

April 29, 2015

Decision on the CGIAR System Organization

1. Fund Council members welcome the paper, *Options for CGIAR Governing Structures and Decision-Making*, which was prepared under the oversight of the Fund Council Governance Committee. The Council agrees that the paper provides a sound analysis of the current barriers to maximizing the effectiveness and efficiency of the system and a good analysis of options for strengthened CGIAR governing structures and decision-making.
2. After reviewing the four options proposed in the paper, the Fund Council agrees to establish a CGIAR System Organization which will be comprised of a CGIAR System Council and a CGIAR System Office, building on the existing legal personality of the Consortium.
3. The Fund Council agrees¹ to establish a CGIAR System Council to be the governing body of the organization with the following membership:
 - (a) There will be a manageable number of contributor seats, no more than 15, decided as follows:
 - i. To be eligible for a seat on the Council, a contributor must contribute a weighted minimum of US\$10 million to the CGIAR system, to be calculated as follows:
 - a. contributions to Window 1 of the CGIAR Fund will be weighted at three times their nominal amount,
 - b. contributions to Window 2 to the CGIAR Fund will be weighted at twice their nominal amount,
 - c. contributions to Window 3 and bilateral contributions to the system will be counted at their nominal amount.²
 - ii. All contributors eligible in accordance with paragraph 1 will meet to agree on the distribution of seats and the formation of constituencies, if required.
 - iii. In addition, contributors providing less than US\$10 million may seek to join any of the constituencies once they are agreed.

¹ While the Fund Council approves this decision by consensus, it notes that the decision was not unanimous and the reservation of the representative of India to the decision on paragraphs 3, 5 and 6. Details of the objection of the representative of India are appended to the minutes of the Fund Council meeting.

² Example of weighted calculation of contribution: Xanadu contributes US\$ 3 million to Window 1, US\$1 million to Window 2, and US\$2 million bilaterally to the system. Xanadu's weighted contribution will equal 9 for Window 1 (3x3), plus 2 for Window 2 (1x2) plus 2 for its bilateral contribution to the system (1x2), equaling US\$13 million.

iv. The determination of whether a contributor meets the requirement of a minimum contribution to be eligible for a seat and the distribution of seats on the Council will be reviewed every 3 years, taking into account the average actual annual contributions made to the system in the preceding 3 years.

(b) The representative from the Centers' DGs and the representative from the Center Boards will be invited to participate on the Council either as active observers due to the legal barriers of some contributors that prevent them from serving on a board with recipients of the funding to be approved by the board, or as full members, recognizing that the Council will need to adopt robust conflict of interest rules.³

(c) In addition to the contributor seats referred to in sub-paragraph (a) above, there will be an additional 5 seats, with voting rights, for contributors from developing countries, countries hosting CGIAR centers, or developing countries with significant national agricultural systems, recognizing their critical contributions to agricultural research and investments for development. Countries eligible for a seat under this sub-paragraph will meet to agree on the distributions of the seats and the possible formation of constituencies, taking into account balance among the following regions: East Asia and Pacific, Latin America and Caribbean, South Asia, Sub-Saharan Africa, and West Asia and North Africa.

(d) FAO, IFAD, World Bank⁴, ISPC, IEA, the Trustee, and GFAR will be invited to name active observers to participate in the Council.

4. The World Bank is invited to name a senior manager in a substantive area related to the activities of the CGIAR system to serve as Chair of the CGIAR System Council, recognizing that the World Bank's engagement in this role will serve as an essential link to the global architecture for agriculture research and investments for development.

5. Decisions of the CGIAR System Council will normally be taken by consensus. If, however, consensus cannot be reached, the Chair may call for a formal vote.

6. Decisions requiring a formal vote will 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 members and a [2/3][3/4] majority of the total weighted contributions to the system.

7. The CGIAR System Office will be established in Montpellier to manage the organization and to provide programmatic oversight of the CRPs.

³ The Fund Council requests Fund Council members with such barriers to confirm with their capitals that the barriers cannot be overcome, recognizing that the two representatives are not participating as actual recipients but would be expected to participate as representatives of all centers. The Fund Council recalls the experience of other partnerships where countries receiving funds through the partnership do serve on the board of the partnership alongside contributing partners. Should it be confirmed that such barriers can be managed through the conflict of interest rules, the Fund Council agrees that the two center representatives would be full members of the CGIAR System Council.

⁴ If any of the multilateral organizations were to participate as a contributor member pursuant to paragraph 3(a), such organization would not participate as an active observer.

8. The CGIAR System Organization will contract with the World Bank for the provision of fiduciary services.
9. The Executive Director of the CGIAR System Office will be appointed by, and report to, the Council, and will be an *ex officio* member of the Council. The Executive Director will be expected to play an important advocacy role for the CGIAR system.
10. The World Bank will continue to provide trustee services.
11. IEA and ISPC will continue to be hosted at FAO.

April 30, 2015

Decision on Cross-cutting Issues and Transition Arrangements

1. The Fund Council agreed that transition to the new structure, arrangements and procedures should be initiated immediately in order that the agreed changes and modifications will be in place no later than the end of 2016 and that the CGIAR System Council will be able to meet to approve the second round of CRPs in 2016.
2. With respect to the cross cutting modifications proposed in the paper, the Fund Council:
 - (a) reconfirmed the decision taken at FC12 that ISPC's responsibilities should be elevated to empower it to take a stronger role in providing scientific guidance on the CGIAR research strategy and priority setting, undertaking foresight analyses and monitoring of quality research, and requested the ISPC to ensure that the task force that has been established to prepare detailed options to strengthen the ISPC, including information on the cost implications, presents its proposals to the Fund Council for review and approval at FC14. The Fund Council agreed that agreed steps to strengthen the ISPC should be implemented as early as possible;
 - (b) supported the proposal to seek to align the cycle and timing for the SRF and the CRPs, with the convening of GCARD and the Funders Forum to allow GCARD and the Funders Forum in the future to contribute effectively and in a timely manner to the development of the system's strategy and the design of the research programs, and requested the transition team, in collaboration with the Fund Office, the Consortium Office and GFAR, to prepare a proposal to achieve this objective for further consideration at FC14, taking into account the development of the CRPs in 2015-2016 and the resource mobilization plan to be developed for further review by the Fund Council. The Fund Council recognized that 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. The Fund Council expects that GCARD will continue to be jointly planned by GFAR and the CGIAR systems office;
3. The Fund Council requests the Fund Council Chair to establish a team to oversee the implementation of the transition to the establishment of the CGIAR System Organization and to support the key stakeholders in planning and managing the transition. The Fund Council agreed that the transition team should regularly consult with the Fund Council Governance Committee throughout the transition process and requested the chair of the FCGC and the leader of the transition team to ensure such consultation.

4. The Fund Council Chair was invited to establish the transition team and invite the Consortium Office, Fund Office, ISPC, Center DGs group and the Trustee to appoint staff members to work, as appropriate, with the transition team. Consultants and other experts may be requested to contribute to the team as necessary to complete its work.

5. The key tasks of the transition team will be to: (a) prepare a transition plan to achieve the changes and modifications to the system agreed by the Fund Council and oversee the implementation of the plan, (b) support Fund Council and Consortium Board discussions on the required steps to implement the transition and facilitate communications between meetings of the Council and Board, and (c) oversee preparation of any amended or new legal and other arrangements necessary to achieve the agreed changes. The Fund Office, working under the guidance of the Fund Council Chair and in consultation with the FCGC, was requested to prepare a budget proposal to cover the cost of the transition team and to submit the proposal to the Fund Council for approval through a decision by mail.

5. The team is requested to develop and submit to the Fund Council by the end of July 2015, for its approval by mail by September 2015, a transition plan that outlines decisions to be made, steps to be implemented and the partners to be engaged.

6. The team is requested to provide regular updates to the Fund Council Chair and the FCGC on the implementation of the plan. The Fund Council Chair or the transition team is requested to inform the FCGC, and subsequently the Fund Council and the Consortium Board, of any barriers or challenges that may arise that could jeopardize the timely implementation of the transition plan and to recommend steps to be taken to address any such challenges.