Guiding Principles for the new Partnership Framework

I. Background

1. As noted in the Approach Paper on Legal Arrangements for the establishment of the CGIAR System Organization (document CGIAR/JM.1/4), which was presented to the Joint Meeting of the Consortium Board, the Fund Council, and Centers on November 3, 2015, the CGIAR System Organization will be established by an international treaty agreement, but will operate in accordance with the terms of a governing instrument—the Partnership Framework. The Partnership Framework will capture the general principles, objectives, and purposes of the CGIAR partnership and the roles and responsibilities of all partners in the CGIAR system.

2. The terms of the Partnership Framework are to be discussed and agreed upon by the contributors to the CGIAR system and the CGIAR centers. The Transition Team is taking a lead in preparing drafts of the Partnership Framework and other background notes, working with representatives from the diverse entities that comprise the CGIAR system (including the centers, the Consortium Board, the Consortium Office, contributors, the Fund Office, IEA, ISPC, and the Trustee).

3. It is proposed that at least two meetings will be convened to allow for review and discussion of the framework: one in February 2016 and one in April/May 2016. In between meetings, the Transition Team will circulate draft documents to the contributors and the centers for review and comment, thereby enhancing opportunities to provide input into the framework text.

4. As a first step in the process to develop the framework, the Transition Team convened a “big picture” working group after the Joint Meeting in November. The working group includes representatives from the centers, the Consortium Board, the Consortium Office, the contributors, the Fund Office, the Trustee, and the Transition Team. The purpose of the working group is to facilitate a common understanding of the basic principles and broad outline of the architecture of the CGIAR System Organization to inform the development of the new Partnership Framework. Once there is general agreement on the basic principles of the partnership, the Transition Team will organize a number of additional working groups (one on science and one on finance) in January and February to consider more closely the roles and responsibilities of system entities with respect to particular system functions. The results of those working groups will contribute to the preparation of the first full draft of the Partnership Framework.
II. Preliminary Outline of the Partnership Framework

5. It is anticipated that the final Partnership Framework will include sections that address:

A. Purpose of the Partnership
B. General Principles
C. Activities
D. Governance and Organizational Structure of the CGIAR System Organization
   a. System Council
   b. System Office
   c. Centers Standing Committee
   d. Partnership Forum
   e. Independent Science and Partnership Council (ISPC)
   f. Independent Evaluation Arrangement (IEA)
   g. Internal Audit Unit
E. System Council
   a. Composition
   b. Appointment of Council Members
   c. Chair [and Vice-Chair]
   d. Functions
   e. Decision Making
   f. Meetings
   g. Committees
F. System Office
   a. Functions
   b. Executive Director
G. Centers
H. Partnership Forum
   a. Purpose and Composition
   b. Function
   c. Meetings
I. ISPC
J. IEA
K. Funding
L. Final Clauses
   a. Entry Into Force
   b. Amendment
   c. Dissolution and Liquidation

III. Scope of Present Note

6. This note includes proposals for the guiding principles of the Partnership Framework and an outline of the relationship between the System Organization and the centers. These proposals resulted from the deliberations of the “big picture” working group. These proposals will in large part form the basis for sections A, B, and C of the
Partnership Framework. These sections are critical for moving toward a further elaboration of the roles and responsibilities of the various entities of the CGIAR system, including those of ISPC and IEA, which are not elaborated upon in the current text.

7. Centers and contributors are receiving the current draft of the note for review and written comment. These written comments will be taken into account in further revisions of this text, to be shared prior to the first meeting. At that first meeting, the centers and the contributors will be invited to discuss the revised text with a view to reaching general agreement on the principles that will guide the work of the CGIAR partnership.

IV. Principles

Preamble

8. CGIAR is a global partnership first established as the Consultative Group on International Agricultural Research in 1971. It is the world’s leading partnership for research and development for sustainable agri-food systems in developing countries.

9. The core partners of the CGIAR system are its independent, non-profit research centers (the centers)—currently a total of 15—and those who contribute to financing the system (the contributors). The system has unparalleled capacity to mobilize people, resources, and infrastructure in more than 60 countries to integrate breakthrough research with delivery to millions of farmers.

10. The CGIAR system operates on the basis of an agreed Strategy and Results Framework (SRF). The SRF describes the vision, mission, strategic goals and research priorities for the CGIAR system. Based on the SRF, a portfolio of CGIAR Research Programs (CRP) is developed.

11. Beyond the core partners, the system encompasses key stakeholders and beneficiaries who are interested in contributing to the CGIAR’s research agenda and/or benefiting from the global public goods that the system generates. These stakeholders include national agricultural research and extension systems, advanced research institutes, policy bodies, non-government organizations, and private-sector companies.

12. CGIAR research informs the global debate and policies on sustainable agri-food systems, from gender issues to issues of food policy, food safety, and climate smart agriculture. Its accomplishments in such areas as plant breeding and genetics, crop, livestock and fish production, natural resource management research, and food policy are on par with the world’s leading universities and research institutes.

13. CGIAR aims to make available key research-based information and knowledge to inform high-level policy debates and advocacy work in global fora, from the United Nations General Assembly and specialized multilateral channels, to key countries and multi-stakeholder platforms. CGIAR is committed to a strategy of “open access,” providing knowledge platforms and infrastructure to share the multi-disciplinary, long-
term data and associated knowledge generated by the system.

14. CGIAR holds in trust unique genetic resources for agriculturally significant species of central importance to advancing and sustaining productivity for the world’s smallholders in the 21st century. The role of in situ conservation (in farmers’ fields), alongside the collections held in gene banks, will continue to grow together with data integration.

15. The CGIAR contributors agreed in 2015 to establish a CGIAR System Organization, to be located in Montpellier, France, with a unified governance structure.

16. Representatives of the CGIAR centers and the contributors will meet and agree on a new Partnership Framework for the CGIAR system to better achieve the goals of achieving and maintaining global food security, improving nutrition, and reducing rural poverty and to provide a framework, incentives, and conditions through which the CGIAR system can deliver results.

**Guiding Principles of the CGIAR System Organization**

17. Governance of the CGIAR System should enable the CGIAR centers and other system collaborators to foster and engage in the highest-quality science for development. Effective governance should focus on strengthening and promoting a research-oriented partnership by creating the framework, incentives, and conditions through which high quality results and impacts can be achieved.

18. CGIAR centers and the contributors to the system (both those contributing to the CGIAR Fund and those making bilateral contributions to the system in the form of bilateral projects contributing to CRPs) are core partners in the CGIAR system, and governance of the CGIAR system should engender trust in the value of collaboration among the centers and with the contributors to achieve the system’s objectives. The centers are recognized as the having the experience and capability to ensure effective delivery and impact of its research for development. The system’s effectiveness depends on strong, dynamic, and well-resourced centers that can attract and retain the best global talent, conduct impactful research, convene and direct collaborative programs with leading institutions around the world, and build upon accumulated “local” knowledge to design programs of research that work in the globally decentralized CGIAR system. Both partner groups should have adequate voice and influence in the governance of the system.¹

¹ The Partnership Framework will elaborate on the structures and processes of the System Organization that will provide opportunities for both the centers and the contributors to have a voice in decision making and policy development.
19. **Effectiveness, efficiency, transparency, and mutual accountability for performance are foundational principles of the partnership.** All system entities should be held to the highest standards of efficiency, effectiveness, transparency, and accountability for performance in delivering on agreed responsibilities. Policies and procedures to plan, implement, and oversee the system’s SRF should be functional, cost effective, and flexible to respond to changing circumstances. Policies and administrative structures should strive for simplicity in promoting the effective delivery of critical functions while avoiding overlaps and redundancies. Centers and contributors are jointly accountable for the performance and results of the system and for fulfilling their respective responsibilities and commitments.

20. **The system requires strong leadership to bring all partners together to support the system’s objectives and to mobilize financial support for the system.** Leadership to promote a coordinated, efficient, effective and visible system should come from both the CGIAR System Council Chair and the Executive Director of the System Organization as well as the Chair of the Centers Standing Committee. Champions of the system should be enlisted to raise the external profile and knowledge of the work of the system among high-level decision makers.

21. **The Partnership Framework should define clear roles and responsibilities for the partners and for the system entities.** The new structure will be most effective if roles, responsibilities, and mandates for key decision-making bodies and decision-making processes are defined with sufficient precision to be unambiguously interpreted by actors across the system. Policies and guidelines agreed by the System Organization should assist center Boards and management to formulate high-quality policies and procedures at the center level that meet global standards while, where appropriate, providing for flexibility to adapt to the particular needs and conditions of individual centers. Center Boards should approve and monitor compliance with such center-specific policies and procedures. Compliance with higher-level good-practice principles should be assessed periodically through independent system reviews and agreed reporting.

22. **To the greatest extent possible, the system should promote streamlined, system-level reporting on, and evaluation of, system activities.** Redundant program and financial reviews and reports should be eliminated and the system should make use of reviews conducted at lower levels (CRPs and centers) so that maximum staff time and resources can be focused on the core business of research for development. The System Organization should work with contributors to agree upon reporting and evaluation policies and guidelines so that contributors will be able to refrain from conducting separate evaluations of research programs as well as system activities and functions, which are best examined in periodic system-level independent reviews.

23. **The principle of subsidiarity should guide policies and implementation.** The centers should be fully utilized for system functions that can be more efficiently and effectively executed at the level of the centers and CRPs. Centers are closest to the ground and have familiarity with dynamic local conditions and the need for adaptation to on-the-ground circumstance. The governance and fiduciary responsibility of center Boards should be fully recognized and respected. The System Organization should not take action unless it is agreed by the partners that action at the partnership level is more
effective than action taken at the center level. It is expected that the System Organization will set standards and provide guidelines (to be developed in consultation with centers) and then delegate authority to competent authorities within the CRPs and centers to implement those standards and guidelines while holding them fully accountable for the results.

24. **Corrective action, when required, should be targeted.** When deficiencies or malfeasance are identified, corrective/disciplinary action should be directed at the concerned entity. Lessons learned should, however, be employed to strengthen controls across the system.

25. **Legitimacy of action requires input from a broad range of stakeholders.** Governance and management structures should facilitate the participation and voice of core partners and key stakeholders. There should be adequate and meaningful engagement of national, regional and international stakeholders and beneficiaries in the process, including at the levels of CRP governance and system governance.

26. **Stable funding is an essential requirement for impact and results.** Research for development is by nature a long-term process, and the system requires sufficient and predictable resources to sustain research and to cover essential center costs over time. Centers need to have reasonable assurance of a predictable pipeline of cash inflows, to optimally plan, form reliable partnerships, and implement strategic long-term research. Discontinuities caused by abrupt funding cuts force costly adjustments, undermine research, devalue the CGIAR brand, and create uncertainties that make it increasingly difficult to attract and retain the world’s best scientists. Funding mechanisms and policies, such as creating reserves, should be established that provide greater certainty of support over the short- and medium-term. Centers should have at a minimum accurate and reliable information on annual funding at the beginning of the annual cycle. The System Council should develop and manage a robust Resource Mobilization Plan, and the Chair of the Council and the Executive Director of the System Organization should work with contributors to sustain funding for the system.

V. **Outline of the Relationship between the System Organization and the Centers**

27. The new System Organization will be the administrative structure supporting the CGIAR partnership. The organization will have a System Council responsible for approving the strategy and policies of the system and for providing oversight of the system. The Council will be able to establish committees—with membership from Council members, centers, and independent entities or individuals—and delegate to the committees such powers, duties, and functions as the Council decides.

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2 The Partnership Framework will describe the separate and distinct roles, responsibilities and accountability of the entities in the system (including the System Council, the System Office and its Executive Director, the centers, ISPC and IEA), taking into account the guiding principles and the need to promote efficiency and avoid duplication.
28. The System Office will be responsible for servicing the System Council and for facilitating a research-oriented partnership, working in close collaboration with the centers and a global network of institutions in accordance with the guiding principles of the system: excellence in science, inclusive partnerships, advancing and accelerating gender equity, realizing and accelerating impact at scale, generating public goods with multiple benefits, providing attractive investment opportunities, increasing operational efficiency, and promoting a performance-based system.

29. Key functions of the System Office and its Executive Director include: establishing robust communications channels with the centers and contributors, broadly communicating the value and achievements of the partnership, facilitating the development and implementation of common services for the centers, promoting sharing of knowledge, aligning goals and incentives, building trust, mobilizing resources and facilitating resolution of differences. The System Office, working with the centers, will promulgate standards and guidelines addressing areas usefully agreed at the partnership level to enhance the efficiency and effectiveness of the system, for approval by the System Council, while the competent authorities within the CRPs and centers will be accountable for implementing those standards and guidelines.

30. In order to ensure active engagement with the centers, a Centers Standing Committee will be established to serve as a forum to ensure regular and effective operational coordination and as a channel for center input into CGIAR processes such as the development and approval of the SRF and a CRP portfolio, to monitor the portfolio of CRPs, to agree on areas in which the System Office will develop common policies, standards, guidelines and services and to collaborate with the System Office in the development of such policies and services. The committee will be chaired by a Director General of a center and will be serviced by the System Office. The Executive Director of the System Organization will be an ex officio member of the Centers Standing Committee.

Direct Access and Accountability

31. Centers will have direct access to and accountability for the resources provided to the centers for activities supported by the CGIAR Fund. The System Office will enter into a financial framework agreement with each center to govern funding received by the center from the CGIAR Fund for CRPs and any other activities agreed by the System Council and the use of such funds. The Trustee will transfer funds from the CGIAR Fund to the centers at the instruction of the System Organization, consistent with the decisions of the System Council (such as approval of CRPs and any other activities as well as annual financing plans and budgets) and any other agreed triggers for the release of funds.

3 The roles, responsibilities and accountability of a lead center and other centers collaborating on a CRP will be further examined by the science and finance working groups.
Financial Framework Agreement

33. A financial framework agreement will be concluded by the System Office and each center establishing the center's responsibility for the proper use of financing from the CGIAR Fund and the center’s accountability to the System Organization for such funds.

34. The agreement will include provisions regarding the use of the funds and the reporting obligations of the center. The agreement will elaborate upon the relationship between, and the financial accountability of, the lead center and other centers working on a CRP. The financial framework agreement will require a center to reimburse the CGIAR Fund for any funds that have not been used for the agreed purposes and to comply with its other obligations in the agreement. If a center defaults on its obligations, the System Organization would, as directed by the System Council, be able to exercise legal recourse under the agreement with the center.

Oversight of CRPs and other activities

35. The proposals in this section on the oversight role of the System Office are based upon the following factors that distinguish the CGIAR system:

a. The centers that would be accountable for the programmatic and financial performance of the CRPs are independent, non-profit CGIAR research centers. Each of these centers operates under the authority of its own Board and its own policies and procedures and is responsible for human resource management, supervision of individual research projects and quality assurance. Providing funding for CGIAR research programs was not intended to take over those responsibilities. 4

b. There are a limited number of CGIAR centers, and the CGIAR Fund provides a minority of the funding for most CRPs, with CGIAR contributors and others providing funding directly to centers for CRPs and providing their own oversight of the use of those funds by the centers.

c. As a partnership organization, efforts should be made to minimize tension and conflicts between (i) the duty of the System Organization to facilitate the collaboration of the centers and to ensure they have a voice, and (ii) the duty of the System Organization to contributors to provide oversight of the system and overall achievement of the SRF.

36. The lead center Boards will be responsible to the System Organization for oversight of their respective CRP. The lead center will be expected to provide to the System Office: (a) an annual report on CRP activities and performance, including status

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4 The World Bank, as part of its fiduciary services, will work with the System Organization and the centers to ensure that the financial-management standards of the centers are acceptable both by the system and by those contributors who provide funding directly to the centers and to ensure that the financial reporting is sufficiently robust to allow for appropriate oversight and adherence to agreed standards.
of implementation, (b) an annual financial report on the use of CRP funds, (c) CRP monitoring reports, and (d) audit reports. The System Office will produce an annual consolidated system report, for review by the System Council.

37. The System Organization will oversee the use of funding and program implementation at the portfolio level. To carry out portfolio oversight responsibilities, the System Office will need to work with the centers to establish and manage a performance-monitoring system and will need to have the necessary resources and capacity to oversee the portfolio monitoring and financial reporting. The System Office will also rely on the independent evaluations and internal and external audits, including those commissioned by center boards, to contribute to its portfolio oversight.

38. The portfolio programmatic oversight role of the System Office will include the following, while avoiding duplication of the responsibilities of the centers consistent with the principle of subsidiarity: engaging with the centers and the system’s Independent Science and Partnership Council (ISPC) in the development of the portfolio of CRP proposals; maintaining periodic contact with the CRP directors, including calls or virtual meetings; participating in the annual review meetings of CRPs and providing feedback on progress against milestones, as an input to the annual programmatic progress report on the portfolio; reviewing and analyzing reports and monitoring reporting requirements of CRPs; preparing annual monitoring reports on the portfolio; responding to specific requests of System Council members and other contributors to the CGIAR Fund regarding implementation of the portfolio; coordinating the co-funding of the CRPs with other contributors; and collaborating with the system’s Independent Evaluation Arrangement (IEA) in the commissioning of periodic independent evaluations of the CRPs by the Council.

39. The financial oversight responsibilities of the System Office will need to be aligned with the fiduciary services to be provided by the World Bank to ensure that there is no duplication of responsibilities. The financial oversight functions of the System Office could potentially be focused on: reviewing annual financial reports of the CRPs to confirm that funds are being used for intended purposes, reviewing internal and external audits, and informing the System Council promptly of any misuse or misprocurement of CGIAR funds and proposing steps for the recovery of any such funds not used for their intended purposes. Proposals on the scope of the World Bank’s services and its collaboration with the System Office will be forthcoming for review and agreement by the centers and the contributors.

40. The System Office will be responsible for consolidating financial and program information into an annual system report for review by the System Council.

41. The System Council will have ultimate responsibility for programmatic oversight of the implementation of the CRP portfolio and for financial oversight of the use of financing from the CGIAR Fund. It would exercise such oversight through review of the following and deciding on actions to be taken if funds provided have not been used in accordance with approved programs and decisions and agreements with the centers.
a. annual reports on *programming*—these would include annual monitoring reports and an annual report on the CGIAR system (the annual report would include a consolidated report on CRP activities, performance, and lessons—including details on status of implementation, funding allocations, administrative costs, and other pertinent information);

b. annual financial reports—these would include (i) an annual financial report from each lead center on the use of CRP funds, (ii) annual reports from system entities on the use of their funds from the CGIAR Fund, (iii) review of the consolidated report on internal audit unit, and (iv) reports from the Trustee on the status of the CGIAR Fund;

c. periodic independent evaluations of CRP performance and financial accountability as well as periodic independent evaluations of the CGIAR system; and

d. any external audits requested by the System Council.