortfalls. This reserve could also serve to cover capital revitalization needs of the centers or to “top up funding” for higher performing CRPs. Operating costs of the system would continue to be paid from Window 1.

**Behavioral issues/Building partnership culture**

1. It is important to underline that not all reported weaknesses in the system should be considered as inherent to structural arrangements. Part of the challenges relates directly to individual and collective behaviors of partners and stakeholders, and as such, there is no structural response to them.

The CGIAR has some features that distinguish it from other global partnerships, including those described in Section IV. These differences need to be taken into account and respected in designing an effective and efficient governance structure.

1. The 15 Centers are doing research on development. Other comparator partnerships are supporting actual development interventions, downstream from research. CGIAR-supported activities are further removed from the ultimate beneficiaries of their activities, and therefore require different metrics to assess their performance.
2. The 15 Centers are independent legal entities with their own boards. They will continue to be responsible, among other things, for supervision of individual research projects, and quality assurance. The CRPs cannot be expected to take over these responsibilities.
3. The need to balance the interests and perspectives of the centers and the contributors requires a governance structure that promotes persuasion instead of regulation, convinces rather than requires others to follow, and uses shared benefits to attract partners as opposed to rules-based systems to be enforced.
4. A critical element to promoting trust and better communications is to establish more points of contact among the network partners and a culture of regular openness and sharing of information.
5. Issues of concern need to be brought into the open early so they can be addressed before they become insurmountable problems. Shared decision making can contribute significantly to bridging differences among the partners in the system.
6. In governing the system, the governing bodies and management offices should strive to ensure that:
7. the system is outward looking in its organizational goals – recognizing that the CGIAR is operating in a complex and changing international environment,
8. there is a strong emphasis on sharing of information and knowledge,
9. there is space and incentives for innovation and risk taking,
10. system entitles have skills and resources for facilitation and communication,
11. administrative and operational procedures are transparent, efficient and flexible to respond to changing circumstances, and
12. sufficient resources are available.

# Annex A: Summary of donors’ comments at Funders Forum, November 2014, regarding Recommendation 4 of the MTR Report

**Germany:**

* Suggested that roles, responsibilities and relationships first need to be clarified, and recommended a gradual adjustment of the current structure, rather than a rushed or fundamental rearrangement of the system, so as not to jeopardize the functioning of the system and the CRPs.
* Noted that 50% of the total CGIAR budget comes from bilateral sources and called for a stronger appreciation of the contributions of bilateral donors and for their increased participation in strategic discussions to ensure a common system going forward.

**European Initiative for Agricultural Research for Development (Comments made by Norway on behalf of EIARD members):**

* Agreed with the Panel’s analysis of the current governance structure (e.g., on issues related to efficiency, gaps and duplication, overlapping and contradictory roles), but did not find the recommendations and their implications to be sufficiently supported by the information in the Report.
* Expressed serious concerns about the timing of any restructuring, noting the critical importance of the development of the SRF and initiation of the 2nd call for CRPs, as well as uncertainty around the future role of and funding from the World Bank.

**Canada:**

* Agreed with the Panel’s diagnoses regarding governance challenges and unfulfilled expectations regarding efficiencies, the need to address the challenges, and the opportunity to eliminate governance ambiguities so that CGIAR can deliver on its mission and lead an effort for accelerated, scaled up, and solution-driven private-public collaborations to address food insecurity.
* Emphasized that the proposed change in structure and its implications need to be carefully considered to ensure that CGIAR does not replicate the same challenges, that changes lead to more effective decision-making and increased accountability, and that any new bodies could engage effectively and efficiently with existing management structures – something that is fundamental for the system’s success.
* Emphasized that the legal, administrative, governance and cost implications of setting up any new structures need to be carefully considered in the specific context of the CGIAR system, as do the single-structure, multi-stakeholder governing bodies of other organizations, which were reviewed in the report.

**Japan:**

* Called for a thorough discussion and common understanding among various stakeholders about the legal authority, terms of reference, membership, etc. of a single Board prior to taking any decisions, and suggested that membership on the Board take into account geographic representation and donors’ cumulative and historic contributions to CGIAR.
* Explained that Japan mainly contributes funds bilaterally and through Window 3, since ear-marked contributions enable Japan to finance research that is directly linked to political priorities and to ensure accountability by facilitating evaluations.

**African Development Bank (AfDB):**

* Strongly supported a leaner governance structure and the recommendation to move to a single Board that is focused on long-term strategy and accountability, noting several benefits, including reducing CGIAR’s bureaucracy, complexity and administrative costs so that more funds can be spent on research that directly benefits the poor, increasing efficiency in research management, and improving clarity of CGIAR communications.

**Switzerland: (**speaking on behalf of Norway, Finland, Denmark, France, the Netherlands, Ireland, Belgium, Italy, Spain and Germany.)

* Agreed that there is a need to improve the current governance structure and address ambiguities, but disagreed with the Panel’s recommendation to move to a single Board and the proposed timing of such an action, suggesting that the case for the single Board is not compelling.
* Argued that the Panel’s single Board proposal is not built on an in-depth analysis of the CGIAR system
* Suggested that the ambiguities between the different system entities are only partially addressed by the single Board proposal, which does not clearly outline the pros, cons or expected results of a one-Board structure.
* Requested that the full costs, gains and implications of a single Board be explored, including how it would improve on the present structure with minimal disruptions.
* Suggested that the Panel did not address implications of a single Board regarding the Consortium’s international status and physical infrastructure
* Argued that the MTR Panel underestimated the time, energy and potential costs and consequences of the proposed change in governance
* Recommended that CGIAR should focus first on the SRF and the 2nd call for CRPs, and thereafter address the governance issues, which may or may not lead to a single Board.
* Welcomed the recent initiative of Center Boards, Directors General, and the Consortium to address ambiguities

**Russian Federation:**

* Regarding the single Board proposal, emphasized the need for clarity around the voting power of members and requested assurances that decisions would be made by consensus and donors’ views would be considered.
* Recommended a rotation system for non-donor Board members to participate as observers.

**European Commission (EC):**

* Suggested that if CGIAR can clearly delineate its vision and mission, it would be much easier to find a solution to the governance issue.

**France:**

* Major changes in the general structure of CGIAR would be inappropriate at this time.
* Proposed single Board structure with a single administrative unit appears to be a reversal to pre-reform architecture and suggested that it was too early in the reform process to assess expected improvements.
* Agreed that the first SRF and round of CRPs were hastily approved, but cautioned against questioning the validity of the current structure based on those findings.
* Agreed that the SRF must be approved before the new CRPs are launched, but stressed that this exercise cannot occur while CGIAR is being restructured.
* Reorganizing the current structure would be time-consuming, could jeopardize progress to date, and would not provide the stable, quiet environment researchers need to prepare proposals for the 2nd round of CRPs.
* Suggested that the Report’s references to ambiguities in governance need to be clarified or corrected, noting that some tensions arise from the two-pillar system (Fund versus Consortium), while other tensions result from the creation of the Consortium itself, including lack of clearly defined roles for the Consortium and Centers in CRP management and Centers’ reduced sovereignty.

**Sweden:**

* Expressed major concern about the absence of any comment in the Report on the future role of the World Bank, noting that it has been the backbone of CGIAR for many years, not only as a provider of unrestricted funding, but also in its role as “honest broker,” Fund Council Chair, and Trustee.
* Noted that the World Bank’s role in the system gave Sweden the confidence to make a multi-year commitment to Window 1 of the Fund.
* Requested clarification from the Panel regarding the future role of the World Bank, referring to it as an essential issue.

**United States:**

* Expressed concern that a single, constituency-based Board would not have the ability to make difficult, impartial and disinterested decisions, and suggested that that proposed single Board is a reversion to the pre-reform structure (i.e., the CGIAR ExCo).
* Noting a preference for subsidiarity over centralization, recommended a problem-solving approach going forward to address issues, such as the conflicting roles within the Consortium, CRP-Center relationships, CRP governance, etc.
* Emphasized that decision-making needs to be linked to investors, that implementers and investors need to be better linked in partnership, and that decisions should be underpinned by sound science, analysis, and priory setting.
* Expressed displeasure with the notion of an independent Fund Council Chair, and argued strongly for the World Bank to continue to provide the Chair, noting the Bank’s unique convening power, connection to the larger global development agenda, and thought leadership.
* Stressed that any diminution of the Bank’s role within CGIAR, including as funder, would send a strong negative signal across the development community.

**China:**

* Emphasized that changing the governance structure (i.e., establishing a single Board) needs to be carefully considered, and suggested that establishing a new governing body would incur significant costs and likely disrupt ongoing research, creating greater inefficiencies.
* Suggested that strengthening the coordination between the Fund Council and the Consortium is the ideal means to improve CGIAR governance and minimize transaction costs.

**International Development Research Centre (IDRC):**

* Noted some omissions in the Report, including a discussion of the appropriateness of 15 Centers, CGIAR’s reliance on a few major donors, which exposes the system to risk, and the question of whether or not CGIAR has been able to attract the best researchers.

**United Kingdom:**

* Emphasized that two independent reviews that assessed CGIAR’s current governance structure came to the same conclusions about the need for substantial change and both recommended a single Board.
* Reminded colleagues that key elements of the system (i.e., the Centers and Consortium) have clearly stated that the current structure is not working and is unsustainable.
* Cautioned against the implications of not acting on these clear recommendations in a timely fashion, including decreased ability to make a compelling case for investment in CGIAR and a further deterioration in governance, and called for a clearly sequenced, time-bound plan that commits CGIAR to act on the recommendations.

**Global Forum on Agricultural Research (GFAR):**

* Proposed single Board did not fully take into account the need for broad stakeholder representation (e.g., farmers, NGOs, national agricultural systems).
* Emphasized that beyond representation, stakeholders at all levels also need to be considered in impact pathways, collaboration among various actors, etc.
* With regard to governance, noted the need for checks and balances and attention to what is needed beyond the first level of the structure in terms of other bodies and their roles in decision-making.

**Australia:**

* Suggested that the Report was less developed in terms of a discussion of the Fund, particularly Windows 1 and 2, and incentives/disincentives for guiding donor behavior.
* Suggested that the transition team should go beyond deliberations regarding the proposed constituency-based Board and address other issues as well, such as the structure of the Fund, relationships between the Consortium Board and Center Boards, and how governance is distributed across the system.

**Food and Agriculture Organization of the United Nations (FAO):**

* Regarding governance, agreed that ambiguities need to be urgently addressed, especially given the Centers’ and Consortium Board’s endorsement of this issue.
* Emphasized the importance of CGIAR strengthening its engagement with multilateral development partners, such as FAO, noting that the latter needs CGIAR’s science and research to underpin intergovernmental discussions on policies, while the development partners can provide a platform for scaling up CGIAR research results.
* Emphasized the importance of continued World Bank leadership in the CGIAR system

# Annex B: Inventory of Reference Material

**Key source material** (a summary of these sources will be posted on the web at www.cgiar.org/cgiaroptions)

* Agreement Establishing Consortium.
* A Revitalized CGIAR—A New Way Foreword: The Integrated Reform Proposal, prepared by the Change Steering Team (November 3, 2008).
* CGD " Governance of New Global Partnerships Challenges, Weaknesses and Lessons," Keith A. Bezanson and Paul Isenman (September 2012).
* CGIAR Funding: Towards greater complementarity, efficiency, leverage and impact, by Tony Simons, think piece for ICRAF BOT 58th meeting (November 2013).
* CGIAR Governance Review Phase 1, Consortium Office (18 February 2013).
* CGIAR Governance Review: Phase 2, PwC (September 2013).
* CGIAR Mid-Term Review Terms of Reference.
* Review or CGIAR Research Programs Governance and Management: Final Report, IEA (March 2014).
* CGIAR Research Programs Portfolio Report for 2013, prepared by CGIAR Consortium Office.
* Large Scale Efficiency Gains in CGIAR: Thinking like a Billion $ Organization, PowerPoint.
* Reserves and Resource Mobilization-DG survey.
* Review of CGIAR Research Programs Governance and Management: Final Report, IEA (March 2014).
* The CGIAR at 40: Institutional Evolution of the World Premier Agricultural Research Network, by Selcuk Ozgediz (2013).
* The CGIAR Reforms: Old and New Challenges by Uma Lele, Kendra White and Sambuddha Goswami in a new yet-to-be published book, "International Organizations and Transformation of Food and agriculture" ( working title)
* 2012 CGIAR stakeholders survey: Final Public Report, prepared by GlobeScan (May 2013).
* Toward a Unified Resource Mobilization Approach and Strategy for CGIAR, CSS (May 2014).

**List of Key References for CGIAR MTR Panel (as of April 15, 2014)**

* CGIAR Mid-Term Review Terms of Reference.
* Resource Management Review of Window 3 TOR.
* Reserves and Resource Mobilization – DG Survey.
* The CGIAR at 40: Institutional Evolution of the World’s Premier Agricultural Research Network,” by Selcuk Ozgediz (2013).
* The CGIAR Reforms: Old and New Challenges,” by Uma Lele, Kendra White and Sambuddha Goswami in a new yet-to-be-published book, “International Organizations and Transformation of Food and Agriculture” (working title).
* CGIAR Governance Review Phase 1, Consortium (18 February 2013).
* CGIAR Governance Review Phase 2, PwC (September 2013).
* CGIAR Governance Review Phase 2 Survey Results.
* Consortium Response to Phase 2 Report.
* Fund Council Governance Committee Response to Phase 2 Report.
* CGIAR Funding Windows - Complementarity and Leverage for CGIAR, ICRAF and CRPs.
* CGIAR Delivery Review Draft TOR.
* CGIAR Grant and Donor Analysis 2014.
* 2012 CGIAR Stakeholder Perceptions Survey: Final Public Report, prepared by GlobeScan (May 2013).
* CGIAR Stakeholder Engagement Action Plan 2013.
* CGIAR DG MTR Survey Results (March 2014).
* CRP Governance and Management Review (March 2014).
* Consortium response to CRP Governance and Management Review CGIAR.
* Strategy and Results Framework 2011.
* Strategy and Results Framework Update 2012.
* ISPC response to SRF Update and 2nd Call for CRP proposals.
* Wageningan Workshop Report – SRF Update and 2nd Call for CRP proposals (February 2014).
* Consortium Vision, Power Point (March 2014).
* Five IRRI Achievements.
* CGIAR Performance Measurement 2006.
* CGIAR Performance Measurement 2009.
* CGIAR Grant and Donor Analysis (March 2014).

# Annex C: List of entities and representatives consulted by the options team

Acting Consortium Board Chair and other Consortium Board members

Center Board Chairs

Center Director Generals

Consortium Office

FAO

Fund Council Governance Committee (FCGC)

Fund Office

Global Forum for Agriculture Research

Independent Evaluation Arrangement (IEA)

Independent Science Partnership Committee (ISPC)

IFAD

World Bank

Others:

Rachel Kyte, Chair of the Fund Council

Kathy Sierra, former Chair of CGIAR

Additional experts:

Alice Albright

Jock Robert Anderson

Chris Gerrard

Ekkehard Kurschner

Uma Lele

Aboubakar Njoya

Markus Palenberg

Modibo Traore

Greg Traxler

Joachim von Braun

Howard Yana-Shapiro

# Annex D : List of current members on the Fund Council

There are 26 member organizations/countries in addition to the Chair of the Fund Council (as of March 10, 2015).

**Organization/Country**

Australia

Bill & Melinda Gates Foundation

Canada

Central Asia and the Caucasus Association of Agricultural Research Institutions (CACAARI)

China

European Commission

Food and Agriculture Organization of the United Nations (FAO)

Fiji

France

Global Forum on Agricultural Research (GFAR)

India

International Development Research Centre (IDRC)

International Fund for Agricultural Development (IFAD)

Japan

Mexico

Netherlands

Nigeria

Norway

Russian Federation

South Africa

Sweden

Switzerland

Turkey

United Kingdom

United States - USAID

World Bank

# Annex E: CGIAR Agreement Structure

1. The foundational documents for the CGIAR are the CGIAR Joint Declaration, the CGIAR Principles, theAgreement Establishing the Consortium of International Agricultural Research Centers as an International Organization and the Constitution of the Consortium of International Agricultural Research centers, as well as the CGIAR Fund Governance Framework. The CGIAR agreements include (i) the Contribution Agreements signed between the Trustee and Fund Donors for contributions to the CGIAR Fund; (ii) the Joint Agreement between the Fund Council and the Consortium; (iii) the Consortium Performance Agreements between the Fund Council and the Consortium for individual CRPs; and (iv) the Program Implementation Agreement between the Consortium and the Lead center(s) for individual CRPs..

***CGIAR Joint Declaration***

1. The CGIAR Joint Declaration was endorsed by the CGIAR funders and members in December 2009, was endorsed as the overarching framework for the CGIAR, intended to inform the restructuring of the CGIAR.
2. The Joint Declaration states that the “new CGIAR is a global research-for-development partnership consisting of a consortium of international agricultural and natural resources research centers and its funders working with partners to implement an agreed strategy and results framework consistent with this Joint Declaration.” It sets forth a common vision and strategic objectives for the new CGIAR. In the Joint Declaration, the funders and members resolve to:
3. Harmonize their approach to funding and implementing international agricultural research through the CGIAR Fund and the Consortium;
4. Manage for results in accordance with the agreed SRF and the mega programs [CRPs] that derive from the SRF;
5. Ensure effective governance and efficient operations in the provision and sue of resources; and
6. Collaborate and partner with and among funders, implementers and users of SRF research, as well as other external partners supporting the SRF.
7. The Joint Declaration includes a set of core principles related to the above, including the following:
8. “Funding and implementation of the SRF is (i) to the extent possible through the Fund and (ii) based on a common framework for processes, reporting, monitoring, evaluation and other operational aspects set by the Fund Council in agreement with the Consortium Board (the common operational framework)”;
9. “The Consortium, Centers and Fund donors are mutually accountable for [CRP] outputs financed by the Fund”;
10. “The monitoring system for research under the SRF is the overall responsibility of the Consortium Board…”;
11. “All CGIAR Funders, the Consortium and Centers strive toward common, streamlined arrangements and simplified, cost-effective operations without unnecessary complexity”;
12. “Resources used for the CGIAR…are allocated, implemented and reported in a transparent manner”;
13. “The Centers implement the SRF, while the Consortium Board oversees and coordinates SRF implementation”; and
14. “The CGIAR is premised on a strong Consortium Board and a strong Fund Council as collaborative counterparts and complementary pillars through which other elements of the CGIAR, including the Centers, all other funders and other stakeholders, can support the principles and actions set out in this Joint Declaration.
15. Actions intended to promoted and operationalize the principles are set out in an annex to the Joint Declaration. The annex assigns responsibility (i) to the Fund Council for approving the program content of CRPs based on Consortium proposals and providing funding to the Consortium based on those proposals and other requests for funding and (ii) to the Consortium Board for overseeing and coordinating the design by Centers of the SRF, overseeing and coordinating the design by Centers of CRPs for approval by the Fund Council, and ensuring collaboration among and compliance by Centers in implementing CRPs. The annex states that the Consortium, upon receipt of CGIAR Fund funds from the Trustee, “will have fiduciary responsibility (i.e., to monitor and confirm the intended use of funds) and programmatic responsibility (i.e., to ensure implementation by Centers and partners and confirm their achievement of results) for those funds”.

***CGIAR Principles***

1. The CGIAR Principles were adopted by the Fund Council and the Consortium in 2010. The CGIAR Principles were adopted as the overarching, guiding principles for the Fund Council and the Consortium in their joint efforts to implement the SRF in an efficient and effective manner.
2. In the CGIAR Principles, the Fund Council agrees to, among other things:
3. Decide on funding CRP proposals submitted by the Consortium;
4. Allocate funds to CRPs in consultation with the Consortium;
5. Enter into agreements with the Consortium regarding the receipt and use of funds for each CRP, including the Joint Agreement and the Consortium Performance Agreements; and
6. Agree on a Common Operational Framework with the Consortium, which will provide processes for reporting, monitoring, evaluating and operating CGIAR, as it relates to funding and implementing the SRF.
7. In the CGIAR Principles, the Consortium agrees to, among other things:
8. Work with the Centers and other doers to develop the SRF;
9. Implement the SRF with the Centers and other doers;
10. Submit CPR proposals to the Fund Council for consideration and approval;
11. “Serve as a central point of fiduciary and operational responsibility for all funds that pass to either the Consortium or the Centers from the CGIAR Fund, including (1) confirming that such funds were used for intended purposes; (2) implementing, monitoring, supervising, evaluating, and providing quality assurance for activities funded by such funds; and (4) being responsible for any misuse or misprocurement with respect to such funds”; and
12. Enter into agreements with the Fund Council regarding the receipt and use of funds for each CRP, including the Joint Agreement and a Consortium Performance Agreement, and enter into agreements with the Lead center regarding the receipt and use of funds for each CRP, including the Program Implementation Agreement, and monitor and confirm that each Lead center enters into a sub-agreement with each other participant in the CRP.

***Agreement Establishing the Consortium of International Agricultural Research Centers as an International Organization***

1. Agreement creates the international organization, determines the legal status of the Consortium and the rights and obligations of the signatory states.
2. Provides that Consortium is to operate in accordance with the Constitution annexed to the Agreement. Agreement does not impose any financial obligations on the Parties.
3. Parties—France, Hungary, Denmark, Benin, Uruguay, Morocco, Senegal and Colombia
4. Amendments to the Agreement (excluding the Constitution) may be proposed by any Party. Amendments enter into force when approved by two-thirds of the Parties. Parties that have not approved amendments are not bound by them.
5. Agreement provides that amendments to the Constitution are to be made in accordance with Article 22 of the Constitution and notified to the Parties.
6. Any Party may withdraw from the Agreement on three months’ notice.
7. Consortium Board must consult with the Parties prior to any decision to dissolve the Consortium.

***Constitution of the Consortium of International Agricultural Research Centers***

* 1. Primary governing document of the Consortium, sets forth the relationship between the Consortium and the Member Centers. The Constitution was approved by the Consortium Board and the Centers in 2011.
  2. The Constitution includes provisions regarding the purpose of the Consortium, its activities, structure and governance, membership of the Board of the Consortium, the powers and functions of the Board, the selection and responsibilities of the CEO, the responsibilities of Member Centers, and the CRP process.
  3. With regard to CRPs, the Constitution provides that:

1. The Consortium shall develop, in cooperation with the Member Centers, approve and manage performance of the CRPs and that Board shall take ultimate financial and operational accountability for funds received from the CGIAR Fund for the implementation of the SRF as specified in relevant agreements with the Trustee or Fund Council. The Constitution also provides that the Board shall, in consultation with the Fund Council and in conjunction with the establishment of common reporting standards, set common policies and standards for Member Center performance and efficiency and review the performance and efficiency of Member Centers in the delivery of CRPs funded through the CGIAR Fund.
2. The Consortium Board is to enter into performance agreements with the Fund Council for the implementation of approved CRPs and with the Lead center for the execution of each CRP and that the Lead center is to enter into performance agreements with other Centers and partners participating in the CRP.
3. The Consortium Board is to oversee the monitoring of the performance of the CRPs and take remedial actions with participants when necessary to ensure the use of funds intended purposes and the success of the CPRs.
4. The financial and operational accountability for CRPs lies with the Consortium Board and is to be reflected in the performance agreements.
   1. Amendments to the Constitution may be proposed by any member of the Board or any Member Center. Amendments require the approval of three-quarters of the members of the Board and three-quarters of the Member Centers. Board is to consult with Fund Council before proposed amendments are adopted.
   2. If Board determines that purposes of Consortium have been achieved to satisfactory degree or that Consortium is no longer able to function effectively, Consortium may be dissolved by agreement of three-quarters of the members of the Board and three-quarters of the Member Centers. Board to consult Fund Council, Member Centers and States that are parties to the Agreement establishing the Consortium as an International Organization prior to any decision to dissolve the Consortium. Consortium to remain operative for such period as needed for the orderly cessation of its activities and the disposition of its property.
   3. There is to be a review of value and sustainability of the Consortium ten years after its establishment. Consortium to be dissolved if three quarters of the Member Centers approve its dissolution and a transition plan and the latter also has the approval of any other parties whose approval is needed for the transition plan to take effect.
   4. Member Center may withdraw from membership on six months’ notice.
   5. Board may in certain circumstances withdraw membership of Member Center by three-quarter vote of the Board members if Member Center does not fulfill its responsibilities under the Constitution.

***CGIAR Fund Governance Framework***

1. Establishes the basic parameters of the CGIAR Fund and operations and its organizational structure, including Fund Council membership and Fund Council, Fund Office and Trustee roles and responsibilities. The CGIAR Fund Governance Framework was adopted by the Fund Council in April 2011.
2. It may be amended by unanimous decision of the Fund Council.

***Contribution Agreements***

1. Agreements between IBRD and Fund Donors for the purpose of receiving and administering contributions from the Fund Donors for the multi-donor CGIAR Fund.
2. Provides that contribution is to be administered by the Trustee in accordance with the terms and conditions specified in the Agreement as well as the Glossary, Governance Framework and CGIAR Principles, which are incorporated by reference into the Agreement.
3. Agreement may be amended by agreement of the two parties, provided that (i) the annexes to the Agreement (Defined Terms, Trustee Provisions for the CGIAR Fund, and Form of W3 Transfer Agreement) may be amended only by agreement of the Trustee and a unanimous decision of the Fund Council and provided further that if any such amendment to the annexes imposes obligations on, or infringes on the rights of, the Consortium or the Centers it shall not be effective as to them, and shall not override any provision of any agreement entered into by the Consortium and the Fund Council or the Trustee, if the Consortium Observer to the Fund Council objects to such amendment at or before the time it is considered by the Fund Council (following a two-week period for Consortium review). The Trustee is to provide all Fund Donors and the Consortium notice of any amendment to the annexes; (ii) the CGIAR Principles may only be amended through adoption by the Fund Council and the Consortium; (iii) the Governance Framework may be amended in accordance with its terms; and (iv) the Glossary, as part of the Common Operational Framework, may be amended by approval of the Fund Council and the Consortium in the manner that would normally apply to the Common Operational Framework. Any amendment to the CGIAR Principles, the Governance Framework or the Glossary is to be incorporated automatically into the Agreement without the need for further agreement between the Trustee and the Fund Donor.
4. Any Fund Donor may on 180 days’ prior notice, withdraw its share of any balance in the Fund that has not been allocated by the Fund Council. Following the return of such funds, the Fund Donor is to be considered to have withdrawn from the CGIAR Fund.
5. If the Trustee determines that circumstances have arisen that lead it to conclude it should no longer carry out its duties, the Trustee is to promptly notify the Fund Donors, the Fund Council, the Consortium and any other current recipients of funds and may suspend transfers from the CGIAR Fund upon notice to the same entities. Thereafter, the Trustee is to consult with the Fund Council and the Consortium to determine the subsequent measures to be taken with respect to the CGIAR Fund; provided that such measures are to be completed within 90 days thus enabling the Trustee’s termination at that time unless the Trustee agrees to an extension.
6. Trustee only responsible for performing those functions specifically set forth in the Contribution Agreements and any additional agreements operationalizing Trustee transfer of funds and is not subject to any other duties or responsibilities to the Fund Donors, the Consortium or any other CGIAR participant, including any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law.
7. The Contribution Agreements provide that the Trustee’s responsibilities arise with respect to the CGIAR Fund funds only during the time held by the Trustee and are limited to keeping track of Fund Donor indications of contributions to the CGIAR Fund, collecting, holding and managing contributions, financial risk management, implementation of foreign exchange transactions, investment management, recording notations for Fund Council approvals, tracking of commitments from signed agreements, making cash transfers, accounting, recordkeeping, reporting on financial status, and arranging the audit of the CGIAR Fund.
8. Subject to the availability of applicable funds held in the CGIAR Fund, the Trustee is to commit, transfer and use funds for any purpose and in the amount allocated by the Fund Council in accordance with the terms of the Contribution Agreement, including the Governance Framework.
9. Trustee is to invest the funds in the CGIAR Fund pending their transfer in accordance with the World Bank’s applicable policies and procedures for the investment of trust funds administered by the World Bank.
10. The Contribution Agreements contain an acknowledgement and agreement by the Fund Donors that the Trustee (as well as the Fund Office and any other part of the World Bank) has no responsibility for (i) confirming that funds from the CGIAR Fund were used for intended purposes; (ii) implementing, monitoring, supervising, evaluating or providing quality assurance for activities funded by the CGIAR Fund; (iii) providing Fund Donors with financial, progress, results or impact reporting for activities funded by the CGIAR Fund; or (iv) any misuse or misprocurement by any entity other than the World Bank with respect to funds from the CGIAR Fund. (The Joint Agreement between the Fund Council and the Consortium includes a similar acknowledgement and agreement by the Consortium.) The Fund Donors further acknowledge and agree that the Trustee is to transfer funds requested by the Consortium or other recipients for implementation of activities under the SRF on the basis of documents approved by the Fund Council and proper fund transfer requests, as specified in the relevant agreements, without requiring pre- or post-transfer review by the Trustee of any funding proposals submitted to the Fund Councilor any activities implemented thereunder. The Contribution Agreements provide that the Trustee shall have no responsibility for reviewing the appropriateness of any decision by the Fund Council or fund transfer requests and shall be entitled to rely thereon.

***Joint Agreement***

* 1. Agreement between the Fund Council, represented by IBRD, and the Consortium concerning the submission and approval of CPR proposals and the implementation and use of funds in the resulting CPRs, including the roles and responsibilities of the Consortium, Fund Council, Fund Office and Trustee. The Joint Agreement was signed on April 15, 2011.
  2. The Agreement may be amended by agreement of the Consortium and the Fund Council.
  3. If the Consortium, after consultation with the Centers, determines that circumstances have arisen which lead it to conclude that it should no longer carry out its duties under the Agreement, the Consortium is to notify the Fund Council and the Trustee and consult the Fund Council on the subsequent measures to be taken with respect to the CGIAR Fund and the funding of ongoing CPRs as well as the Centers’ operations.
  4. If the Fund Council determines that circumstances have arisen which lead it to conclude that it should no longer participate in the Agreement, it is to notify the Consortium and the Trustee and consult with the Consortium on the subsequent measures to be taken with respect to the CGIAR Fund, with such measures to be completed within 180 days, thus enabling the Fund Council’s termination at the end of that period unless the Fund Council otherwise agrees.
  5. If the Trustee exercises its rights or suspension and/or termination under the Contribution Agreements, the Trustee is to consult with the Fund Council and the Consortium on the subsequent measures to be taken with respect to the CGIAR Fund (as provided in the Contribution Agreements) and the Consortium is to agree accordingly to suspend activities under or terminate the Agreement.
  6. Provides that the Consortium is to have full fiduciary responsibility for the use of any Window 1 and 2 funds allocated to the Consortium by the Fund Council and transferred to the Consortium or a Lead center to such purposes. The Consortium is responsible for (i) confirming that Window 1 and 2 Funds have been used to intended purposes; (ii) implementing, monitoring, supervising, evaluating, and providing quality assurance and performance reporting for activities funded by Windows 1 and 2; (iii) providing Fund Donors (through the Fund Council) with financial, progress, results and impact reporting for activities funded by Windows 1 and 2; and (iv) any misuse or misprocurement with respect to Windows 1 and 2, including the recovery of any funds not use for their intended purposes.
  7. Provides that for each CRP, the Consortium is to enter into a Program Implementation Agreement (PIA) with the Lead center, which is consistent with the Contribution Agreements, the Governance Framework, the Joint Agreement and the applicable Consortium Performance Agreement (CPA). In each PIA, the Consortium is to require that all relevant terms and obligations set forth in the Joint Agreement and the relevant CPA apply to the Lead center and, as applicable, require the Lead center to do the same with respect to any program participant with which the Lead center enters into agreements under the CRP.
  8. Provides that the Consortium is to operate, and to require each Lead center to operate, CRPs in accordance with the Contribution Agreements, the Governance Framework, the Joint Agreement and any other applicable Fund use agreements to which the Consortium is a party. The Consortium is to require each Lead center to cause any other program participants, through appropriate subagreements, to operate in accordance with the terms of the Joint Agreement, any other applicable Fund use agreements to which the Consortium is a party and the governing CPA.
  9. Provides that the Consortium is to maintain, and require each Lead center and, through such Lead center, any program participants, to maintain books, records, documents and other evidence in accordance with their respective accounting procedures to sufficiently substantiate, in a manner reasonably satisfactory to the Fund Council, the use of system costs allocated to the Consortium and each CRP (regardless of funding source).
  10. Provides that the Consortium is to monitor the performance of the Centers, including with respect to each CRP, and any partners with respect to each CRP.
  11. Provides that the Fund Donors may seek direct recourse against the Consortium for any breached obligations.
  12. Provides that the Fund Council may instruct the Trustee to suspend disbursements if (i) the Consortium fails to perform its obligations under the Joint Agreement or any Fund use agreement to which it is a party; (ii) the Consortium or any Center has or appears to have engaged in corrupt, fraudulent, collusive or coercive practices in connection with the use of funds from the CGIAR Fund or used such funds to finance a contract involving such practices, without timely and appropriate action on the part of the Consortium or Center to address such practices when they occurred; (iii) a statement, representation or undertaking by the Consortium under the Joint Agreement or any Fund use agreement to which it is a party was incorrect in any material respect; or (iv) unforeseen or extraordinary circumstances arising or becoming known after the date of the Joint Agreement make it improbable that the Consortium and Centers will implement the SRF or that the Consortium will perform its obligations under the under the Joint Agreement or any Fund use agreement to which it is a party.
  13. Provides that for each approved CRP, the Consortium is responsible for:
      1. reporting promptly to the Fund Council any occurrence of which the Consortium becomes aware whereby any Window 1 or Window 2 funds are used for purposes other than as provided in the CPA;
      2. ensuring that the Centers and any Partners use Window 1 and Window 2 funds with due regard to economy and efficiency and uphold the highest standards of integrity in the administration of Window 1 and Window 2 funds, including the prevention of fraud and corruption;
      3. causing the Centers to agree not to use Window 1 and Window 2 funds for payments for which corrupt, fraudulent, collusive, obstructive or coercive practices were engaged in by representatives of the Centers or Partners; not to use such funds to finance terrorism or drug trafficking; and not to discriminate against persons with disabilities in the implementation of activities financed by Window 1 or Window 2 funds;
      4. ensuring that Centers and any Partners procure services and goods with Window 1 and Window 2 funds in accordance with CGIAR guidelines;
      5. causing the Centers and any Partners to agree to carry out all regulated research activities under high standards and in accordance with applicable laws and regulations and the Consortium is responsible for indemnifying the Fund Council for any damages arising from such research activities financed by Window 1 and Window 2 funds;
      6. requiring each Lead center and, through, such Lead center, any program participants participating in the CRP to maintain books, records, documents and other evidence in accordance with their respective usual accounting procedures to substantiate, in a manner reasonably satisfactory to the Fund Council, the use of each CRP[sic];
      7. preparing and providing to the Fund Council consolidated, quarterly unaudited financial reports in from and substance reasonably satisfactory to the Fund Council for each CRP, annual financial statements for each Center that have been audited by independent auditors in accordance with consistently applied international auditing or other auditing standards reasonably acceptable to the Fund Council, and a consolidated annual financial report for the Consortium and the Centers;
      8. providing to the Fund Council annual reports of each CRP describing the progress, outputs, outcomes and impacts or each CRP, including how such CRP is implementing or has implemented the SRF;
      9. providing to the Fund Council a final report regarding each CRP, within six months of the completion of the CRP, addressing the outputs, outcomes and impact of such CRP;
      10. monitoring the performance of the Centers, including with respect to each CRP, and any Partners with respect to each CRP; and
      11. promptly collecting from a Center or a Partner and refunding to the Trustee any Window 1 or Window 2 funds that the Fund Council determines, after consultation with the Consortium, to have been used in a manner inconsistent with the relevant agreement

***Consortium Performance Agreement***

a. Agreement between the Fund Council, represented by IBRD, and the Consortium concerning the provision of funding for a CPR.

b. The Agreement may be amended by agreement of the Consortium and the Fund Council.

c. The Agreement may be terminated by either the Fund Council or the Consortium upon 180 days prior notice. Additionally, if the Trustee exercises its rights of suspension and/or termination under the Contribution Agreements, the Trustee is to consult with the Fund Council and the Consortium to determine the subsequent measures to be taken with respect to the CGIAR Fund (as provided in the Contribution Agreements) and the Consortium is to agree accordingly to suspend activities under or terminate the Agreement. In case of termination, unless the Fund Council and the Consortium otherwise agree, such termination shall not affect agreements entered into by the Consortium prior to the termination.

Provides that the Consortium agrees, and shall require the Lead center and, through the Lead center, any other Centers and partners participating in the CRP to agree, that the amount of Windows 1 and 2 funding provided for the CRP and any investment income earned thereon will be used only for the purposes provided in the CRP proposal and will be governed by the terms and conditions of the Joint Agreement and the CPF. The CPA provides that following disbursement by the Trustee, the Consortium shall have full fiduciary responsibility to the Fund Donors and the Fund Council for the use of the Windows 1 and 2 funds disbursed and the implementation of the CRP in accordance with the terms of the Contribution Agreements and the governing Fund use agreements to which the Consortium is a party, including the Joint Agreement and the CPA. The CPA also provides that the Consortium agrees to exercise its fiduciary duties over the Windows 1 and 2 funds. The CPA further provides that the Fund Council and the Consortium will be responsible only for performing their respective functions specifically set forth in the Joint Agreement and the CPA and will not be subject to any other duties or responsibilities, including those that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law.

***Program Implementation Agreement***

1. Agreement between Consortium and Member Center that is the Lead center for a CPR. The Agreement governs the funding and implementation of the CPR.
2. Provides that Consortium may suspend or terminate the Agreement and/or discontinue making payments under the CPR if the Fund Council terminates the governing CPA with the Consortium or the Fund Council or the Trustee suspends or terminates disbursements from the CGIAR Fund to the Lead center as part of the CPR. Upon termination, Lead center is to return any unspent or uncommitted funds held by it, proceed to terminate subagreements between the Lead center and program participants and collect unspent or uncommitted funds held by them.
3. Parties may suspend or terminate the Agreement by mutual consent.
4. Either party may assign it rights or delegate its obligations under the Agreement only with the prior consent of the other party.
5. Agreement may be amended by agreement of the two parties.
6. Agreement incorporates by reference the Joint Agreement, the Consortium Performance Agreement for the CPR, the Common Operational Framework and policies adopted by the Consortium pursuant to the authority set forth in the Constitution, as amended from time to time, provided that any amendment to the Joint Agreement or the Consortium Performance Agreement that imposed obligations on, or infringes on the rights of, the Lead center under the Agreement only effective if agreed to by the Lead center.
7. The Agreement specifies the amount of funding to be provided to the Lead center for the CRP and includes provisions regarding the investment and use of funds.

# Annex F: Summary tables of functions and responsibilities under the five options

* Text in **black** indicates no change in function from the current system’s governance documents.
* Text in **red** indicates functions that are not mandated in the current system’s governance documents.
* Text in **green** indicates functions that have been adjusted in some manner from those mandated in the current system.
* Text in **blue** indicates functions that would shift between the two governing bodies if accountability for CGIAR Fund funding were to rest with the lead center of a CRP.
* Text in **purple** indicates functions that fall under new governing bodies.

**Option 1: Current system with modifications and measure to improve efficiency and effectiveness but no change in Consortium’s fiduciary responsibilities**

|  |  |  |  |
| --- | --- | --- | --- |
| **Fund Council** | **Fund Office** | **Consortium Board** | **Consortium Office** |
| 1. approving system’s strategy and priorities and taking strategic decisions to guide their implementation | 1. servicing the Fund Council and organize its meetings | 1. strengthening centers’ partnership and facilitate collaboration and alignment of activities | 1. servicing the Consortium Board and organize its meetings |
| 1. approving portfolio of CRP proposals, and endorsing anticipated funding requirement | 1. developing a strategy for resource mobilization and manage its implementation | 1. approving Consortium inputs into SRF | 1. overseeing implementation of Consortium Board decisions |
| 1. approving resource mobilization strategy to facilitate robust and predictable funding | 1. overseeing implementation of Fund Council decisions and maintain an archive of all Council decisions | 1. endorsing coherent portfolio of CRP proposals | 1. establishing strong communications channel with, and collaboration with, the centers to, among other things, align values and incentives, build trust and facilitate coordination and partnership |
| 1. informing Funders Forum on the status of the Fund, approved CRPs and facilitate pledges to ensure sufficient funding | 1. managing relations with Fund contributors | 1. approving common policies of the Consortium | 1. servicing the centers to enable them to execute their roles and responsibilities |
| 1. keeping financial status of the CGIAR Fund under review | 1. working with the Trustee to monitor funding status of the CGIAR Fund and compiling and preparing a report on the funding status of the Fund for review by the Fund Council at each of its regular meetings | 1. taking ultimate financial and operational accountability for funds received from the CGIAR Fund | 1. coordinating activities among centers and center inputs into CG processes such as SRF and links with other entities in the system |
| 1. approving annual funding for CRPs | 1. analyzing the Consortium’s compliance with performance agreement, based on information submitted by the Consortium, and provide a report to the Fund Council | 1. reviewing implementation of common policies | 1. coordinating development of coherent portfolio of CRP proposals, budgets and performance agreements |
| 1. approving administrative budgets for Fund Office, Trustee, Consortium Board, Consortium Office, ISPC and IEA | 1. working jointly with the Consortium Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system | 1. reviewing alignment of center activities with SRF | 1. coordinating activities to monitor performance of CRPs and other activities implementing the SRF |
| 1. approving risk framework and monitor system risks | 1. coordinating relations with Consortium, ISPC and IEA | 1. approving risk framework for the Consortium and monitor Consortium risks | 1. developing proposals for common policies and oversee that such common policies are implemented |
| 1. approving communications strategy | 1. developing and maintaining a risk matrix for the CGIAR and prepare annual risk reports for the Fund Council | 1. keeping under review the performance and structure of the centers and CRPs and decide on appropriate action | 1. managing a process to move towards a performance based system |
| 1. approving annual report | 1. collaborating with the Trustee to ensure that the Trustee receives all the information necessary to carry out its responsibilities | 1. seeking to resolve conflicts among the centers | 1. developing proposals for common services among the centers and ensure that approved services are effectively implemented |
| 1. commissioning, reviewing and taking appropriate decisions on periodic independent evaluations |  | 1. ensuring that the CGIAR evolves into a performance based system | 1. working jointly with the Fund Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system |
| 1. appointing the Director of Fund Office and review the Director’s performance |  | 1. endorsing annual work plans and budget of the Consortium Office and Consortium Board for approval by the Fund Council | 1. developing and overseeing implementation of a robust knowledge strategy, including facilitating communities of practice |
| 1. appointing ISPC members and ISPC Chair |  | 1. approving proposals for shared services and review their performance | 1. maintaining partnerships with Fund Office, ISPC and IEA |
|  |  | 1. approving standards for membership and monitor compliance of membership requirements | 1. building strategic collaboration and relations with external partners |
|  |  | 1. recommending annual budget proposals for CRPs for submission to the Fund Council for approval | 1. establishing and maintaining system-wide assets, including a comprehensive database of CGIAR activities, knowledge management system, results measurements |
|  |  | 1. reviewing and approving CRP annual financial reports | 1. representing CGIAR system at events where a consolidated voice on CRPs is needed |
|  |  | 1. reviewing and accepting audit reports | 1. gathering and collating information from centers needed for Consortium Board and Fund Council |
|  |  | 1. initiating periodic external reviews of Consortium’s functioning and performance | 1. developing an annual work plan for approval by Consortium Board |
|  |  | 1. reporting to Fund Council on its activities | 1. reporting to the Consortium Board on its activities at least twice a year. |
|  |  | 1. proposing amendments to the Consortium Constitution, in consultation with Fund Council |  |
|  |  | 1. appointing the Director of Consortium Office |  |
|  |  | 1. reviewing the performance of the Director of Consortium Office |  |

**Option 1: Current system with modifications and measures to improve efficiency and effectiveness; with no Consortium CRP fiduciary responsibility**

|  |  |  |  |
| --- | --- | --- | --- |
| **Fund Council** | **Fund Office** | **Consortium Board** | **Consortium Office** |
| 1. approving system’s strategy and priorities and taking strategic decisions to guide their implementation | 1. servicing the Fund Council and organize its meetings | 1. strengthening centers’ partnership and facilitate collaboration and alignment of activities | 1. servicing the Consortium Board and organize its meetings |
| 1. approving portfolio of CRP proposals, and endorsing anticipated funding requirement | 1. developing a strategy for resource mobilization and manage its implementation | 1. approving Consortium inputs into SRF | 1. overseeing implementation of Consortium Board decisions |
| 1. approving resource mobilization strategy to facilitate robust and predictable funding | 1. overseeing implementation of Fund Council decisions and maintain an archive of all Council decisions | 1. endorsing coherent portfolio of CRP proposals | 1. establishing strong communications channel with, and collaboration with, the centers to, among other things, align values and incentives, build trust and facilitate coordination and partnership |
| 1. informing Funders Forum on the status of the Fund, approved CRPs and facilitate pledges to ensure sufficient funding | 1. managing relations with Fund contributors | 1. approving common policies of the Consortium | 1. servicing the centers to enable them to execute their roles and responsibilities |
| 1. keeping financial status of the CGIAR Fund under review | 1. working with the Trustee to monitor funding status of the CGIAR Fund and compiling and preparing a report on the funding status of the Fund for review by the Fund Council at each of its regular meetings | 1. ~~taking ultimate financial and operational accountability for funds received from the CGIAR Fund~~ | 1. coordinating activities among centers and center inputs into CG processes such as SRF and links with other entities in the system |
| 1. approving annual funding for CRPs | 1. analyzing the Consortium’s compliance with performance agreement, based on information submitted by the Consortium, and provide a report to the Fund Council | 1. reviewing implementation of common policies | 1. coordinating development of coherent portfolio of CRP proposals, budgets and performance agreements |
| 1. approving administrative budgets for Fund Office, Trustee, Consortium Board, Consortium Office, ISPC and IEA | 1. working jointly with the Consortium Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system | 1. reviewing alignment of center activities with SRF | 1. coordinating activities to monitor performance of CRPs and other activities implementing the SRF |
| 1. approving risk framework and monitor system risks | 1. coordinating relations with Consortium, ISPC and IEA | 1. approving risk framework for the Consortium and monitor Consortium risks | 1. developing proposals for common policies and oversee that such common policies are implemented |
| 1. approving communications strategy | 1. developing and maintaining a risk matrix for the CGIAR and prepare annual risk reports for the Fund Council | 1. ~~keeping under review the performance and structure of the centers and CRPs and decide on appropriate action~~ | 1. managing a process to move towards a performance based system |
| 1. approving annual report | 1. collaborating with the Trustee to ensure that the Trustee receives all the information necessary to carry out its responsibilities | 1. seeking to resolve conflicts among the centers | 1. developing proposals for common services among the centers and ensure that approved services are effectively implemented |
| 1. commissioning, reviewing and taking appropriate decisions on periodic independent evaluations |  | 1. ensuring that the CGIAR evolves into a performance based system | 1. working jointly with the Fund Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system |
| 1. appointing the Director of Fund Office and review the Director’s performance |  | 1. endorsing annual work plans and budget of the Consortium Office and Consortium Board for approval by the Fund Council | 1. developing and overseeing implementation of a robust knowledge strategy, including facilitating communities of practice |
| 1. appointing ISPC members and ISPC Chair |  | 1. approving proposals for shared services and review their performance | 1. maintaining partnerships with Fund Office, ISPC and IEA |
| 1. ~~reviewing and approving CRP annual financial reports~~ |  | 1. approving standards for membership and monitor compliance of membership requirements | 1. building strategic collaboration and relations with external partners |
| 1. ~~reviewing and accepting audit reports~~ |  | 1. recommending annual budget proposals for CRPs for submission to the Fund Council for approval | 1. establishing and maintaining system-wide assets, including a comprehensive database of CGIAR activities, knowledge management system, results measurements |
|  |  | 1. ~~reviewing and approving CRP annual financial reports~~ | 1. representing CGIAR system at events where a consolidated voice on CRPs is needed |
|  |  | 1. ~~reviewing and accepting audit reports~~ | 1. gathering and collating information from centers needed for Consortium Board and Fund Council |
|  |  | 1. initiating periodic external reviews of Consortium’s functioning and performance | 1. developing an annual work plan for approval by Consortium Board |
|  |  | 1. reporting to Fund Council on its activities | 1. reporting to the Consortium Board on its activities at least twice a year. |
|  |  | 1. proposing amendments to the Consortium Constitution, in consultation with Fund Council |  |
|  |  | 1. appointing the Director of Consortium Office |  |
|  |  | 1. reviewing the performance of the Director of Consortium Office |  |

**Option 2: Current system with modifications and measures to improve efficiency and effectiveness, including an annual join meeting of the Fund Council and the Consortium Board; with no change in Consortium CRP fiduciary responsibility**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fund Council** | **Fund Office** | **Consortium Board** | **Consortium Office** | **Joint Meeting** |
| 1. approving system’s strategy and priorities and taking strategic decisions to guide their implementation | 1. servicing the Fund Council and organize its meetings | 1. strengthening centers’ partnership and facilitate collaboration and alignment of activities | 1. servicing the Consortium Board and organize its meetings | 1. approving the SRF |
| 1. approving resource mobilization strategy to facilitate robust and predictable funding | 1. developing a strategy for resource mobilization and manage its implementation | 1. approving Consortium inputs into SRF | 1. overseeing implementation of Consortium Board decisions | 1. approving the portfolio of CRPs proposals (prepared and submitted by the centers and the Consortium Office) and endorse anticipated funding requirements |
| 1. informing Funders Forum on the status of the Fund, approved CRPs and facilitate pledges to ensure sufficient funding | 1. overseeing implementation of Fund Council decisions and maintain an archive of all Council decisions | 1. endorsing coherent portfolio of CRP proposals | 1. establishing strong communications channel with, and collaboration with, the centers to, among other things, align values and incentives, build trust and facilitate coordination and partnership | 1. reviewing and recommending CRP annual budget proposals |
| 1. keeping financial status of the CGIAR Fund under review | 1. managing relations with Fund contributors | 1. approving common policies of the Consortium | 1. servicing the centers to enable them to execute their roles and responsibilities | 1. reviewing monitoring and evaluations reports and recommending appropriate action |
| 1. approving annual funding for CRPs | 1. working with the Trustee to monitor funding status of the CGIAR Fund and compiling and preparing a report on the funding status of the Fund for review by the Fund Council at each of its regular meetings | 1. taking ultimate financial and operational accountability for funds received from the CGIAR Fund | 1. coordinating activities among centers and center inputs into CG processes such as SRF and links with other entities in the system | 1. reviewing annual report on risks |
| 1. approving administrative budgets for Fund Office, Trustee, Consortium Board, Consortium Office, ISPC and IEA | 1. analyzing the Consortium’s compliance with performance agreement, based on information submitted by the Consortium, and provide a report to the Fund Council | 1. reviewing implementation of common policies | 1. coordinating development of coherent portfolio of CRP proposals, budgets and performance agreements | 1. reviewing financial reporting |
| 1. approving risk framework and monitor system risks | 1. working jointly with the Consortium Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system | 1. reviewing alignment of center activities with SRF | 1. coordinating activities to monitor performance of CRPs and other activities implementing the SRF | 1. commissioning, reviewing and taking appropriate decisions on periodic independent evaluations. |
| 1. approving communications strategy | 1. coordinating relations with Consortium, ISPC and IEA | 1. approving risk framework for the Consortium and monitor Consortium risks | 1. developing proposals for common policies and oversee that such common policies are implemented |  |
| 1. approving annual report | 1. developing and maintaining a risk matrix for the CGIAR and prepare annual risk reports for the Fund Council | 1. keeping under review the performance and structure of the centers and CRPs and decide on appropriate action | 1. managing a process to move towards a performance based system |  |
| 1. commissioning, reviewing and taking appropriate decisions on periodic independent evaluations | 1. collaborating with the Trustee to ensure that the Trustee receives all the information necessary to carry out its responsibilities | 1. seeking to resolve conflicts among the centers | 1. developing proposals for common services among the centers and ensure that approved services are effectively implemented |  |
| 1. appointing the Director of Fund Office and review the Director’s performance |  | 1. ensuring that the CGIAR evolves into a performance based system | 1. working jointly with the Fund Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system |  |
| 1. appointing ISPC members and ISPC Chair |  | 1. endorsing annual work plans and budget of the Consortium Office and Consortium Board for approval by the Fund Council | 1. developing and overseeing implementation of a robust knowledge strategy, including facilitating communities of practice |  |
|  |  | 1. approving proposals for shared services and review their performance | 1. maintaining partnerships with Fund Office, ISPC and IEA |  |
|  |  | 1. approving standards for membership and monitor compliance of membership requirements | 1. building strategic collaboration and relations with external partners |  |
|  |  | 1. recommending annual budget proposals for CRPs for submission to the Fund Council for approval | 1. establishing and maintaining system-wide assets, including a comprehensive database of CGIAR activities, knowledge management system, results measurements |  |
|  |  | 1. reviewing and approving CRP annual financial reports | 1. representing CGIAR system at events where a consolidated voice on CRPs is needed |  |
|  |  | 1. reviewing and accepting audit reports | 1. gathering and collating information from centers needed for Consortium Board and Fund Council |  |
|  |  | 1. initiating periodic external reviews of Consortium’s functioning and performance | 1. developing an annual work plan for approval by Consortium Board |  |
|  |  | 1. reporting to Fund Council on its activities | 1. reporting to the Consortium Board on its activities at least twice a year. |  |
|  |  | 1. proposing amendments to the Consortium Constitution, in consultation with Fund Council |  |  |
|  |  | 1. appointing the Director of Consortium Office |  |  |
|  |  | 1. reviewing the performance of the Director of Consortium Office |  |  |

**Option 2: Current system with modifications and measures to improve efficiency and effectiveness, including an annual joint meeting of the Fund Council and the Consortium Board; with no Consortium CRP fiduciary responsibility**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Fund Council** | **Fund Office** | **Consortium Board** | **Consortium Office** | **Joint Meeting** |
| 1. approving system’s strategy and priorities and taking strategic decisions to guide their implementation | 1. servicing the Fund Council and organize its meetings | 1. strengthening centers’ partnership and facilitate collaboration and alignment of activities | 1. servicing the Consortium Board and organize its meetings | 1. approving the SRF |
| 1. approving resource mobilization strategy to facilitate robust and predictable funding | 1. developing a strategy for resource mobilization and manage its implementation | 1. approving Consortium inputs into SRF | 1. overseeing implementation of Consortium Board decisions | 1. approving the portfolio of CRPs proposals (prepared and submitted by the centers and the Consortium Office) and endorse anticipated funding requirements |
| 1. informing Funders Forum on the status of the Fund, approved CRPs and facilitate pledges to ensure sufficient funding | 1. overseeing implementation of Fund Council decisions and maintain an archive of all Council decisions | 1. endorsing coherent portfolio of CRP proposals | 1. establishing strong communications channel with, and collaboration with, the centers to, among other things, align values and incentives, build trust and facilitate coordination and partnership | 1. reviewing and recommending CRP annual budget proposals |
| 1. keeping financial status of the CGIAR Fund under review | 1. managing relations with Fund contributors | 1. approving common policies of the Consortium | 1. servicing the centers to enable them to execute their roles and responsibilities | 1. reviewing monitoring and evaluations reports and recommending appropriate action |
| 1. approving annual funding for CRPs | 1. working with the Trustee to monitor funding status of the CGIAR Fund and compiling and preparing a report on the funding status of the Fund for review by the Fund Council at each of its regular meetings | 1. ~~taking ultimate financial and operational accountability for funds received from the CGIAR Fund~~ | 1. coordinating activities among centers and center inputs into CG processes such as SRF and links with other entities in the system | 1. reviewing annual report on risks |
| 1. approving administrative budgets for Fund Office, Trustee, Consortium Board, Consortium Office, ISPC and IEA | 1. analyzing the Consortium’s compliance with performance agreement, based on information submitted by the Consortium, and provide a report to the Fund Council | 1. reviewing implementation of common policies | 1. coordinating development of coherent portfolio of CRP proposals, budgets and performance agreements | 1. reviewing financial reporting |
| 1. approving risk framework and monitor system risks | 1. working jointly with the Consortium Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system | 1. reviewing alignment of center activities with SRF | 1. coordinating activities to monitor performance of CRPs and other activities implementing the SRF | 1. commissioning, reviewing and taking appropriate decisions on periodic independent evaluations. |
| 1. approving communications strategy | 1. coordinating relations with Consortium, ISPC and IEA | 1. approving risk framework for the Consortium and monitor Consortium risks | 1. developing proposals for common policies and oversee that such common policies are implemented |  |
| 1. approving annual report | 1. developing and maintaining a risk matrix for the CGIAR and prepare annual risk reports for the Fund Council | 1. ~~keeping under review the performance and structure of the centers and CRPs and decide on appropriate action~~ | 1. managing a process to move towards a performance based system |  |
| 1. commissioning, reviewing and taking appropriate decisions on periodic independent evaluations | 1. collaborating with the Trustee to ensure that the Trustee receives all the information necessary to carry out its responsibilities | 1. seeking to resolve conflicts among the centers | 1. developing proposals for common services among the centers and ensure that approved services are effectively implemented |  |
| 1. appointing the Director of Fund Office and review the Director’s performance |  | 1. ensuring that the CGIAR evolves into a performance based system | 1. working jointly with the Fund Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system |  |
| 1. appointing ISPC members and ISPC Chair |  | 1. endorsing annual work plans and budget of the Consortium Office and Consortium Board for approval by the Fund Council | 1. developing and overseeing implementation of a robust knowledge strategy, including facilitating communities of practice |  |
| 1. reviewing and approving CRP annual financial reports |  | 1. approving proposals for shared services and review their performance | 1. maintaining partnerships with Fund Office, ISPC and IEA |  |
| 1. reviewing and accepting audit reports |  | 1. approving standards for membership and monitor compliance of membership requirements | 1. building strategic collaboration and relations with external partners |  |
|  |  | 1. recommending annual budget proposals for CRPs for submission to the Fund Council for approval | 1. establishing and maintaining system-wide assets, including a comprehensive database of CGIAR activities, knowledge management system, results measurements |  |
|  |  | 1. ~~reviewing and approving CRP annual financial reports~~ | 1. representing CGIAR system at events where a consolidated voice on CRPs is needed |  |
|  |  | 1. ~~reviewing and accepting audit reports~~ | 1. gathering and collating information from centers needed for Consortium Board and Fund Council |  |
|  |  | 1. initiating periodic external reviews of Consortium’s functioning and performance | 1. developing an annual work plan for approval by Consortium Board |  |
|  |  | 1. reporting to Fund Council on its activities | 1. reporting to the Consortium Board on its activities at least twice a year. |  |
|  |  | 1. proposing amendments to the Consortium Constitution, in consultation with Fund Council |  |  |
|  |  | 1. appointing the Director of Consortium Office |  |  |
|  |  | 1. reviewing the performance of the Director of Consortium Office |  |  |

**Option 3: Modifications of the current system and decision-making processes and accountabilities with strengthened Fund Office and a Consortium of the Centers**

|  |  |  |  |
| --- | --- | --- | --- |
| **Fund Council** | **Fund Office** | **Consortium Board** | **Consortium Office** |
| 1. Approving system’s strategy and priorities and taking strategic decisions to guide their implementation | 1. Servicing the Fund Council and organizing its meetings | 1. Strengthening centers’ partnership and facilitating collaboration and alignment of activities | 1. Servicing the Consortium Board and organizing its meetings |
| 1. Approving portfolio of CRP proposals, and endorsing anticipated funding requirement | 1. Developing a strategy for resource mobilization and managing its implementation | 1. Ensuring a consultative process to coordinate Consortium inputs into SRF | 1. Overseeing implementation of Consortium Board decisions |
| 1. Approving a resource mobilization strategy to facilitate robust and predictable funding and oversee its implementation | 1. Overseeing implementation of Fund Council decisions and maintaining an archive of all Council decisions | 1. Ensuring a consultative process to develop a coherent portfolio of CRP proposals | 1. Establishing strong communications channel with, and collaboration with, the centers to, among other things, align values and incentives, build trust and facilitate coordination and partnership |
| 1. Keeping financial status of the CGIAR Fund under review | 1. Managing relations with Fund donors | 1. Approving common policies of the Consortium and keep their implementation under review | 1. Servicing the centers to enable them to execute their roles and responsibilities |
| 1. Approving annual funding for CRPs | 1. Working with the Trustee to monitor funding status of the CGIAR Fund and compiling and preparing a report on the funding status of the Fund for review by the Fund Council at each of its regular meetings | 1. Approving a risk framework for the Consortium and monitor Consortium risks | 1. Coordinating activities among centers and center inputs into CG processes such as SRF and links with other entities in the system |
| 1. Approving administrative budgets for Fund Office, Consortium Board, the Consortium Office, Trustee, ISPC and IEA | 1. Providing oversight of the CRPs on behalf of the Fund Council | 1. Seeking to resolve conflicts among the centers | 1. Coordinating development of coherent portfolio of CRP proposals |
| 1. Approving risk framework and monitor system risks | 1. Working jointly with the Consortium Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system | 1. Ensuring that the CGIAR evolves into a performance based system | 1. Coordinating activities to provide consistent and coherent information to the Fund Office on monitoring of the portfolio of CRPs and other activities implementing the SRF |
| 1. Approving communications strategy | 1. Coordinating relations with Consortium, ISPC and IEA | 1. Approving proposals for shared services and review their implementation | 1. Developing proposals for common policies and monitor their implementation |
| 1. Approving annual report | 1. Developing and maintaining a risk matrix for the CGIAR and preparing annual risk reports for the Fund Council | 1. Approving standards for membership and monitor compliance of membership requirements | 1. Facilitating a process to move towards a performance based system |
| 1. Commissioning periodic independent evaluations | 1. Collaborating with the Trustee to ensure that the Trustee receives all the information necessary to carry out its responsibilities | 1. Reviewing internal audit reports | 1. Developing proposals for common services among the centers and ensuring monitor the effective implementation of agreed services |
| 1. Appointing director of Fund Office and review director’s performance |  | 1. Reporting to the Fund Council on its activities | 1. Working jointly with the Fund Office, developing and contributing to the implementation of a CGIAR communications strategy, working closely with all entities in the system |
| 1. Appointing ISPC members and ISPC Chair |  | 1. Appointing a manager of the Consortium Office and review his/her performance | 1. Developing and overseeing implementation of a robust knowledge strategy, including facilitating communities of practice |
| 1. Informing Funders Forum on the status of the Fund, approved CRPs and facilitate pledges to ensure sufficient funding |  |  | 1. Maintaining partnerships with Fund Office, ISPC and IEA |
|  |  |  | 1. Building strategic collaboration and relations with external partners |
|  |  |  | 1. Establishing and maintaining system-wide assets, including a comprehensive database of CGIAR activities, knowledge management system, monitoring results |
|  |  |  | 1. Serving as an advocate of the centers and represent CGIAR system at events where a consolidated voice on CRPs is needed |
|  |  |  | 1. Gathering and collating information from centers needed for Consortium Board and Fund Council |
|  |  |  | 1. Developing an annual work plan and budget for approval by Fund Council |
|  |  |  | 1. Reporting to the Consortium Board on its activities at least twice a year. |

**Option 4: Two governing bodies (FC and CB) with one administrative/management office[[29]](#footnote-30)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Fund Council** | **Consortium Board** | **Admin/Management Office** | **Joint Meeting** |
| 1. Approve system strategy and priorities and take strategic decisions to guide their implementation. | 1. Strengthen Centers’ partnership and facilitate collaboration and alignment of activities | 1. Service the Fund Council and Consortium Board and organize its meetings | 1. Approve the SRF |
| 1. Approve resource mobilization strategy to facilitate sufficient and predictable funding | 1. Approve Consortium inputs into SRF | 1. Oversee implementation of the Fund Council and Consortium Board decisions | 1. Approve the CRPs proposals and endorse anticipated funding requirement |
| 1. Inform Funders Forum on the status of the Fund, approved CRPs and facilitate pledges to ensure sufficient funding | 1. Endorse portfolio of CRP proposals | 1. Establish strong communications channel with centers to, among other things, align values and incentives and build trust and facilitate coordination and partnership | 1. Review CRP annual budget proposals |
| 1. Keep financial status of the CGIAR Fund under review | 1. Approve common policies of the Consortium | 1. Service the centers to enable them to execute their roles and responsibilities | 1. Review monitoring and evaluations reports and recommend appropriate action |
| 1. Approval annual funding for CRPs | 1. ~~Take ultimate financial and operational accountability for funds received from the CGIAR Fund~~ | 1. Coordinate activities among centers and center inputs into CG processes such as SRF and links with other entities in the system | 1. Review annual report on risks |
| 1. Approve administrative budgets for Fund Office, Trustee, ISPC and IEA | 1. Review implementation of common policies | 1. Coordinate development of CRP proposals, budgets and performance agreements | 1. Review financial reporting |
| 1. Approve risk framework and monitor system risks | 1. Review alignment of center activities with SRF | 1. Coordinate activities to monitor performance of CRPs and other activities implementing the SRF |  |
| 1. Approve communications strategy | 1. Approve risk framework for the Consortium and monitor Consortium risks | 1. Develop proposals for common policies and oversee that policies are implemented |  |
| 1. Approve annual report | 1. Keep under review the performance and structure of the centers and CRPs and decide on appropriate action | 1. Manage a process to move towards a performance based system |  |
| 1. Commission periodic independent evaluations | 1. Seek to resolve conflicts among the centers | 1. Develop proposals for common services and ensure that approved services are effectively implemented |  |
| 1. Appoint Director of Fund Office and review Director’s performance | 1. Ensure that the CGIAR evolves into a performance based system | 1. Develop and manage a robust knowledge program, including facilitating communities of practice |  |
| 1. Appoint ISPC members and ISPC Chair | 1. Approve annual work plans and budget of the Consortium Office and Consortium Board | 1. Maintain robust partnership with Fund Office, ISPC and IEA |  |
|  | 1. Approval proposals for shared services | 1. Build strategic collaboration and relations with external partners |  |
|  | 1. Review performance of shared services | 1. Establish and maintain system-wide assets, including a comprehensive database of CGIAR activities, knowledge management system, results measurements |  |
|  | 1. Approve standards for membership and monitor compliance of membership requirements | 1. Represent CGIAR system at events where a consolidated voice on CRPs is needed |  |
|  | 1. Recommend annual budget proposals for CRPs for submission to the Fund Council for approval | 1. Gather and collate information from centers needed for Consortium Board and Fund Council |  |
|  | 1. Review and approve CRP annual financial reports | 1. Develop an annual work plan and budget for approval by Consortium Board |  |
|  | 1. Review and accept internal audit reports | 1. Report to the Consortium Board on its activities at least twice a year |  |
|  | 1. Initiate periodic eternal reviews of Consortium’s functioning and performance | 1. Service the Fund Council and organize its meetings |  |
|  | 1. Report to Fund Council on its activities | 1. Develop a strategy for resource mobilization and manage its implementation |  |
|  | 1. Propose amendments to the Consortium Constitution, in consultation with Fund Council | 1. Oversee implementation of Fund Council decisions and maintain an archive of all Council decisions |  |
|  | 1. Appoint Director of Consortium Office | 1. Manage relations with Fund donors |  |
|  | 1. Review performance of Director of CO | 1. Work with the Trustee to monitor funding status of the CGIAR Fund and compile and prepare a report on the funding status of the Fund for review by the Fund Council at each of its regular meetings |  |
|  |  | 1. Analyze the Consortium’s compliance with performance agreement, based on information submitted by the Consortium, and provide a report to the Fund Council |  |
|  |  | 1. Develop and contribute to the implementation of a CGIAR communications strategy, working closely with all entities in the system. |  |
|  |  | 1. Coordinate relations with Consortium, ISPC and IEA |  |
|  |  | 1. Develop and maintain a risk matrix for the CGIAR and prepare annual risk reports for the Fund Council |  |
|  |  | 1. Collaborate with the Trustee to ensure that the Trustee receives all the information necessary to carry out its responsibilities |  |

**Option 5(a) Single Board and one administrative/management office[[30]](#footnote-31)**

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| --- | --- | --- |
| **CGIAR Council** | **Admin/management office** | **Centers Committee** |
| 1. approving strategy and priorities | 1. servicing the Council and organizing its meetings | 1. serve as a forum to ensure regular and effective operational coordination, exchange of information and experience among the centers; |
| 1. ensuring that the CGIAR evolves into a performance based system | 1. overseeing implementation of Council decisions | 1. coordinate center input into CGIAR processes such as the SRF development, CRP development and approval, links with other entities in the system. |
| 1. approving portfolio of CRP proposals | 1. establishing strong communications channel with centers to, among other things, align values and incentives and build trust (establishment of a centers Committee that meets regularly) | 1. develop and monitor a strong portfolio of CRPs |
| 1. approving common policies | 1. coordinating activities among centers | 1. agree on areas in which administrative/management office would develop common policies and review such policies as they are developed[[31]](#footnote-32) |
| 1. approving common services | 1. establishing and maintaining system-wide assets, including a comprehensive database of CGIAR activities, knowledge management system, results measurements | 1. agree on common services to be developed and review proposals to implement such services as they are developed |
| 1. approving program criteria and financing modalities | 1. facilitating shared services as agreed with centers Committee | 1. prior to each meeting of the governing body, review a provisional agenda and documentation prepared by the administrative/management office and agree to a timetable for submission of information; |
| 1. approving resource mobilization strategy | 1. providing oversight of the CRPs | 1. review recommendations proposed by the administrative/management office |
| 1. approving indicative allocation of funds to CRPs | 1. managing a process to move towards a performance-based system | 1. develop proposals on allocation of available resources |
| 1. approving annual funding for CRPs | 1. implementing, in collaboration with other entities in the system, the communication strategy and the knowledge management strategy, including the facilitation of communities of practice | 1. monitor progress in implementing CRPs and reporting to the governing body on compliance with approved policies on the use of CGIAR resources; |
| 1. maintaining oversight of lead centers financial and operational performance | 1. developing an annual work plan and administrative budget for the CGIAR system entities for approval by the CGIAR Council | 1. review a draft annual consolidated report on the CGIAR’s activities, performance, and lessons, including details of the CGIAR CRPs, status of implementation, funding allocations for the previous period, funding projections, administrative costs incurred, and other pertinent information; |
| 1. approving a CGIAR Risk Framework | 1. preparing an annual consolidate report on CGIAR’s activities, CRP performance, lessons learned, status of implementation, funding allocations for the previous period, funding projections, administrative costs and other pertinent information | 1. collaborate with the administrative/management office on its work program, including the implementation of a comprehensive knowledge management and learning program, communications and results measurement system, taking into account opportunities for synergies with the activities of the centers; |
| 1. monitoring alignment of center activities with the Strategy and Results Framework | 1. managing relations with Fund contributors | 1. performing any other functions agreed among the centers or assigned to it by the governing body. |
| 1. monitoring risks and authorizing corrective action | 1. coordinating relations with other entities in the system |  |
| 1. monitoring/reviewing financial accountability of centers | 1. managing partnerships and external relations |  |
| 1. reviewing reports from the Trustee on the financial status of the CGIAR Fund | 1. developing a strategy for resource mobilization and manage its implementation |  |
| 1. approving work plans and administrative budgets for system entities (Administrative Office, ISPC, Trustee, IEA) | 1. developing and maintaining a risk matrix for the CGIAR and preparing annual risk reports for the Fund Council |  |
| 1. approving communications strategy | 1. collaborating with the Trustee to ensure that the Trustee receives all the information necessary to carry out its responsibilities. |  |
| 1. approving knowledge management strategy |  |  |
| 1. approving annual report |  |  |
| 1. commissioning, reviewing and taking appropriate decisions on audits and periodic independent evaluations and review such audits and evaluations |  |  |
| 1. appointing Director of Administrative Office and review management performance |  |  |
| 1. appointing ISPC members and ISPC Chair |  |  |

**Option 5(b) Single Board with one administrative/management office[[32]](#footnote-33)**

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| --- | --- | --- | --- |
| **CGIAR Council** | **Council Unit** | **Centers Unit** | **Centers Committee** |
| 1. approving strategy and priorities | 1. servicing the Council and organizing its meetings | 1. establishing strong communications channel with centers to, among other things, align values and incentives and build trust (establishment of a Centers Committee that meets regularly) | 1. serve as a forum to ensure regular and effective operational coordination, exchange of information and experience among the centers; |
| 1. ensuring that the CGIAR evolves into a performance based system | 1. overseeing implementation of Council decisions | 1. coordinating activities among centers | 1. coordinate center input into CGIAR processes such as the SRF development, CRP development and approval, links with other entities in the system. |
| 1. approving portfolio of CRP proposals | 1. providing oversight of the CRPs | 1. providing programmatic oversight of the CRPs | 1. develop and monitor a strong portfolio of CRPs |
| 1. approving common policies | 1. developing a strategy for resource mobilization and manage its implementation | 1. overseeing implementation of shared services as agreed with Centers Committee | 1. agree on areas in which administrative/management office would develop common policies and review such policies as they are developed[[33]](#footnote-34) |
| 1. approving common services | 1. preparing a system-wide communications strategy and oversee its implementation | 1. managing a process to move towards a performance-based system | 1. agree on common services to be developed and review proposals to implement such services as they are developed |
| 1. approving program criteria and financing modalities | 1. developing an annual work plan and administrative budget for the CGIAR system entities for approval by the CGIAR Council | 1. establishing and maintaining system-wide assets, including a comprehensive database of CGIAR activities, knowledge management system, results measurements (including the preparation of an annual monitoring report). | 1. prior to each meeting of the governing body, review a provisional agenda and documentation prepared by the administrative/management office and agree to a timetable for submission of information; |
| 1. approving resource mobilization strategy | 1. preparing an annual consolidate report on CGIAR’s activities, CRP performance, lessons learned, status of implementation, funding allocations for the previous period, funding projections, administrative costs and other pertinent information | 1. implementing, in collaboration with other entities in the system, the knowledge management strategy, including the facilitation of communities of practice | 1. review recommendations proposed by the administrative/management office |
| 1. approving indicative allocation of funds to CRPs | 1. managing relations with Fund contributors | 1. coordinating and collaborating on operational and scientific issues with the ISPC and the IEA, | 1. develop proposals on allocation of available resources |
| 1. approving annual funding for CRPs | 1. coordinating relations with other entities in the system | 1. building strategic collaboration and consultations with external partners, | 1. monitor progress in implementing CRPs and reporting to the governing body on compliance with approved policies on the use of CGIAR resources; |
| 1. maintaining oversight of lead centers financial and operational performance | 1. managing partnerships and external relations | 1. gathering and collating information from centers needed for CGIAR Council | 1. review a draft annual consolidated report on the CGIAR’s activities, performance, and lessons, including details of the CGIAR CRPs, status of implementation, funding allocations for the previous period, funding projections, administrative costs incurred, and other pertinent information; |
| 1. approving a CGIAR Risk Framework | 1. developing and maintaining a risk matrix for the CGIAR and preparing annual risk reports for the CGIAR Council |  | 1. collaborate with the administrative/management office on its work program, including the implementation of a comprehensive knowledge management and learning program, communications and results measurement system, taking into account opportunities for synergies with the activities of the centers; |
| 1. monitoring alignment of center activities with the Strategy and Results Framework | 1. collaborating with the Trustee to ensure that the Trustee receives all the information necessary to carry out its responsibilities. |  | 1. performing any other functions agreed among the centers or assigned to it by the governing body. |
| 1. monitoring risks and authorizing corrective action |  |  |  |
| 1. monitoring/reviewing financial accountability of centers |  |  |  |
| 1. reviewing reports from the Trustee on the financial status of the CGIAR Fund |  |  |  |
| 1. approving work plans and administrative budgets for system entities (Administrative Office, ISPC, Trustee, IEA) |  |  |  |
| 1. approving communications strategy |  |  |  |
| 1. approving knowledge management strategy |  |  |  |
| 1. approving annual report |  |  |  |
| 1. commissioning, reviewing and taking appropriate decisions on audits and periodic independent evaluations and review such audits and evaluations |  |  |  |
| 1. appointing Director of Administrative Office and review management performance |  |  |  |
| 1. appointing ISPC members and ISPC Chair |  |  |  |

**Annex G: Letter from the Interim Consortium Board Chair to the centers**



Greetings from the Interim Consortium Board Chair

First of all, as interim Consortium Board Chair, I’d like to wish you and your Centers a very successful and happy 2015 on behalf of the CB.

We, the CB and CO, would like to embark on steps to improve our governance and relationships.

As you know, we find ourselves in a hiatus between various further studies arising from the MTR. An Options Group is working under the auspices of the Fund Council to define the advantages and disadvantages of options going forward with respect to structure, governance, and funding mechanisms of the CGIAR. Meanwhile, we have formed last year a joint working group with two representatives from the Centers ---Camilla Toulmin and Jimmy Smith, and two representatives from our Board -----Martin Kropff and Paul Zuckerman, who have been developing a scenario to improve the status quo irrespective or not if we go ahead with a new major reform.

**We believe that this working group has identified a number of actions that we could take to improve the efficiency and relations between the CB/CO and our member Centers. These actions are set out below and we suggest we proceed immediately with these, as we do not believe that they will run counter to or preclude any broader system recommendations.**

We therefore propose that in order to give the Centers more 'ownership' of the CB and CO we implement the following steps, preferably prior to our next CB meeting:

* The Centers nominate three additional persons to attend CB board meetings and deliberations, in addition to the one observer they presently nominate
* The CB undertakes to treat all four nominated individuals as though they were full board members
* We suggest that there should be a Center Chair and a CRP Director as two of the four members, and that the other two are Center DGs
* Centers nominate a third member of the CB Nominations Committee, so that there is equal representation on that important Committee which evaluates the board and CEO amongst other tasks
* Centers nominate a third member of the CB Governance Committee so that there is equal representation on that committee. (Please note the Governance Committee has now been merged with the Policy Committee)

Recognising that the CB is still currently charged with an element of fiduciary responsibility for CRPs we undertake to:

* Act in such a way that reflects that a very significant allegiance is to our members to whom the CB owes ' a duty of care'. This means that we will make every effort to support the activities and plans of our member Centers.
* When acting to fulfill our fiduciary responsibilities to the FC, the CO will consult with all CB members and, if appropriate, the CB Governance subcommittee before broaching issues with the FC
* Work to define a funding mechanism that is as 'pre-defined' as possible, and not make funding decisions without more extensive consultations. That requires research outputs defined in relation to a specific window funding (and not a theoretical ceiling funding for the total portfolio). Work together on an improved funding system with respect to timing of funding, using funds for carry over in next years and building up reserves so that CRPs can build on strong Centers
* Hold an Annual General Meeting (AGM) at which the annual budget of the CB and CO would be approved, and members of the CB and its Committees would be elected and re-elected on a sensible time line. In this meeting the priorities would be set for joint activities and services
* Provide as much support to Centers as possible in developing proposals for CRPs
* Provide a support and light touch coordinating role for resource mobilization by the individual centers and, when appropriate and agreed by the CB, undertake resource mobilization on behalf of the centers for W1-2.

However, in order to carry out our fiduciary responsibilities with respect to the performance of the CRP portfolio, the CO, under the guidance of the CB, will maintain oversight of the financial performance and risk management of individual centers, both directly and through the work of the IAU. Taking responsibility for fiduciary responsibility of W1 and W2 funding implies taking a strict 'duty of care' for the donor. In the present context it requires that the CB, acting through the CO, review all relevant parts of the CRP system which includes the functioning of shared services, audits, and the general well-being of Centers playing leading roles in a CRP.

It needs to be understood that, with respect to the Consortium, in order that the whole is greater than the sum of the parts, there may be instances where the interests of a single Center may not align with those of the broader group. Here we shall continue to play that Center-neutral role.

**Please note that in the longer run it would be advisable to revise the Constitution to reflect these changes and clarify other grey areas of which we are all aware; and the CB proposes that the working group continues in existence in order to consult on required changes.** However, some resolution of the current organisational issues and studies arising from the MTR is needed as a basis.

For clarity, it should be understood that for efficiency's sake the CO, under the guidance of the CB, will:

* Take responsibility for liaison with the ISPC and IEA on issues which involve several or all Centers (e.g Gender) and the CRPs
* Represent members of the CGIAR system at events where a consolidated voice is required rather the views from multiple Centers
* Coordinate communities of interest and common media initiatives with all Centers as now
* Provide the drive and contribute to the intellectual framework for the move towards greater results based research
* Seek common ground between Centers on a number of issues, including reserve policy and reserve management
* Develop and maintain a risk matrix for the system as a whole
* Coordinate the development of a strong CRP portfolio.

We ask that you approach these actions with as much good faith as your working group undertook in their development; and that we all continue to have in mind the larger objective of what the CGIAR is trying to achieve. We look forward to the similar good faith of donors.

I look forward to working with you.

Kind regards,

Lynn Haight

Annex H. Summary Tables describing Global Partnerships**[[34]](#footnote-35)**

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| Partnership | Global Partnership for Education (GPE) |
| Description | The GPE is exclusively focused on supporting low-income countries to educate children from pre-primary through secondary school, providing financial and policy support to countries to develop and implement their own education sector plans. |
| Established | 2002 |
| Decision-Making Body | The GPE Board |
| Member Count | 19 |
| Board Composition | Macintosh HD:Users:bluemaroon:Desktop:Pre Work:good circles:gpe-01.png |
| Decision-Making | Simple majority (though must at least one representative from the following constituencies: recipient country; donor country; multilateral organization; civil society organization) |
| Chair Selection | Open competitive process |
| Chair Term + Responsibilities | 3 years (one-term extension possible) – The Board Chair convenes meetings of the Board and other GPE meetings, supports resource-mobilization efforts and represents the Partnership and the Board in political and public arenas. |
| Head of Secretariat | The GPE CEO does not have a place on the Board, but has an important role in resource mobilization, project selection and strategy, and manages the secretariat (~60 staff). |
| Multilateral Aid Review | GPE was reviewed in both the MAR and the AMA. It was among the second tier of organizations that, in 2011, the MAR assessed as being **good** value for money. Since then, the MAR has credited the GPE with making solid progress in many key areas, especially **Financial Resources Management.** Under the AMA, the organization was deemed either **strong** or **very strong** in all 7 of the components parts of the assessment. Particular strengths were in **Cost and Value Consciousness** and **Contribution to Multilateral System.** Both reports praised the reforms GPE had already passed and registered encouragement for those to come. The MAR also noted the GPE’s **focus on poor countries**. |
| Multiyear Fundraising? | Yes, The GPE operated for many years without predictable long-term financing commitments from donors. A decision was made in May 2011 to launch a formal replenishment campaign to mobilize resources both for the GPE and for basic education generally, for the period 2011-2014. |
| Non-Public Fundraising | To date, private funds have made up 1.5% of total pledges. The Children’s Investment Fund Foundation and Dubai Cares are GPE’s only two private donors. |

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| Partnership | The GAVI Alliance (GAVI) |
| Description | GAVI is a global health partnership between private and public sector entities committed to saving children’s lives and protecting people’s health by increasing access to immunization in low income countries. |
| Established | 2000 |
| Decision-Making Body | The GAVI Alliance Board |
| Member Count | 27 + 1 non-voting CEO |
| Board Composition | Macintosh HD:Users:bluemaroon:Desktop:Pre Work:gavi.png  \*The GAVI CEO is a **non-voting** member of the Board |
| Decision-Making | 2/3 majority of voting members |
| Chair Selection | The Chair and Vice-Chair are selected from among voting Board Members every two years. |
| Chair Term + Responsibilities | 2 years – The Chair presides at all meetings of the Board and the Executive Committee, and performs such other duties as may be assigned by the Board. |
| Head of Secretariat | GAVI’s CEO heads a secretariat of ~200 staff. The GAVI CEO has a permanent, non-voting seat on the Alliance’s Board. |
| Multilateral Aid Review | GAVI was reviewed in both the MAR and the AMA. Generally, it was seen as one of the elite performers when it came to getting value for aid money. Of the 43 organizations assessed under the MAR, GAVI was among the 9 multilateral organizations deemed to offer UK aid **very good** value for money. Results were similar in the AMA, where GAVI received a **very strong** rating in each of the seven component parts of assessment. Particular successes came in the **Delivering Results, Transparency and Accountability, and Cost and Value Consciousness** sections of the report. |
| Multiyear Fundraising? | Yes, GAVI switched to a 4-year donor commitment period in a response to developing countries’ preference to match the cycle of donor commitments more closely with those of their national donors |
| Non-Public Fundraising | GAVI receives 17.3% of its donations from the non-public sector. Non-public funding is led by the Gates Foundation, whose direct contributions account for $2,673 million or 90.7% the fund’s overall private donations since its inception |

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| Partnership | The Clean Technology Fund (CTF) |
| Description | The Clean Technology Fund (CTF), one of two multi-donor Trust Funds within the Climate Investment Funds (CIFs), promotes scaled-up financing for demonstration, deployment and transfer of low-carbon technologies with significant potential for long-term greenhouse gas emissions savings. |
| Established | 2008 |
| Decision-Making Body | The CTF Trust Fund Committee |
| Member Count | 16 + 2 non-voting (as well as a variety of observers) |
| Board Composition | Macintosh HD:Users:bluemaroon:Desktop:Pre Work:good circles:ctf-01.png  \*When the CTF Trust Fund Committee considers an investment plan, program or project for a country, a representative of that country sits on the Committee as a non-voting member. Also, the World Bank and the MDBs have a permanent non-voting seat on the Committee. |
| Decision-Making | Consensus (any member may veto) |
| Chair Selection | The Committee elects two Co-Chairs from among its Members to serve an 18-month term. One Co–Chair will be the representative of a recipient eligible country, and the other, a representative of a contributor country. |
| Chair Term + Responsibilities | 18 months, The Co-Chairs shall preside at all meetings of the Trust Fund Committee. |
| Head of Secretariat | A Program Manager heads the Administrative Unit of the CIFs. The Administrative Unit supports the work of the CIF, the Trust Fund Committee and other committees. It currently has approximately 30 staff members. |
| Multilateral Aid Review | The CTF was evaluated in both the MAR and the AMA as part of the CIFs. In the MAR, rated the CIFs in the 2nd tier of aid organizations when it came to offering value for money. The CIFs qualified for the top tier of the AMA’s similar metric The AMA ranked the CIFs as strong or very strong in all 7 of the key component categories. They scored very highly in the Contribution to Multilateral Systems and Strategic Management and Performance sectors of the report. A particular strength highlighted in the MAR was that the CIFs met a critical gap in the global climate change architecture. A weakness was the lengthy process to design results framework. |
| Multiyear Fundraising? | The CTF does not raise funds through a multiyear process. |
| Non-Public Fundraising | The CTF’s only contributors are sovereign nations. |

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| Partnership | The Global Agriculture and Food Security Program (GAFSP) |
| Description | The Global Agriculture and Food Security Program (GAFSP) invests in agriculture to reduce poverty and improve food and nutrition security in low-income countries |
| Established | 2010 |
| Decision-Making Body | The GAFSP Steering Committee |
| Member Count | 15 |
| Board Composition | Macintosh HD:Users:bluemaroon:Desktop:Pre Work:good circles:gafsp-01.png |
| Decision-Making | Consensus (any voting member may veto) |
| Chair Selection | The Chair is chosen from among existing Steering Committee members by majority vote. |
| Chair Term + Responsibilities | 1 year – The Chair presides over deliberations of the Steering Committee and is assisted by a secretary appointed from the Coordination Unit. |
| Head of Secretariat | The Coordination Unit comprises a small team of about 10 staff. A Program Manager heads the Coordination Unit. |
| Multilateral Aid Review | GAFSP was evaluated in neither the MAR nor the AMA. |
| Multiyear Fundraising? | GAFSP does not use a multiyear funding process as of yet, but this issue is being discussed. At the last joint meeting between the Steering Committee and the Private Sector Window Committee, a vision paper, which is to make a case for multi-year fundraising goals, was commissioned. |
| Non-Public Fundraising | 5.9% - GASFP’s private funding to date has been exclusively from the Gates Foundation. |

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| Partnership | Global Environment Facility |
| Description | GEF works in partnership with a number of implementing agencies, providing new and additional grants and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits. |
| Established | 1992 |
| Decision-Making Body | The GEF Council |
| Member Count | 32 |
| Board Composition | Macintosh HD:Users:bluemaroon:Desktop:Pre Work:good circles:gef-01.png |
| Decision-Making | Double-Weighted Majority – 60% majority of the total number of participants, and a 60% majority of the total contributions is required. |
| Chair Selection | The GEF CEO is Chair of the Council and is assisted by a Co-Chair who is elected by the Council, from among the Council. The role of Co-Chair alternates between donor and recipient countries at each meeting. |
| Chair Term + Responsibilities | The GEF CEO chairs the Board deliberations regarding review and approval of the work program, resource mobilization and project selection. The Co-Chair presides over deliberations on the appointment of the CEO and approval of the administrative budget. |
| Head of Secretariat | The CEO presides over a large secretariat of ~100 staff. The GEF CEO chairs the Council. |
| Multilateral Aid Review | The GEF was evaluated in both the MAR and the AMA. In the MAR, the GEF qualified for the second tier of organizations in terms of value for money; it was deemed as offering **good** value for money, qualifying it for the 2nd tier of organizations in the report. Nonetheless, it was also assessed as **fulfilling a critical niche** in the global aid market. The AMA ranked the GEF as **strong** or **very strong** in all 7 of the key component categories, meaning it was part of the top tier of aid organizations in that report. It scored very highly in **Transparency and Accountability,** a sentiment echoed in the **MAR.** In the 2 years between the 2011 MAR and the 2013 progress report, the GEF improved its score due to improved **Partnership Behavior** with recipient countries. |
| Partnership | The GEF is funded by donor countries, which pledge money every four years through the GEF replenishment process, which was designed to allow for program flexibility, strategic planning, and periodic performance evaluations. The original GEF pilot program of $1 billion has been replenished five times with $2.01 billion in 1994, $2.67 billion in 1998, $2.93 billion in 2002, $3.13 billion in 2006, and $4.34 billion in 2010. |
| Non-Public Fundraising | The GEF’s only contributors are sovereign nations. |

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| Partnership | The Global Fund to Fight AIDS, TB and Malaria (The Global Fund) |
| Description | GFATM is a global public/private partnership that raises and disburses funds to prevent and treat HIV/AIDS, tuberculosis and malaria. Since its creation in 2002, it has become the largest multilateral funder of health related MDGs. |
| Established | 2002 |
| Decision-Making Body | The Global Fund Board |
| Member Count | 20 + 8 non-voting |
| Board Composition | Macintosh HD:Users:bluemaroon:Desktop:Pre Work:good circles:tgf 2-01.png  \* The 8 non-voting members of the board consist of: the Board Chair; the Board Vice-Chair; representative from WHO; representative from UNAIDS; representative from the Partners constituency; a Swiss citizen to act legally on behalf of the Fund and the Executive Director of the Fund |
| Decision-Making | Double-Weighted Majority – 2/3 majority from both the Donors’ and the Implementers’ bloc |
| Chair Selection | The Chair and the Vice-Chair are elected through an open process, though positions must alternate every 2 years between donors’ and implementers’ blocs. |
| Chair Term + Responsibilities | 2 years - The Board Chair and Vice-Chair are the principal spokespersons for the board and may take action on the Board’s behalf between meetings. In addition to chairing Board Meetings and convening the Coordinating Group, they have important advocacy and fundraising roles. Both must be prepared to commit up to 50% of their full working time to Board duties. |
| Head of Secretariat | The Global Fund Executive Director presides over a large secretariat of ~600 staff and has a permanent (non-voting) seat on the Fund’s Board. |
| Multilateral Aid Review | The Global Fund was evaluated in both the MAR and the AMA and the results were mixed. The MAR assessed the fund as being among the 9 multilateral organizations to offer UK aid **very good** value for money, (though it was on the lower end of this spectrum). Conversely, the AMA ranked the fund as **strong** or **very strong** in only 3 of the reports 7 component categories. It was given a **weak** ratingin both the **Cost and Value Consciousness** and **Strategic Management and Performance** sections of the report. While the MAR named similar categories among its reform priorities for the fund, it also highlighted strengths including the fund’s strength in targeting **high impact interventions** and in **transparency innovations**. The MAR also commended the substantial and far-reaching reforms undergone by the fund in 18 months leading up to the report. This speed of the transformation was viewed as particularly impressive given the size of the organization. |
| Multiyear Fundraising? | In The Global Fund’s early days, its annual, ad hoc fundraising mechanism made it difficult to plan a multiyear work program. The fund moved to a periodic multi-year pledging mechanism to provide sustainable and predictable funding beyond one year. It currently fundraises in 3-year cycles. |
| Non-Public Fundraising | Private donors make up 4.3% of the Global Fund’s overall pledges. The Gates Foundation is by far The Global Fund’s largest non-public donor. |

# Annex I: Table of how option addresses challenges of the CGIAR governance and decision-making

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| --- | --- | --- | --- | --- | --- | --- |
| **Challenges** | **Option 1- Current system with modifications** | **Option2 – addition of annual joint meeting of CB and FC** | **Option 3 – strengthened Fund Office and more-centered focused Consortium** | **Option 4 – two governing bodies and one administrative/management office** | **Option 5a – one governing body, one admin/mang’t**  **office** | **Option 5b – one governing body, one admin/mang’t office with two units (separate locations)** |
| 1. Complex and complicated system– need to simplify | Having lead centers directly accountable for CRPs  Simplified financial management (still to come from Pamela)  Efforts will need to be made to harmonized agreed reporting and evaluations, and to work with bilateral to fully promote opportunities for common reporting. | Joint action in approving CRPs, budget proposals, monitoring and evaluation reports, reporting on financing and risks should reduce the chain of endorsements and approval and add to a shared understanding of the system  Other improvements as in Option 1 | Having lead centers directly accountable for CRPs  Fund Office would have clearer responsibility for system oversight and ensuring decisions of Fund Council are well implemented with clearer communications channels between Fund Office and the centers.  Simplified financial management (still to come from Pamela)  Efforts will need to be made to harmonized agreed reporting and evaluations, and to work with bilateral to fully promote opportunities for common reporting. | One office, operating under one director, would lead to more effective communications, stronger collaboration, and efficient implementation of decision since one manager would be responsible for managing all management tasks. This should simplify the system. A complexity that would remain is having two governing bodies, but the director of the office would be well placed to ensure good communication and interaction between the two bodies. A joint meeting of the two bodies would also simplify the structure further. | This option is most likely to help streamline the system. Decision-making would be vested in one body, as would management oversight of the system.  Leadership would be clear, and a chair with significant stature could raise the profile of the CGIAR internationally  Simplified financial management (still to come from Pamela)  Efforts will need to be made to harmonized agreed reporting and evaluations, and to work with bilateral to fully promote opportunities for common reporting. | This option also should lead to a more streamlined system. Decision-making would be vested in one governing body and a single director of two units could ensure that the decisions of the governing body are implemented efficiently and effectively, assigning tasks to the appropriate unit and making any adjustments that may be required.  Leadership would be clear, and a chair with significant stature could raise the profile of the CGIAR internationally  Simplified financial management (still to come from Pamela)  Efforts will need to be made to harmonized agreed reporting and evaluations, and to work with bilateral to fully promote opportunities for common reporting. |
| 2. Inadequate participation and ownership of key stakeholders | Adding center representation to CB and as observers to FC will give centers voice  Making CO more facilitative will reduce adversarial relation with centers  Improved practices to make decision making more transparent will enhance ownership  Better communications between two pillars and within each pillar through improved practices | Joint action in approving CRPs, budget proposals, monitoring and evaluation reports, reporting on financing and risks should reduce the chain of endorsements and approval and add to a shared understanding of the system  Other improvements as in Option 1 | Consortium Board would be composed of Center representatives only, thereby ensuring that Consortium is accountable to the centers  Annual meeting between contributors and the centers focused on research programs would increase the connections and promote dialogue on governance decisions | The proposed two governing bodies would be restructured as proposed in Options 1 and 2, so the improvements in those options would apply.  Simplified financial management (still to come from Pamela)  Efforts will need to be made to harmonized agreed reporting and evaluations, and to work with bilateral to fully promote opportunities for common reporting. | The single governing body would have good representation of the centers.  The administrative/management unit, working through the Centers Committee, would be responsible for ensuring a collaborative process for developing proposals for review and approval. | The single governing body would have good representation of the centers.  The manager of the centers unit, working through the Centers Committee, would be responsible for ensuring a collaborative process for developing proposals for review and approval |
| 3. Lack of trust | Stronger voice and better communication among all partners – avoid mixed messages  Reduction/removal of Consortium’s regulatory role  System wide communication and knowledge strategies to demonstrate transparency and results  More effective decision making by FC will raise trust of centers  More predictable funding will raise trust throughout system  Regular risk monitoring will allow for more effective decision-making, early identification and resolution of emerging problems, adding to increased credibility of the system  Stronger ISPC will raise trust in quality of science  Shift partnership role from ISPC to CO and FO and have dedicated staff for private sector and non-governmental partners to better promote consistent outreach and communication with outside partners.  Stronger ISPC role will raise trust in quality of science | Joint action on key strategic issue should lead to better understanding of concerns and needs of all partners, and align and unify decision-making. Joint meeting would contribute to articulation of shared objectives, alignment of goals, ability to understand and respond to changing circumstances.  Joint meetings will increase ability for system-wide identification of risks and challenges at an early stage and a system-wide response to mitigate those risks  Other improvements as in Option 1 | Clearly designates Fund Office as responsible for system oversight and ensuring implementation of Fund Council decisions. Avoiding mixed messages should contribute to clearer expectations and more trust.  Stronger ISPC role will raise trust in quality of science | Same as in option 1 and 2.  A single office would enhance the flow of information among the partners and coordinated approaches on resource mobilization, communications, knowledge management, risk management, and monitoring and evaluation. These improvements would lead to greater trust in the system.  Stronger ISPC role will raise trust in quality of science | A single governing body would be able to approve clear strategic messages, set expectations, and required harmonized procedures and processes.  A single management unit would be expected to efficiently exercise its responsibilities for program implementation, regulatory compliance, review and monitoring, learning and program assessment. A single director would be able to ensure that the appropriate staff is charged with fulfilling the required tasks in an effective and timely manner. The flow of information among the partners would be improved through the single office and the Centers Committee.  Stronger ISPC role will raise trust in quality of science  Shift partnership role from ISPC to administrative/management office and have dedicated staff for private sector and non-governmental partners to better promote consistent outreach and communication  A process for regular mobilization of resources, based on strong programmatic proposals and evidence of results from earlier investments, should lead to more predictable investments. | A single governing body would be able to approve clear strategic messages, set expectations, and required harmonized procedures and processes.  A single management unit would be expected to efficiently exercise its responsibilities for program implementation, regulatory compliance, review and monitoring, learning and program assessment. With two units in different locations, the director would have to give priority to ensure that the two units are in reality working as one office. The director would be able to ensure that the appropriate staff is charged with fulfilling the required tasks in an effective and timely manner. The flow of information among the partners would be improved through the single office and the Centers Committee.  Stronger ISPC will raise trust in quality of science  Shift partnership role from ISPC to administrative/management office and have dedicated staff for private sector and non-governmental partners to better promote consistent outreach and communication  A process for regular mobilization of resources, based on strong programmatic proposals and evidence of results from earlier investments, should lead to more predictable investments. |
| 4. Lack of clear strategic direction | Overall strategic direction would come from the Fund Council based on advice of the ISPC, through approval of science agenda, and resource allocation  Clear and timely process for SRF and CRP portfolio  ISPC to be given lead role in identifying scientific priorities and in convening outside experts to expand the scope and quality of such advice | Joint meeting will set strategy. ISPC would provide scientific advice. Since all partners represented at that meeting, agreed strategic direction and intentions of decision makers should be clear to all partners.  Other improvements as in Option 1 | Overall strategic direction would come from the Fund Council based on advice of the ISPC, through approval of science agenda, and resource allocation  ISPC to be given lead role in identifying scientific priorities and in convening outside experts to expand the scope and quality of such advice | Same improvements as in option 1 and 2.  Additionally, having the management functions performed from one office, under the supervision of one director, would facilitate the identification of synergies in the day-to-day coordination of the system and the effective implementation of the decisions of the governing bodies in a holistic way.  ISPC to be given lead role in identifying scientific priorities and in convening outside experts to expand the scope and quality of such advice | A single governing body will be responsible for approving the strategic direction, policies and programs of the system. This should alleviate any ambiguities. If ambiguities arise in the implementation of the system activities, a single office would be well placed to alert the governing body to any concerns and to propose, in collaboration with the Centers Committee, measures to address the challenges.  Leadership would be clear, and a chair with significant stature could raise the profile of the CGIAR internationally  ISPC to be given lead role in identifying scientific priorities and in convening outside experts to expand the scope and quality of such advice | A single governing body will be responsible for approving the strategic direction, policies and programs of the system. This should alleviate any ambiguities. If ambiguities arise in the implementation of the system activities, a single office would be well placed to alert the governing body to any concerns and to propose, in collaboration with the Centers Committee, measures to address the challenges.  Leadership would be clear, and achair with significant stature could raise the profile of the CGIAR internationally  ISPC to be given lead role in identifying scientific priorities and in convening outside experts to expand the scope and quality of such advice |
| 5. Lack of transparency in decision-making processes | Stronger voice and better communication among all partners – avoid mixed messages (best practices on communications between 2 pillars)  System wide communication and knowledge strategies to demonstrate transparency and results  More effective decision making by FC will raise trust of centers in decision-making process. | Joint meeting will increase transparency of decision-making regarding SRF, CRPs, budgets, monitoring and evaluations, financing, and risks.  Joint meeting would enhance the legitimacy and transparency of decision-making.  Other improvements as in Option 1 | Clear recognition that Fund Council is responsible for strategic and financial decisions, together with Fund Office efforts to maintain transparency in meeting preparations and reporting, should enhance transparency in decision making. | Same as in options 1 and 2.  The management office would be responsible for ensuring transparency regarding the decisions of the two governing bodies, and as the same office will service both bodies, it will be well placed to ensure that one body is fully informed of the decision making processes of the other. This information should also be shared with other partners in the system that will increase transparency. | A single body – with representation from all partners during its meeting - should ensure that there is no longer a lack of transparency in decision making.  The administrative/management office would be responsible for ensuring that decisions are communicated and understood.  The Centers Committee would provide a forum for clarifying decisions and implementation. | A single body – with representation from all partners during its meeting - should ensure that there is no longer a lack of transparency in decision making.  The administrative/management office would be responsible for ensuring that decisions are communicated and understood.  The Centers Committee would provide a forum for clarifying decisions and implementation |
| 6. Inefficient decision-making – lack of speedy decision-making | Strong Chair together with streamline FC, with voting aligned with contributions, should promote efficient decision making | Joint decision-making should be speedier and more effective than sequential endorsement and approval and would minimize the risk of important decisions remaining unresolved.  Other improvements as in Option 1 |  | Same as in option 1 and 2.  The single management office and director will have oversight of the flow of information and decision-making, the calendar of meetings, and rationalization of the approval process. The office/director could facilitate timely and coordinated approaches on decision-making. | A single body would reduce the current steps required for a decision.  The administrative/management office would be expected to drive the agenda, in consultation with the Centers committee, to ensure that proposed decisions are brought to the governing body in a timely manner.  A strong chair would be expected to lead the governing body’s decision making. | A single body would reduce the current steps required for a decision.  The administrative/management office would be expected to drive the agenda, in consultation with the Centers committee, to ensure that proposed decisions are brought to the governing body in a timely manner.  A strong chair would be expected to lead the governing body’s decision making. |
| 7. Weak leadership in promoting partnership culture | Strong chairs of FC and CB, with sufficient time to dedicate to position, and good collaboration between the will promote partnership culture  Greatly enhanced communication between two pillars essential  Robust and well-implemented communications and knowledge management strategies should further promote strong partnerships. Good monitoring, results reporting and evaluations should demonstrate the added value of working together. | Strong chairs of FC and CB and common annual meetings should promote partnership culture.  Joint meetings would serve to eliminate perceptions that one pillar does not understand nor listen to the other and alleviate concerns about their relative stature in the governance system.  Other improvements as in Option 1 | Program officers in Fund Office would be regular point of contact with CRP leaders, ensuring consistency in implementing decisions and collaboration across the portfolio  Robust and well-implemented communications and knowledge management strategies should further promote strong partnerships. Good monitoring, results reporting and evaluations should demonstrate the added value of working together. | Same as in option 1 and 2.  A key responsibility of the director would be to promote the partnership through strong communications and consultations, alignment of goals and expectations, and harmonization of procedures and processes wherever possible.  Robust and well-implemented communications and knowledge management strategies should further promote strong partnerships. Good monitoring, results reporting and evaluations should demonstrate the added value of working together. | Both the Chair of the governing body and the director of the administrative/management office will be expected to promote and demonstrate through their behavior and action a partnership culture.  The Centers committee will ensure regular and substantive dialogue with the centers.  Robust and well-implemented communications and knowledge management strategies should further promote strong partnerships. Good monitoring, results reporting and evaluations should demonstrate the added value of working together. | Both the Chair of the governing body and the director of the administrative/management office will be expected to promote and demonstrate through their behavior and action a partnership culture.  The Centers committee will ensure regular and substantive dialogue with the centers.  Robust and well-implemented communications and knowledge management strategies should further promote strong partnerships. Good monitoring, results reporting and evaluations should demonstrate the added value of working together. |
| 8. Unclear balance of roles between the Consortium and Fund Council | Greater clarity on functions and decision making role should clarify position of each pillar | Joint meetings would serve to eliminate alleviate concerns about their relative stature in the governance system since they would have regular opportunity to reach common decisions.  Greater clarity on functions and decision making role should clarify position of each pillar | Funders to the system are to ensure that funds are spent in an efficient and effective way – FO to have greater program and financial oversight. Makes clear that ultimate responsibility for decision-making rests with FC. | Same improvements as in Option 1 and 2.  While the design should provide greater clarity on the responsibilities and expectations for each governing body, the single director would be able to identify early any ambiguities or false expectations and seek to take corrective actions before they become a significant issue. | This issue will be addressed through one governing body. | This issue will be addressed through one governing body. |
| 9. Tension between dual roles of Consortium – adversarial relation with centers | Adding Center representation to CB Board will enhance center ownership  Reaffirms key role of Consortium is facilitative and supportive of the centers  Having lead centers directly accountable for the CRP funds important to address this issue  Better communications within Consortium (CB, CO and meetings) | Adding Center representation to CB Board and to joint meeting will enhance center ownership  Other improvements as in Option 1 | Reaffirms key role of Consortium is facilitative and supportive of the centers  Having lead centers directly accountable for the CRP funds important to address this issue | The single office would have both a regulatory role and a facilitation role. It will be important to ensure that the leadership of the office understands the culture of working with partners through frequent communications and consultations and collaborative decision-making. | Some of the tension will be removed by having only one decision-making body.  The single office would have both a regulatory role and a facilitation role. It will be important to ensure that the leadership of the office understands the culture of working with partners through frequent communications and consultations and collaborative decision-making.  The Centers Committee will be an important tool to align expectations and build consensus. | Some of the tension will be removed by having only one decision-making body.  The single office would have both a regulatory role and a facilitation role. Having a separate unit dedicated to providing services to the centers will ensure that they are facilitated to be effective and efficient system partners with a strong voice in the management of the system. It will be important to ensure that the leadership of the office understands the culture of working with partners through frequent communications and consultations and collaborative decision-making.  The Centers Committee will be an important tool to align expectations and build consensus. |
| 10. Consortium has insufficient accountability to centers | Changes in CB composition to include centers will enhance accountability to the centers  Better communications within Consortium (CB, CO and meetings) | Same improvements as in Option 1 | Changes in CB composition to include only centers will ensure accountability to the centers | Same improvements as in Option 1. The CB composition would include centers representatives.  In addition, the single management office would have communicated frequently with the centers through the Centers Committee, thus building ownership and shared understanding among the centers. | The Centers will be represented on the governing body, would have an advocate in the administrative/management office, and will be frequently consulted in the Centers Committee. | The Centers will be represented on the governing body, would have an advocate in the administrative/management office, and will be frequently consulted in the Centers Committee. |
| 11. Duplication of functions between CO and FO leading to mixed messages | Stronger voice and better communication practices among all partners – avoid mixed messages  Better sequencing and communication of CB and FC decisions  Steps to address predictability of funding will alleviate much of the tensions as mixed messages are often about financial matters | Joint action in approving CRPs, budget proposals, monitoring and evaluation reports, reporting on financing and risks should reduce the chain of endorsements and approval and avoid mixed messages  Other improvements as in Option 1 | Enhancing role of FO in programming and financial oversight should reduce mixed messages between FO and CO | A single office would ensure that this is no longer an issue. | A single office would ensure that this is no longer an issue. | A single office would ensure that this is no longer an issue. The director will need to ensure that the managers of the two units are well aligned in their messages and communications. |
| 12. High transactions costs | Having lead centers directly accountable to the Fund Council for CRP funding should simplify some of the reporting and agreement costs.  Efforts will need to be made to harmonized agreed reporting and evaluations, and to work with bilateral to fully promote opportunities for common reporting. | Improvements as in Option 1 | Improvements as in Option 1 | Improvements as in Option 1 | Improvements as in Option 1 | Improvements as in Option 1 |
| 13. Need for improved communication throughout the system | Addressed by system-wide communication strategy with identified roles and responsibilities for all system partners and better communications practices | Joint meeting will be another tool to enhance communications  Improvement of communications strategy | Improvement of communications strategy | The single office should be staffed with a strong communications team to ensure that information is shared throughout the system.  Improvement of communications strategy | The single office should be staffed with a strong communications team to ensure that information is shared throughout the system.  The Centers Committee will provide a regular forum for sharing of information and promoting dialogue with the centers  Improvement of communications strategy | The single office should be staffed with a strong communications team to ensure that information is shared throughout the system.  The Centers Committee will provide a regular forum for sharing of information and promoting dialogue with the centers  Improvement of communications strategy |
| 14. Need for predictable funding and better management of funds | Addressed in cross-cutting resource mobilization proposal  Reinforcing the authority of the FC for resource mobilization and financial decisions should also reinforce responsibility for contributors to deliver predictable and sufficient funding | Same as Option 1 | Same as option 1 | Addressed in cross-cutting resource mobilization proposal | Addressed in cross-cutting resource mobilization proposal  The authority of CGIAR Council for resource mobilization and financial decisions and a regular replenishment cycle should reinforce responsibility for contributors to deliver predictable and sufficient funding | Addressed in cross-cutting resource mobilization proposal  The authority of the CGIAR Council for resource mobilization and financial decisions and a regular replenishment cycle should reinforce responsibility for contributors to deliver predictable and sufficient funding |
| 15. Need for clarity on how funds are raised, who has responsibility for resource mobilization | Makes clear that Fund Office has a lead in preparing resource mobilization strategy that should identify role of all players in resource mobilization, as well as funding targets and timing of process. Resource mobilization strategy to be approved by FC, reinforcing responsibility of contributors to deliver predictable and sufficient funding. | Joint meeting does not add to this issue | Resource mobilization strategy to be approved by FC, reinforcing responsibility of contributors to deliver predictable and sufficient funding. | Resource mobilization strategy to be proposed by the single office and approved by the Fund Council. The strategy that should identify role of all players in resource mobilization, as well as funding targets and timing of process.  Resource mobilization strategy to shared with contributors forum, reinforcing responsibility of contributors to deliver predictable and sufficient funding. | Resource mobilization strategy to be proposed by the single office and approved by the CGIAR Council. The strategy that should identify role of all players in resource mobilization, as well as funding targets and timing of process.  Resource mobilization strategy to shared with contributors forum, reinforcing responsibility of contributors to deliver predictable and sufficient funding | Resource mobilization strategy to be proposed by the single office and approved by the CGIAR Council. The strategy that should identify role of all players in resource mobilization, as well as funding targets and timing of process.  Resource mobilization strategy to shared with contributors forum, reinforcing responsibility of contributors to deliver predictable and sufficient funding |
| 16. Lack of a robust, scientifically based process for identifying priorities and insufficient independent scientific advice | ISPC to be given lead role in identifying scientific priorities and in convening outside experts to expand the scope and quality of such advice | ISPC to be given lead role in identifying scientific priorities and in convening outside experts to expand the scope and quality of such advice | ISPC to be given lead role in identifying scientific priorities and in convening outside experts to expand the scope and quality of such advice | ISPC to be given lead role in identifying scientific priorities and in convening outside experts to expand the scope and quality of such advice | ISPC to be given lead role in identifying scientific priorities and in convening outside experts to expand the scope and quality of such advice | ISPC to be given lead role in identifying scientific priorities and in convening outside experts to expand the scope and quality of such advice |
| 17. Lack of incentives for partnership behavior | Predictable funding will serve as an incentive to engage in the CRPs  Ensuring that all entities perceive that they have a voice and part in decision making will encourage trust and ownership in the partnership  Clear decisions and good communication of those decisions will strengthen the system  A risk management framework which is regularly monitored together with channels for raising issues will allow for those issues to be addressed early  Strong knowledge managements will allow all partners to appreciate the results that are being achieved – with recognition for the contributions being made | Predictable funding will serve as an incentive to engage in the CRPs  Ensuring that all entities perceive that they have a voice and part in decision making will encourage trust and ownership in the partnership  Clear decisions and good communication of those decisions will strengthen the system  A risk management framework which is regularly monitored together with channels for raising issues will allow for those issues to be addressed early  Strong knowledge managements will allow all partners to appreciate the results that are being achieved – with recognition for the contributions being made | Predictable funding will serve as an incentive to engage in the CRPs  Ensuring that all entities perceive that they have a voice and part in decision making will encourage trust and ownership in the partnership  Clear decisions and good communication of those decisions will strengthen the system  A risk management framework which is regularly monitored together with channels for raising issues will allow for those issues to be addressed early  Strong knowledge managements will allow all partners to appreciate the results that are being achieved – with recognition for the contributions being made | Predictable funding will serve as an incentive to engage in the CRPs  Ensuring that all entities perceive that they have a voice and part in decision making will encourage trust and ownership in the partnership  Clear decisions and good communication of those decisions will strengthen the system  A risk management framework which is regularly monitored together with channels for raising issues will allow for those issues to be addressed early  Strong knowledge managements will allow all partners to appreciate the results that are being achieved – with recognition for the contributions being made | Predictable funding will serve as an incentive to engage in the CRPs  Ensuring that all entities perceive that they have a voice and part in decision making will encourage trust and ownership in the partnership  Clear decisions and good communication of those decisions will strengthen the system  A risk management framework which is regularly monitored together with channels for raising issues will allow for those issues to be addressed early  Strong knowledge managements will allow all partners to appreciate the results that are being achieved – with recognition for the contributions being made | Predictable funding will serve as an incentive to engage in the CRPs  Ensuring that all entities perceive that they have a voice and part in decision making will encourage trust and ownership in the partnership  Clear decisions and good communication of those decisions will strengthen the system  A risk management framework which is regularly monitored together with channels for raising issues will allow for those issues to be addressed early  Strong knowledge managements will allow all partners to appreciate the results that are being achieved – with recognition for the contributions being made |

**Annex J: Cost Analysis of Options**

This cost analysis provides a macro assessment of the budget impact of each of the governance options. Accordingly, the amounts are indicated in high level ranges to provide an order of magnitude. In-depth functional reviews and detailed analyses would be required to quantify more specific resource requirements. Two views are provided:

1. ***Budget Savings*** resulting from a comparison of current system costs versus budget costs assuming the recommended actions of each option have been implemented; and
2. ***One-time transition costs*** to implement each option. (to be provided in next draft)

With each view, savings are provided in three ranges: Low - Under $1 million, Medium - $1-3 million; and High $3 million and up.

*Current Budget*

The 2015 approved budget for each system entity serves as the baseline for comparison. Viewing the system budget from various cuts (entity, category, and function) provides context for the assessment. As shown below, system costs have consistently averaged 2% of total fund expenditures.

CGIAR System costs as a Percentage of Total Expenditures

(2013-2015) $million



The budget allocations by entity have remained fairly consistent across the system with IEA receiving the most significant increase during the period from 2013-2015.

CGIAR System costs by System Entity

(2013-2015) $million

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2013 | 2014 | 2015 |
| By Entity | Actual | Budget | Budget |
| Consortium | 7.9 | 7.0 | 6.6 |
| Fund Office | 3.8 | 3.9 | 3.5 |
| ISPC | 3.8 | 3.7 | 3.6 |
| IEA | 1.3 | 2.8 | 3.9 |
| Trustee | .4 | .6 | .6 |
| Total | 17.1 | 18.1 | 18.3 |

Personnel or staffing costs represent 57% of total system costs with the Consortium having the highest number of full time staff equivalents at 30 which includes professional, administrative, and seconded staff.

2015 System Budgeted Costs 2015 Budgeted Positions

by Category by Entity



The 2015 budgeted allocation by major function within the system entities highlights the concentration of resources. As shown below, the primary focus of the **Fund Office** is Donor Relations and Resource Mobilization with 30% of the budget.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Fund Office |  | $million |  |  |  |  |
| Support to FC Meetings & Committees | Manage Donor Relations & Resource Mobilization | Financial Management | Facilitate Fund Council Decision Making | Communication | Adm Support/M&E | Total |
| .82 | **1.07** | .19 | .83 | .42 | .17 | 3.50 |

Within the **Consortium** budget, the Financial and Corporate functions represent 41% of the total, demonstrating the significant efforts for collection and reporting of financial information and support for shared services.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Consortium |  | $million |  |  |  |  |
| Board | CEO's Office | Corporate Services | Strategy | Science | Legal | Total |
| .71 | 1.08 | **2.85** | .80 | 1.13 | .36 | 6.93 |

The majority of **ISPC’s** budget supports the Secretariat function that is located in Rome and receives an FAO contribution of $1.35m annually, together with in-kind office space. The technical activities involve reviews, assessments, strategy & trends, and mobilizing partnerships.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ISPC |  | $million |  |  |
| Council | Technical | Secretariat/ Office 1/ | Other Operating | Total |
|  |  |  |  |  |
| .71 | .95 | **1.94** | .05 | 3.65 |

Two thirds of **IEA’**s budget funds evaluations that are conducted by external parties with oversight by IEA personnel. The Secretariat is hosted by FAO with an in-kind contribution for office space.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| IEA |  | $million |  |  |  |
|  | Strengthening | Quality Assurance |  |  |  |
| Evaluations | Eval across CGIAR | & Other | Personnel | Travel | Total |
|  |  |  |  |  |  |
| **2.66** | .19 | .07 | .93 | .10 | 3.94 |

Roughly 75% of the **Trustee** budget funds financial and program management that includes all of the transactions associated with receipt of donor funds and disbursement to centers.

The Trustee $million

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Financial & | Investment | Actg, Reporting | Legal | External |  |
| Program Mgt | Management | & Auditing | Services | Audit | Total |
|  |  |  |  |  |  |
| **.46** | .04 | .06 | .02 | .05 | .62 |

*Estimated Budget Savings*

In each of the following assessments, the proposed actions are weighed in terms of budget impact following implementation. It should be noted that more effective decision-making and effective management, particularly funds management, may accrue without a corresponding reduction in costs. More specifically, streamlined reporting and funds flow reduces transaction costs but may not necessarily affect staff costs. (Refer to Section \_\_ on Financial Management).

*Option 1 Modifications of the existing system structure & decision making processes & accountabilities (no change in fiduciary responsibilities)*

***Low Savings***

Impact on existing costs would be in the low range since the proposed actions mainly focus on strengthening current processes and streamlining functions. The adoption of a resource mobilization strategy may require additional staff costs depending on the scale of the effort. For this assessment, it is assumed that the Fund Council will be responsible for the bulk of the resource mobilization effort, and that the risk management framework would be accommodated in the existing budget allocations.

*Option 1 Modifications of the existing system structure & decision making processes & accountabilities and a change in fiduciary responsibilities*

***Low Savings***

In this option, the fiduciary accountability rests solely with the lead center as the Fund Council or Fund Office enters into an agreement for the CRP directly with the lead center, eliminating the need for the Consortium Performance Agreement (between the Consortium and Fund Council). Some transaction costs should be reduced from the shift but they are not considered to be significant. For this exercise, it is assumed that the Consortium would continue to be responsible for programmatic monitoring and reporting of CRPs.

*Option 2 Modifications of the existing system structure & decision making processes & accountabilities (no change in fiduciary responsibilities) plus joint meeting of Fund Council and Consortium Board*

***Low Savings***

With this option the cost of an annual meeting is added to the costs identified in option 1a. However, the cost would be minimized as it is envisioned that the annual meeting between the Fund Council and the Consortium Board would be held jointly with the second respective meeting in each calendar year of the Fund Council and Consortium Board.

*Option 2 Modifications of the existing system structure & decision making processes & accountabilities with a change in fiduciary responsibility, plus joint meeting of Fund Council and Consortium Board*

***Low Savings***

Similar to Option 1, this option assumes some savings in transaction costs due to the elimination of agreements but it is assumed the Consortium continues with programmatic monitoring and reporting to the Fund Council. The added cost of the joint meeting would be minimal.

*Option 3 Modifications of the existing system structures and decision-making processes and accountabilities with strengthened Fund Office and a Consortium of the Centers*

***Low to Medium Savings***

In this option the Fund Office assumes the oversight role of the CRPs on behalf of the donors, resulting in staffing implications. Additional staff would be required in the Fund Office to serve as program officers for the function, estimated at 2-3 to oversee 15 CRPs, the current compliment. The Fund Office would also contract with the CRP lead centers. Since the Consortium will no longer have the programmatic and fiduciary oversight responsibility, it is assumed that there will be some staff savings at the Consortium, coupled with savings from the elimination of the Consortium Performance Agreement between the Fund Council and Consortium. The cost of an additional annual meeting between the FC and Centers would be minimal.

In this option, the lead center for the CRP would directly request funds from the Trustee (Direct Access). Although no significant cost savings may accrue, the increased process efficiencies would be evident in the Consortium and the centers.

*Option 4 Consortium Board and Fund Council with one administrative unit*

***High Savings***

This option proposes a **single administrative/management office** that combines the Consortium and Fund Offices in one location while retaining two governing bodies. By combining administrative functions, staffing costs would be reduced due to elimination of a manager and possibly others. Overlapping functions between the Consortium Office and Fund Office would be streamlined, complexity reduced and communications greatly enhanced resulting in significant efficiencies that would be evident across the system.

*Option 5a Single CGIAR Council with one administrative/management office in one location*

***High Savings***

This option proposes **one governance body**, the CGIAR Council, supported by one **administrative/management office.** The option has the most potential to significantly reduce system costs. Having one governance body would reduce meetings and their associated costs, decrease communication and possibly travel costs, limit performance agreements, monitoring compliance, and overall reporting. A single administrative office would streamline operations with savings in staffing, communications, and travel. Savings would also accrue from the elimination of a Director salary. Savings would be maximized if the One Corporate System that provides an enterprise systems platform were fully implemented across the centers, allowing for efficient financial management reporting. This option establishes a Centers committee to foster collaboration across the centers. Since it is envisioned to be conducted virtually, no incremental cost is projected.

Streamlining the funds flow from the Trustee directly to the centers would further enhance efficiencies by eliminating an intermediary step in the process. (See Section \_\_ on Financial Management).

*Option 5b Single CGIAR Council with one administrative/management office in two location*

***Medium to High Savings***

Under this option there would be one governance body, the CGIAR Council, supported by one **administrative/management office**). The savings from the combination of the governance bodies would be the same as outlined in option 5a. However, the administrative/management office would encompass two units, a Council unit and a Centers unit. This option offers the savings in salary due to the single manager of the combined unit. The Council Unit would service the Council and the Centers Unit would focus on collaboration across the centers. The efficiencies in this scenario would accrue due to the clear demarcation of responsibilities between the units and the single governance body.

*Special Initiatives*

Several initiatives that may affect costs are under consideration or in progress.

***Implementation of a Resource Mobilization Strategy*** - the original 2015 budget proposal requested $1.6m for implementation that was deferred and $.150m was approved to explore alternate options. The proposed resource mobilization process would involve some meeting costs for consultations among contributors, but the meetings should be prepared and staffed by the Fund Office or the administrative/management office and should therefore not be low.

***Implementation of a Risk Management Framework*** - depending on scope, this effort may have system wide impacts

***One Corporate System*** - this initiative establishes a single systems platform across the CGIAR , centers and system to enable information sharing, timely report generation, and simplification of processing. It affords the most significant potential for increasing efficiencies as discussed below.

*Cross Cutting Issues*

From an efficiency perspective, together with related cost savings, there are areas that have a system wide impact across all entities. Transaction or process costs, and reporting are major cost drivers. Since these costs permeate the system they are not easily quantified yet they are widely recognized to add time consuming processes and complexities across the entities, particularly the Consortium.

***Transaction Costs***

Several reviews (MTR, PW, IEA Review, etc.) have alluded to the perception of high transaction costs due to complexity, high transaction volumes, duplication and overlapping of responsibilities, and the lack of system wide shared systems. To illustrate, the MTR noted that under the current architecture, the implementation of the CRP has imposed high transaction costs in both financial and senior scientist time. Each CRP has a program management committee with an average size of roughly 10 members resulting in the engaging of 150 people (15 CRPs X 10) at the management level with statutory meeting roughly four times a year. Each CRP also has an advisory committee/panel/board of roughly 10 people each, engaging another 150 people at the advisory/governance level, meeting on average twice a year. [[35]](#footnote-36)

In regard to the CRPs, the Consortium currently monitors @ 2300 bilateral contracts with a view to reduce the number to 2100 by the end of 2015. If bilateral funding were to flow through the CGIAR fund, the efficiency impact would ripple through the system by providing a single source for monitoring and reporting. (See Section \_\_ on Financial Management).

***Financial Management Reporting***

There is no system wide automated financial system to generate timely management reports The Consortium is tasked with manually preparing a report by culling information from the audited financial statements of the centers. A preliminary financial report is provided to the FC at the April meeting with the final report issued in June ( six months after the close of the calendar year). Moreover, as noted by the PWC Governance review, there is no reporting that combines the financial outcome of the CGIAR fund with the operational results. “Decision makers have no access to reports which combine system wide financial and programmatic performance which does not allow them to ensure that the system is managed efficiently” . [[36]](#footnote-37) The One Corporate System (OCS) initiative is intended to address this issue by establishing a common systems platform across the CGIAR. Currently nine centers have joined with three others scheduled to be live in June, 2015. The Consortium Office estimates that this initiative together with ongoing efforts to standardize standards and services across the centers could potentially generate up to $3m in savings.[[37]](#footnote-38)

***Administrative Cost Recovery – Bilateral Funds***

Currently on average only 32% of the bilateral funding (estimate $500m) outside the CGIAR fund is assessed at the appropriate level of cost recovery (2%) to fund system costs. At the center level, indirect administrative costs are not charged consistently to bilateral grants. As a result, unrestricted Window 1 and Window 2 funding is used to compensate for the shortfall. A disciplined approach to larger grants, preferably through the CGIAR fund, with adequate funding provisions, would address the issue.

1. http://www.cgiar.org/cgiar-consortium/research-centers/ [↑](#footnote-ref-2)
2. http://www.cgiar.org/cgiar-consortium/ [↑](#footnote-ref-3)
3. http://www.sciencecouncil.cgiar.org [↑](#footnote-ref-4)
4. http://iea.cgiar.org [↑](#footnote-ref-5)
5. http://www.cgiar.org/www-archive/www.cgiar.org/pdf/agm08/agm08\_independent\_review\_synthesis\_report.pdf [↑](#footnote-ref-6)
6. https://library.cgiar.org/bitstream/handle/10947/2761/cgiar40yrs\_book\_final\_sept2012.pdf?sequence=1 [↑](#footnote-ref-7)
7. <http://library.cgiar.org/bitstream/handle/10947/4951/agm08_reform_proposal.pdf?sequence=1> [↑](#footnote-ref-8)
8. <http://library.cgiar.org/bitstream/handle/10947/5033/FINAL-from_Printer_jointdeclar_standalone.pdf?sequence=1> [↑](#footnote-ref-9)
9. There could be either an administrative office without fiduciary functions or a legal entity that would have responsibility for overseeing the use of funds by the centers as well as performing the other fiduciary functions currently performed by the Consortium Office. [↑](#footnote-ref-10)
10. Active observers would have right to participate in discussions of the Council and propose agenda items and presentations to be made to the Council. [↑](#footnote-ref-11)
11. The functions of the Board relating to financial accountability for funds for CRPs would change if the modifications under option 1 include removal of the Consortium’s fiduciary responsibilities for the use of CRP funding. [↑](#footnote-ref-12)
12. The functions of the Consortium Office relating to financial accountability for funds for CRPs would change if the modifications under option 1 include removal of the Consortium’s fiduciary responsibilities for the use of CRP funding. [↑](#footnote-ref-13)
13. Active observers would have right to participate in discussions of the Council and propose agenda items and presentations to be made to the Council. [↑](#footnote-ref-14)
14. <http://www.cgiar.org/www-archive/www.cgiar.org/pdf/agm08/agm08_reform_proposal.pdf> [↑](#footnote-ref-15)
15. [http://www.corpgov.deloitte.com/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/USEng/Documents/Board%20Governance/Tablet\_Deloitte%20Board%20Practices%20Report%202012.pdf](http://www.corpgov.deloitte.com/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/USEng/Documents/Board%2520Governance/Tablet_Deloitte%2520Board%2520Practices%2520Report%25202012.pdf) [↑](#footnote-ref-16)
16. <http://www.thenonprofitpartnership.org/files/board-source-governance-2012.pdf> [↑](#footnote-ref-17)
17. <http://www.bain.com/publications/articles/decide-and-deliver.aspx> [↑](#footnote-ref-18)
18. <http://www.cgdev.org/files/1426627_file_Bezanson_Isenman_FINAL.pdf> [↑](#footnote-ref-19)
19. The functions of the Fund Office may change if the modifications to option 1 include removal of the oversight by the Consortium office of the use by lead centers of CRP funding. [↑](#footnote-ref-20)
20. While the Global Environment Facility and the Adaptation Fund both refer to direct access, both provide funding to intermediaries which then in turn provides funding to recipients, with the intermediaries supervising the implementation of the activity and the use of the funds by the recipient. The only exception is for specific types of small grants under the GEF, where the GEF Secretariat enters into a grant agreement and provides funding directly to the recipient. The GEF Secretariat is hosted by the World Bank and the arrangements approved by the GEF Council for such small grants provide that the Bank’s procurement and other policies will apply to the grants and that the Bank shall not have any fiduciary accountability to the GEF contributors for the use of the grants by the recipients. [↑](#footnote-ref-21)
21. Active observers would have right to participate in discussions of the Council and propose agenda items and presentations to be made to the Council. [↑](#footnote-ref-22)
22. Active observers would have right to participate in discussions of the Council and propose agenda items and presentations to be made to the Council. [↑](#footnote-ref-23)
23. Multilateral Organizations would have a voting seat if they contribute to windows 1 or 2. If they do not contribute, that seat would be deemed an observer seat. [↑](#footnote-ref-24)
24. Active observers would have right to participate in discussions of the Council and propose agenda items and presentations to be made to the Council. [↑](#footnote-ref-25)
25. These would include, inter alia, membership standards, common financial policies (financial guidelines, common investment policy, coordinate annual financial statement peer review), minimum HR standards and broad policies, research and research support (intellectual assets, open access) [from centers proposal] [↑](#footnote-ref-26)
26. The use of promissory notes and letters of credit, with corresponding multi-year encashment schedules, are typically used by funds which finance programs and projects that disburse over a multi-year period. [↑](#footnote-ref-27)
27. In the beginning of the GEF, donors agreed to accelerate their cash payments well in advance of expected disbursement needs of the recipients. This approach created a liquidity reserve that helped to remove the doubt, in those early days, of whether funds would be available to disburse when needed. This in turn helped to ensure an uninterrupted, but growing, work program. [↑](#footnote-ref-28)
28. Currently, projections of inflows from CGIAR Fund donors are based on information passed through unofficial statements made by Fund Donors to the Fund Office making it difficult to develop reliable projections. [↑](#footnote-ref-29)
29. Color coding for the administrative/management office is based on what is mandated to either the Fund Office or Consortium Office by the current system’s governing documents. [↑](#footnote-ref-30)
30. Color coding of functions for the CGIAR Council is based on what is mandated to either the Fund Council or Consortium Board by the current system’s governing documents. That of the administrative/management office is based on what is mandated to either the Fund Office or Consortium Office. [↑](#footnote-ref-31)
31. These would include, inter alia, membership standards, common financial policies (financial guidelines, common investment policy, coordinate annual financial statement peer review), minimum HR standards and broad policies, research and research support (intellectual assets, open access) [from centers proposal] [↑](#footnote-ref-32)
32. Color coding of functions for the CGIAR Council is based on what is mandated to either the Fund Council or Consortium Board by the current system’s governing documents. That of the Council Unit and Centers Unit is based on what is mandated to either the Fund Office or Consortium Office. [↑](#footnote-ref-33)
33. These would include, inter alia, membership standards, common financial policies (financial guidelines, common investment policy, coordinate annual financial statement peer review), minimum HR standards and broad policies, research and research support (intellectual assets, open access) [from centers proposal] [↑](#footnote-ref-34)
34. N.B. The sections titled “Multilateral Aid Review” include information from the UK Multilateral Aid Review, a systematic assessment of the performance of the multilateral organizations, and the Australian Multilateral Assessment. [↑](#footnote-ref-35)
35. Mid-Term Review Panel of the CGIAR Reform, 2014, p. 46. [↑](#footnote-ref-36)
36. PWC Governance Review Phase 2, page 5. [↑](#footnote-ref-37)
37. Consortium Revised 2015 Budget Submission, page 7. [↑](#footnote-ref-38)