Meeting of CGIAR Centers and Funders on the CGIAR System
Rome, Italy
May 2-4, 2016

Proposed CGIAR System Charter

Note to the CGIAR System Charter

The following draft of a *CGIAR System Charter* (renamed from the March 9, 2016, draft of the *Framework Document* to reflect better that this document captures the agreement between the Centers and their Funders for an approach to, and relations within the CGIAR System, which are greater than the operations of the System Organization) has been prepared by the Transition Team, in collaboration with the Legal Working Group and the "Big Picture" Working Group. Both working groups included experts/representatives from the Centers, the Funders, the Consortium Office, the World Bank, and the Transition Team.

This draft takes into account comments submitted on the *Preliminary Draft of the CGIAR System Framework Document* dated March 9.

The draft includes bracketed text and footnotes to indicate areas for which there are alternative drafting proposals or to highlight areas that the working groups thought required further in-depth discussion before a consensus could be reached. It should be understood that the footnotes are not expected to be retained in the agreed text of the Charter. The areas that would benefit from further discussion include:

(a) What is the scope or boundaries of the CGIAR System? As noted in the Co-Chairs Summary of the Meeting of CGIAR Centers and Contributors in February 2016, there are different views on the scope of the authority of the System Organization, in particular with respect to research activities that are funded by bilateral donors and not funded by the CGIAR Trust Fund. Does the Strategy and Results Framework define the boundaries of the System or are the boundaries defined by the activities funded by the CGIAR Trust Fund?

(b) If the SRF defines the System boundaries, does the Council have oversight of all activities that are carried out directly and indirectly in support of the SRF or only oversight of activities financed through the CGIAR Trust Fund? Can the System Council expect to receive information on the programmatic and financial performance of all research carried out by the Centers in support of the SRF, or only information on research funded through the CGIAR Trust Fund?

(c) The draft Charter refers to the approval by the System Council of "policies, procedures, and guidelines" as well as "research standards". It is recognized that the System Council could usefully adopt a "policy on policies" that defines the scope of each of these terms and clarifies the expected compliance of the Centers. Do the policies, procedures and guidelines adopted by the CGIAR System Council also apply to research activities that are funded by bilateral contributors? What happens if the requirements of the System Council differ from those of the Center's own Board or a bilateral funder?

(d) Can funding from the CGIAR Trust Fund be transferred directly to a CGIAR Partner or does funding from the CGIAR Trust Fund need to be channeled to CGIAR Partners through a CGIAR Center?

(e) Can the Bogor Decision be revisited with respect to: (i) the merits of electing a Vice-Chair for the System Council with a defined term, and whether such Vice-Chair should be a Council member or alternate or could be an independent person; (ii) the number of Active Observer seats for the Centers; (iii) the provision of an Active Observer seat for the host country of the System Organization; and (iv) representation by FAO as a voting member of the Council?

(f) What is required for a quorum that would allow the System Council to carry out its business? Should there be a requirement that a quorum include (i) a minimum number of representatives from developing countries, and (ii) representation by Active Observers, in particular, the representatives of the Centers?

(g) Does the draft Charter provide sufficient assurances to the Funders on the oversight responsibilities and accountabilities of the System Organization that will allow them to contribute to the System while recognizing the legal status of the Centers and the principle of subsidiarity? Furthermore, it should be recognized that these oversight responsibilities and accountabilities are expected to be further elaborated in the agreement to be concluded between the System Organization and each Funder.

(h) Recognizing that the Centers Consultative Group is not formally a part of the System Organization, it is nonetheless viewed as a critical mechanism through which the Centers will strengthen their partnership with the Funders and their participation in the System Council. Given this, should the Centers Consultative Group be administratively supported by the System Administrative Office and can it receive resources from the CGIAR Trust Fund to defray its costs?

(i) How does the proposal for a Partnership Forum relate to GCARD?

(j) Should the functions of ISPC and IEA be included in the Charter or in terms of reference to be approved by the System Council so as to allow the terms of reference to more easily be amended in light of changing circumstances and the evolution of the System?

(k) Should internal audit services be provided through a unit within the System Organization or should such services be procured externally? Even if internal audit services are provided through procurement of external services, would there not be a need for an audit officer to support the System Council in overseeing implementation of an audit work plan? Should the functions of the internal audit services be included in the Charter or in terms of reference to be approved by the System Council?

Centers and Funders are requested in their review of the draft Charter to consider these particular issues.

CGIAR SYSTEM CHARTER

Table of Contents

[Note: A coversheet will state that the document is amended and restated
and replaces the former CGIAR Consortium Constitution.**]**

Introduction

1.   The Consultative Group on International Agricultural Research was established as a global partnership in 1971. After several reforms, in December 2009, a new framework of overarching principles was agreed between the centers and the funders to give rise to a reformed CGIAR as set forth in the CGIAR Joint Declaration. On April 29, 2010, the CGIAR Consortium was established as a joint venture between the 15 International Agricultural Research Centers supported by the Consultative Group on International Agricultural Research. On July 20, 2012, the CGIAR Consortium obtained international organization status pursuant to the agreement establishing the Consortium of International Agricultural Centers as an international organization ("International Organization Agreement"), and operated in accordance with the rules set forth in its constitution. In 2016, the Centers and Funders agreed to establish the CGIAR System Organization and to replace that constitution with this CGIAR System Charter, and henceforth for the CGIAR System to operate in accordance with this CGIAR System Charter agreed between the Funders and Centers.

2.   The purpose of the CGIAR System is to establish a strong partnership between Funders and Centers to advance agricultural science and innovation to enable poor people, especially women, to better nourish their families, and improve productivity and resilience so they can share in economic growth and manage natural resources in the face of climate change and other challenges.

Status

3.   The CGIAR System Organization is an independent international organization with full international legal personality as may be necessary for the exercise of its functions and powers, and the fulfilment of its purposes, including without prejudice to the generality of the foregoing, the legal capacity:

   a)   to enter into treaties, agreements and contracts;
   b)   to acquire and dispose of movable and immovable property; and
   c)   to institute and respond to legal proceedings.

Definitions

4.   In this CGIAR System Charter, unless the context otherwise requires:

   a)   "Active Observers" means those entities identified in Article 3.2 and which have the right to participate in deliberations of the System Council and to propose agenda items and make presentations for System Council deliberations.

   b)   "Centers" means those independent research organizations that are CGIAR Research Centers contributing knowledge, technical expertise, and resources in support of the CGIAR Strategy and Results Framework. Currently, the following 15 research organizations are recognized as CGIAR Research Centers: AfricaRice, Bioversity International, Center for International Forestry Research (CIFOR), International Center for Agricultural Research in the Dry Areas (ICARDA), International Center for Tropical Agriculture (CIAT), International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), International Food Policy Research Institute (IFPRI), International Institute of Tropical Agriculture (IITA), International Livestock Research Institute (ILRI), International Maize and Wheat Improvement Center (CIMMYT), International Potato

Center (CIP), International Rice Research Institute (IRRI), International Water Management Institute (IWMI), World Agroforestry Centre (ICRAF) and WorldFish.

c) "Centers Consultative Group" means the group of representatives of the Centers that will ensure regular and effective operational coordination and serve as a channel for Center input into policies and processes of the System Organization.

d) ["CGIAR Research" means the research programs, platforms, initiatives and any other research activities [, which are system-wide,] carried out by the Centers and CGIAR System Partners [in support of] [addressing] the CGIAR Strategy and Results Framework, [which are funded through the CGIAR Trust Fund].[1]]

e) "CGIAR Strategy and Results Framework" means a document setting forth the common goals, strategic objectives and results to be achieved by the CGIAR System.

f) "CGIAR System" means, when taken together as a collective whole, a reference to the Centers, the Funders, the System Organization, the advisory and consultative bodies as set forth in Article 3.2, and CGIAR Research.

g) "CGIAR System Organization" or "System Organization" means the international organization governed by this CGIAR System Charter, with its organs being the System Council and System Administrative Office.

h) "CGIAR System Partners" means all organizations external to the CGIAR System that contribute to, or support the delivery of, the CGIAR Strategy and Results Framework. They include national agricultural research and extension systems, universities and advanced research institutes, policy bodies, global and regional fora, intergovernmental organizations, non-government organizations, private-sector companies, farmers/producers and consumers.

i) "CGIAR Trust Fund" means the trust fund(s) established by the trustee for contributions from Funders to provide funding for the activities of the System Organization [, Centers Consultative Group] and for CGIAR Research.

j) "Funders" means those entities that contribute funding to Centers in support of the CGIAR Strategy and Results Framework, the activities of the CGIAR System Organization [or the Centers Consultative Group][2] either through the CGIAR Trust Fund [or through bilateral contributions].

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[1] An essential matter requiring further discussion and elaboration is the scope of the CGIAR System. As noted in paragraph 7(b) of the Co-Chairs Summary of the Meeting of CGIAR Centers and Contributors, Washington, D.C., February 8-9, 2016, "The boundaries of the "System" needs to be clearly defined, and there are different views that need further discussion. One emerging view is that the SRF defines the system. Activities conducted by the CGIAR Centers and partners in direct execution of the SRF should be considered within the system while those activities of the Centers that are conducted outside the SRF would not be included in the system, although some have proposed that it would be useful for the System Council to be kept informed of such activities. A number of contributors indicated their expectation that the System Council will have an overview of the entire system and not just programs and activities financed through the CGIAR Trust Fund. They consider this to be an important shift in perspective that needs to be taken into account in the new system."

[2] It has been proposed by the Centers that resources should be provided from the CGIAR Trust Fund to defray the cost of the Centers Consultative Group.

k) "Independent Evaluation Arrangement" or "IEA" means the arrangement referred to in Article 14 in this CGIAR System Charter to provide advisory services. The IEA is functionally independent from the System Administrative Office and the organization hosting the IEA Secretariat.

l) "Independent Science and Partnership Council" or "ISPC" means the advisory body referred to in Article 13 of this CGIAR System Charter. The ISPC is functionally independent from the System Administrative Office and the organization hosting the ISPC Secretariat.

m) "Internal Audit Arrangement" or "IAA" means the arrangement referred to in Article 15 of this CGIAR System Charter to provide independent and objective assurance and advisory services.

n) "Partnership Forum" means a forum for the CGIAR System and CGIAR System Partners to discuss and exchange views about the CGIAR System and the CGIAR Strategy and Results Framework with the functions set forth in Article 10 in this CGIAR System Charter.

o) "System Council" means the decision-making body of the System Organization.

p) "System Administrative Office" means the office that supports the System Council and facilitates collaboration within the CGIAR System in fulfilling the mission and goals of the CGIAR Strategy and Results Framework.

Article 1. Guiding Principles

1.1   The Guiding Principles of the CGIAR System are set forth in the annex to this CGIAR System Charter and are intended to guide the development of the policies, procedures and guidelines of the System Organization and the operation of the CGIAR System.

Article 2. Structure of the CGIAR System

2.1   The CGIAR System has the following structure:

2.2   The **Centers** are independent and autonomous organizations with their own governance structures, which focus on effective conduct, delivery and impact of the CGIAR System's research for development when working with CGIAR System Partners within the CGIAR Strategy and Results Framework. The Centers deliver innovative research outcomes within the CGIAR Strategy and Results Framework based on resources provided by the Funders, within the institutional architecture for international development including the Sustainable Development Goals.

2.3   The **Funders** provide guidance, financial resources and related activities for CGIAR Research.

2.4   The governing and administrative bodies of the **System Organization** are the **System Council** and the **System Administrative Office**, respectively. The System Organization facilitates and oversees effective and efficient development and implementation of the CGIAR Strategy and Results Framework.

2.5   The System Organization, Centers and Funders benefit from the advice of the Centers Consultative Group and the following:

   a) Internal Audit Arrangement
   b) Independent Evaluation Arrangement
   c) Independent Science and Partnership Council.

Article 3. Composition of the System Council

3.1   The System Council shall consist of:

   a) Up to **twenty voting members** as follows:

        i.   up to fifteen representatives of Funders; and
        ii. five developing country representatives that are either Funders, or countries hosting a Center, or countries with significant national agricultural systems.

   b) **[Three] ex-officio non-voting members** as follows:

        i.   the Chair of the System Council;
        ii.   [the Vice-Chair of the System Council;][3] and
        iii. the Executive Director of the System Administrative Office.

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[3] It has been proposed that the System Council elect a Vice-Chair, even though this was not foreseen in the Bogor decision.

3.2   The following have the right to participate as Active Observers at System Council meetings:

a) **[Two] [Four][4] Center representatives to be appointed by the Centers Consultative Group.**

b) **[One representative from the host country of the System Organization.][5]**

c) **One representative from each of the following entities,** provided that if any such entity is a voting member or an alternate of the System Council such entity may not also participate as an Active Observer in the System Council:

     i.   [Food and Agriculture Organization of the United Nations][6];
     ii.   Global Forum on Agricultural Research;
     iii. International Fund for Agricultural Development;
     iv.   World Bank.

d) **One representative from each of the following advisory bodies:**
     i.   IEA; and
     ii.   ISPC.

3.3   The following will be invited to attend the System Council meetings:
     i.   IAA; and
     ii.   The trustee of the CGIAR Trust Fund.

3.4   Each voting member [and each Active Observer][7] may appoint an alternate that may attend System Council meetings and, if necessary, serve in their stead.

3.5   All System Council members and Active Observers shall act in good faith in the interests of the CGIAR System and shall act according to the System Council's policy on ethics and conflicts of interest.

Article 4. Appointment of System Council voting members and alternates

4.1   Every three years each of the two categories of voting members set forth in Article 3.1.a shall determine its process for forming constituencies, which may be comprised of one or more governments or organizations, and deposit that process with the System Administrative Office for public information. For purposes of the inaugural System Council, the Funders have agreed on the eligibility criteria for selecting its System Council members and alternates as set forth in Annex B in this CGIAR System Charter.

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[4] The Centers have proposed that they be represented by four Active Observers taking into consideration that 15 Centers will be represented whereas other Active Observer represent a single organization.

[5] While the Bogor decision did not provide for this Active Observer, during high-level consultations with the host country on the amendments to the treaty, it was requested that its representative be able to participate in System Council deliberations as an Active Observer.

[6] While this is consistent with the Bogor decision, FAO has requested that it be able to participate in System Council deliberations as a voting member.

[7] The Centers have proposed that if their request for four Active Observer representatives (see Article 3.2.a) is not agreed, alternates may be provided for each Active Observer, including the Centers.

4.2   Each constituency shall have its own process to select its voting member and alternate taking into consideration the desirability of ensuring diversity, including gender, at the System Council level[, and shall inform the System Administrative Office of the name and contact information of its voting member and alternate for public information][8].

4.3   System Council voting members and their alternates shall serve as representatives of their [constituencies] [respective governments or organizations].[9]

4.4   A vacancy resulting from death, resignation or any other reason shall be filled in the same manner in which the original holder of the position was appointed or selected.

4.5   Each [constituency] [government or organization] shall endeavour to ensure that its member, or alternate member in the absence of the member, possesses the appropriate delegation of authority to take decisions on behalf of the [constituency] [government or organization] on matters before the System Council. System Council members shall not be required to take decisions or actions that conflict with the governing instruments and official rules of the entities they represent.

Article 5. System Council Chair [and Vice-Chair]

5.1   The System Council will appoint a Chair who will serve four year terms. The World Bank has a standing invitation to nominate a senior manager in a substantive area related to the work of the CGIAR System to serve as Chair [and has accepted to nominate the inaugural Chair][[10]]. If the World Bank declines this invitation [for a future term], the Chair will be elected by the System Council.

5.2   [The System Council will appoint, in accordance with a process approved by the System Council, a Vice Chair from either a constituency on the System Council [or be an external independent person] who will serve three-year terms.] [11]

5.3   The Chair [and Vice-Chair] shall act in an impartial manner.

5.4   In cases where the Chair [or Vice-Chair] is selected from among the then-current System Council voting members or their alternates, the respective [constituencies] [governments or organizations]

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[8] It has been proposed that constituencies need not identify a named member and alternate but rather that a Funder should be able to decide its representative as its chooses. On the other hand, this could cause serious administrative difficulties in communicating with members, alternates and other constituency members. Normally, rules of procedure would provide for flexibility for members or alternates to name replacements in circumstances where they are unable to attend a meeting or fulfill one of the member functions.

[9] Further discussion is needed to clarify whether a member or alternate represents a constituency (which may be comprised of a single government or organization) or the government or organization that appoints the member.

[10] It is expected that the World Bank will inform the May 2016 meeting of Centers and Funders whether it accepts the invitation to nominate the first Chair of the System Council.

[11] As noted with respect to Article 3.1.b.2, it has been proposed that the System Council elect a Vice-Chair. Such a Vice-Chair could be elected for a term from amongst the System Council members or alternates, although consideration could also be given to electing an independent person. Alternatively, it has been proposed that the current practice of the Fund Council, which is to elect a Vice-Chair for the duration of a meeting, from amongst the Council members, could be followed.

represented by such person shall appoint a new System Council member or alternate, as the case may be, to fulfill the functions of the System Council member or alternate.

5.5   The System Council will approve terms of reference for the Chair [and Vice Chair].

Article 6. Functions of the System Council

6.1   The System Council shall exercise all functions required to carry out the purposes of the System Organization including, without limitation, the following:

Vision and strategic direction

a) initiate foresight exercises on ongoing trends and risks in science and in the field of agricultural research for development;
b) approve strategic priorities, taking into account the advice of ISPC and the input of the Centers Consultative Group on prioritization, to guide development of each CGIAR Strategy and Results Framework;
c) [Oversee the development of, and review and approve each CGIAR Strategy and Results Framework;] [12]
    [Oversee the development and recommend the approval of each CGIAR Strategy and Results Framework to the Partnership Forum;]

Partnership engagement, resource mobilization and advocacy

d) promote the active engagement of and collaboration with CGIAR System Partners in the delivery of each Strategy and Results Framework;
e) convene, approve concept notes, set objectives for and consider outcomes from each Partnership Forum;
f) consider recommendations from the Centers and Funders meeting referred to in Article 12 for enhancing the overall effectiveness and efficiency of the CGIAR System;
g) mobilize resources to support the implementation of the CGIAR Strategy and Results Framework, taking into account the input from the Centers Consultative Group;
h) monitor provision of funding for the CGIAR System and keep under review the financial status of the CGIAR Trust Fund based on reports from the Trustee;
i) approve and oversee mechanisms to stabilize flow of funds, including system-level innovative financing approaches;
j) promote the mission and activities of the System Organization to build awareness of, and support for, the CGIAR System;

Financial and programmatic performance

k) approve proposals and indicative funding for CGIAR Research;
l) approve, taking into account advice from the ISPC and input from the Centers Consultative Group, clear guidelines and criteria for prioritization and annual allocation of funds across CGIAR Research based on strategic priorities and performance;

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[12] While the science working group proposed that the System Council approve the SRF, it was proposed as an alternative that the Partnership Forum should be responsible for approving the SRF on the recommendation of the System Council.

m) approve an annual allocation of funds, taking into account advice from the ISPC and the input from the Centers Consultative Group, for CGIAR Research based on the approved guidelines and criteria for prioritization and in accordance with the terms of the CGIAR Trust Fund;

n) oversee the implementation of [and use of funding for] CGIAR Research [and the use of funding from the CGIAR Trust Fund][13] based on annual system-level programmatic and financial reports and Center reports submitted under the performance management system for CGIAR Research[14];

o) approve a performance management system for CGIAR Research based on a proposal to be prepared based on a consultative process, led by the System Administrative Office, with ISPC and Centers Consultative Group;

p) consider for approval Center proposals for system-wide shared services that enhance effectiveness and efficiency, and allocate funding as appropriate;

q) approve a rolling three-year business plan and consolidated annual work plans and budgets of the System Organization, advisory bodies [and Centers Consultative Group][15];

r) keep under review the overall performance of the CGIAR System's governing, administrative and advisory bodies;

s) approve the annual work plan and budget of the Trustee;

t) [approve a contract with the World Bank for the provision of fiduciary services][16];

u) review and approve a CGIAR system-wide format for, and periodicity of, financial reporting for CGIAR Research that accords with internationally recognized financial reporting standards;

v) review and approve the CGIAR System Organization annual audited financial statements;

w) review and approve the consolidated system-level annual financial and programmatic reports on CGIAR Research compiled and produced by the System Administrative Office;

x) select and approve the CGIAR System Organization independent external auditor;

Governance and compliance

y) approve rules of procedure for the System Council[17];

z) establish committees as necessary and appoint the members of such committees;

aa) appoint the Executive Director and ensure a process for conducting annual performance reviews which includes input from the Centers Consultative Group;

bb) appoint the heads of the IEA [and IAA][18], and the Chair and members of the ISPC, and ensure a process for conducting annual performance reviews;

cc) seek input from the Centers Consultative Group on policies, procedures, guidelines, and research standards[19] for CGIAR Research and approve such policies, procedures, guidelines and standards, recognizing the Centers' own governance structures;

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[13] This drafting will need to be reviewed in light of decisions on the definition of CGIAR Research, and the scope/boundaries of the System.

[14] This provision is intended to address the fiduciary responsibilities of the System Organization, as elaborated upon in the agreements to be concluded between the Funders and the System Organization.

[15] It has been proposed by the Centers that resources should be provided from the CGIAR Trust Fund to defray the cost of the Centers Consultative Group.

[16] The Bogor decision provides that the CGIAR System Organization will contract with the World Bank for the provision of fiduciary services. The World Bank is expected to present a proposal elaborating upon such services for further consideration.

[17] Such rules will include requirements for circulating documentation in advance of meetings or Council decisions.

[18] With respect to Article 15, it has been proposed that audit services may be procured externally instead of establishing a permanent internal audit mechanism.

[19] It is proposed that the System Organization adopt a "policy on policies" that clearly defines the scope and expected compliance with policies, procedures, guidelines and research standards.

dd) supervise compliance with system-wide policies, procedures and guidelines;

ee) adopt and oversee a risk management framework for CGIAR Research (including financial, reputational, legal, regulatory, operational and strategic risks) and escalation procedures;

ff) respond to any concern raised by the Centers Consultative Group that actions of the System Council or System Administrative Office are not consistent with this CGIAR System Charter;

Reporting, monitoring and evaluation

gg) review the annual portfolio analysis of the CGIAR Research, prepared by the System Administrative Office, in consultation with the Centers Consultative Group;

hh) approve, after taking into account input from the Centers Consultative Group, a multi-year evaluation framework for CGIAR Research that includes periodic evaluations and periodic external governance and management reviews of the Centers; and

ii) commission periodic independent evaluations of the effectiveness of the CGIAR System to deliver on CGIAR's vision and mission, consider evaluation recommendations and decide on follow-up actions.

6.2   The System Council may delegate such of its powers as it deems appropriate, provided that the System Council may only delegate its approval, adoption and appointment powers to committees of the System Council. Powers delegated by the System Council shall, notwithstanding such delegation, be exercised under the authority and direction of the System Council. All powers not expressly delegated to any other body are reserved to the System Council.

Article 7. System Council operations

Meetings

7.1   The System Council shall meet as often as necessary, but not less than twice per year in ordinary session. The rules of procedure shall provide for the location and arrangements for the conduct of meetings, including the convening of extraordinary meetings.

7.2   System Council meetings may be held face-to-face, by video or audio-conference or any other electronic communication medium that allows System Council members to follow and contribute to discussions as they occur in real time.

7.3   The System Council may conduct business only when the following are present:

a) a majority of its voting members[, including not less than three of the voting members representing the developing countries] [20];

b) voting members representing a majority of the contributions from Funders calculated in the manner approved by the System Council from time to time after consultation with the Funders;

c) [[The] [Two] representatives from the Centers Consultative Group for a transparent and true partnership;] [21] and

d) the System Council Chair [or Vice-Chair].

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[20] It has been proposed that the majority of voting members should be sufficient for a quorum.

[21] Centers propose that at least two Center representatives be present to establish a quorum.

Decision-making during a meeting

7.4   The System Council shall use best efforts to make all decisions by consensus. The Chair shall ascertain a consensus. For purposes of this Charter, consensus is a procedure for adopting a decision when no voting member in the decision-making process blocks a proposed decision. It does not necessarily imply unanimity. A dissenting voting member, who does not wish to block a decision, may state an objection or reservation by attaching a statement or note to the decision.

7.5   If all practical efforts by the System Council have not led to consensus, a vote may be called by:

a) any voting member of the System Council seconded by another voting member of the System Council; or
b) [whomever of]the Chair [or Vice Chair is acting as the chair of the particular session].

7.6   The Chair shall determine, after consultation with the Council, the timing for a vote. In circumstances where a vote is taken, decisions require an affirmative vote representing both:

a) a [two-thirds][three-quarters] majority of those System Council voting members present; and
b) a [two-thirds] [three-quarters] majority of the contributions from Funders. Each member shall cast the votes of the Funder(s) he/she represents. A member of the System Council appointed by a group of Funders may cast separately the votes of each Funder in the constituency he/she represents. For the purpose of voting power, the contributions shall be determined in accordance with the same weighted values and time period used for the determination of eligibility for the voting seats on the System Council.

7.7   All decisions of the System Council shall be recorded in a summary of the System Council meetings approved by the System Council, communicated, published and retained in the permanent records of the System Organization.

Decision-Making without a meeting

7.8   In the circumstances set forth in the rules of procedure, the System Council may be requested to approve a decision by electronic means using a no objection procedure in lieu of a meeting. System Council members and Active Observers shall be provided with sufficient background materials and a proposed decision text in such requests. Active Observers shall be able to provide to the System Council their concerns on such decision within seven (7) calendar days following receipt of the background materials and proposed decision text. System Council members shall be provided with no less than fourteen (14) calendar days to state an objection. Should an objection be received from any System Council member and not retracted before the deadline for objections, the decision shall not be considered approved. A decision that is not approved can be revised and resubmitted for consideration by the System Council, at a meeting or electronically, at the decision of the Chair.

Closed sessions

7.9   Notwithstanding Article 7.3, at the determination of the Chair, the System Council may conduct business in a closed (executive) session where the voting members and ex-officio non-voting members may be present unless the Chair decides otherwise. Active Observers may be invited to attend the closed session unless the Chair decides otherwise. The Chair may invite others to attend as appropriate in the

circumstances. The outcomes of a closed session shall be made public in open plenary if a decision is taken that has a material impact on the CGIAR System.

Article 8. System Council Committees

8.1   The standing committees of the System Council, whose terms of reference shall be reviewed every three years, shall consist of:

a) an **Audit Committee**, the purpose of which shall be to assist the System Council to fulfill its corporate governance and oversight responsibilities in relation to external financial reporting, internal control and compliance framework, including the appointment, oversight and remuneration of the external auditor.   [The Committee shall make recommendations to the System Council on the appointment of the head of the Internal Audit Arrangement and his/her expected performance standards][22];

b) a **Finance Committee**, the purpose of which shall be to assist the System Council in resource mobilization and in its review and approval of the annual budget and financial reports, oversee the administration, collection, and disbursement of the financial resources, and advise the System Council with respect to significant financial decisions;

c) a **Strategic Impact and Evaluation Committee**, the purpose of which shall be to assist the System Council in its oversight of the strategic direction of the System Organization and ensuring optimal efficiency, effectiveness and impact of the CGIAR Research according to a robust and rigorous results based management framework; and

d) a **Governance and Ethics Committee**, the purpose of which shall be to oversee (i) adherence by the System Organization and its advisory bodies to appropriate standards of ethical behavior, as described in relevant System Council policies, procedures and guidelines; and (ii) implementation of the procedures and operations related to the System Organization's governance structure and its core governance functions.

8.2   The System Council may establish additional committees of the System Council, and other ad-hoc working groups and task teams, as it deems appropriate to carry out the work of the System Council.

8.3   Committees and other ad-hoc working groups and task teams shall have such authorities as delegated to each of them by the System Council and set forth in their terms of reference. The terms of reference for all committees, working groups and task teams shall include the process for appointment of committee members, including the appointment of qualified individuals or representatives other than voting members or their alternates, and attendance at meetings. Such terms of reference shall be reviewed every three years, as applicable.

Article 9. Functions of the System Administrative Office

9.1   The System Administrative Office, headed by the Executive Director, shall be responsible for the day-to-day operations of the System Organization, and shall undertake the following functions:

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[22] With respect to Article 15, it has been proposed that audit services may be procured externally instead of establishing a permanent internal audit mechanism.

Vision and strategic direction

a) coordinate multi-stakeholder process for the development of CGIAR Strategy and Results Framework and support the drafting process on behalf of the System Council;

Partnership engagement, resource mobilization and advocacy

b) in collaboration with Centers, create, develop and expand system-level partnerships to strengthen support for the CGIAR System's mission and capacity to deliver on CGIAR Research;
c) support, in collaboration with the Centers Consultative Group, the mobilization of resources;
d) develop and maintain relationships with Funders for funding CGIAR Research;
e) develop proposals for and implement mechanism to stabilize flow of funds, including system-level innovative finance mechanisms;
f) organize and prepare for meetings of the Partnership Forum in collaboration with the Active Observers and CGIAR System Partners, as well as the Centers and Funders Meetings;
g) communicate the role of the CGIAR System and carry out advocacy in international political and policy fora;
h) collate knowledge management products as part of system-wide science communication strategy (in collaboration with Center communicators);
i) maintain strong collaboration and communication with Centers, the System Organization's advisory bodies and CGIAR System Partners;

Financial and programmatic performance

j) develop a process for and guidance on CGIAR Research proposal development, in consultation with ISPC and Centers Consultative Group, ;
k) coordinate, in accordance with the agreed process, the submission of a portfolio of CGIAR Research proposals for review and approval by the System Council;
l) develop, in collaboration with system advisory bodies, a rolling three-year business plan and a consolidated annual work plan and budget of the System Organization and advisory bodies;
m) provide the System Council with indicative financial analysis of proposed CGIAR Research budgets based on agreed criteria and priorities;
n) develop, taking into account the advice of ISPC and input from the Centers Consultative Group, a proposal for clear guidelines and criteria for prioritization and allocation of funds across CGIAR Research, based on strategic priorities and performance;
o) provide an annual financial forecast on resource availability for CGIAR Research to Centers and System Council and develop, taking into account advice from ISPC and input from the Centers Consultative Group, a proposal for allocating funds to CGIAR Research;
p) and prepare proposals and budgets for shared services that enhance effectiveness and efficiency for submission to the System Council;
q) prepare, in collaboration with Centers, an annual system-level programmatic and financial report on CGIAR Research, building on information provided by Centers;

Governance and compliance

r) support the System Council and organize and support meetings of the System Council, its standing committees and other ad-hoc committees;
s) track and oversee implementation of System Council decisions;

t) [provide secretariat support to the Centers Consultative Group;]²³

u) maintain a repository of information provided by the Centers on the Centers' financial systems and controls that are in place to ensure proper use of funds;

v) develop, in consultation with the Centers Consultative Group, a proposal for a risk management framework for CGIAR Research (including financial, reputational, legal, regulatory, operational and strategic risks) and escalation procedures;

w) provide the Trustee the information needed for the Trustee to carry out its responsibilities, including instructions for transfer of funds for CGIAR Research in accordance with a Center's instructions;

x) develop, in consultation with the Centers Consultative Group, policies, procedures, guidelines and research standards for CGIAR Research for System Council approval;

y) monitor implementation of decisions of the System Council, arising from evaluations of CGIAR Research;

Performance management

z) lead a consultative process with the ISPC and Centers Consultative Group for the development of a performance management system for CGIAR Research, including common reporting formats and periodicity of reporting;

aa) monitor the implementation of CGIAR Research in accordance with the agreed performance management system; and

bb) prepare an annual portfolio analysis of the CGIAR Research in consultation with the Centers Consultative Group.

Executive Director

9.2   The Executive Director shall be appointed by the System Council, selected on the basis of merit, in an open and competitive manner. The Executive Director may be appointed to serve a term of four years, which can be renewed once by the System Council.

9.3   The Executive Director shall act in his or her capacity as chief executive officer of the System Organization. The Executive Director shall serve as one of the major public faces of the CGIAR System, reaching out to stakeholders of all regions, to drive progress towards the objectives of the CGIAR Strategy and Results Framework. The Executive Director is responsible to the System Council for the day-to-day management of the System Organization, for the fulfillment of the System Administrative Office functions, and for the specific duties and responsibilities assigned to him or her by the System Council in accordance with the Executive Director's terms of reference.

9.4   The Executive Director shall select and manage the staff of the System Administrative Office under policies approved by the System Council, taking into account cost efficiency and the role and functions of the System Administrative Office.

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²³ The Centers have proposed that the System Administrative Office provide administrative/secretariat support to the Centers Consultative Group.

Article 10. Partnership Forum[24]

10.1　The Partnership Forum provides stakeholders who actively support the CGIAR System with a forum to express their views on CGIAR's operations, including:

a) proposed CGIAR Strategy and Results Framework;
b) feedback to the System Council on the implementation of the CGIAR Strategy and Results Framework; and
c) ongoing trends, signals and risks in local, regional and global contexts in science and in the field of agricultural research for development.

10.2　The Partnership Forum shall be convened at least every three years and co-chaired by a representative of the Centers and a representative of the Funders.

Article 11. Centers and Funders Meetings

11.1　The Centers and Funders will meet in conjunction with the convening of each Partnership Forum, and taking into account those deliberations, shall make recommendations to the System Council with a view to enhancing the overall effectiveness and efficiency of the CGIAR System, including in regard to:

a) evolving CGIAR System's strategic direction;
b) strategic actions emerging from reviews and evaluations of the effectiveness of the CGIAR System;
c) funding of the CGIAR System;
d) amendments to this CGIAR System Charter; and
e) whether the System Organization is operating in accordance with this CGIAR System Charter

11.2　The Centers and Funders Meeting shall normally be convened in conjunction with the Partnership Forum except that the System Council, at the request of the Centers Consultative Group, may instruct the System Administrative Office to organize a meeting at a different time.

Article 12. Centers Consultative Group

12.1　The Centers Consultative Group shall undertake the following functions:

a) ensure regular and effective operational coordination and consultation among the Centers, and keep under review the collective organizational soundness of the Centers;
b) coordinate Center input and serve as a channel for consultation with the System Organization in developing CGIAR Strategy and Results Framework, a coherent CGIAR Research portfolio, and resource mobilization efforts;
c) collate Center contributions to foresight and prioritization activities, drawing on Center-conducted foresight activities, program studies, knowledge of new science and regional developments, and relevant input from Centers' corporate and strategic planning exercises;

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[24] In proposing the Partnership Forum it is recognized that the Forum could be organized according to a process and in a manner similar to that which is followed for the organization of GCARD, which currently meets biannually (whereas it is proposed that the Partnership Forum meet every three years) with a process of smaller consultations jointly organized by GFAR and the Consortium Office as part of an ongoing consultation with CGIAR System Partners.

d) collaborate with the ISPC and the System Administrative Office in the development of a performance management system for CGIAR Research, including common reporting formats and periodicity of reporting;

e) provide input to the System Administrative Office on proposed policies, procedures, guidelines, and research standards for CGIAR Research recognizing the Centers' individual governance structures;

f) review and comment on the annual system-level programmatic and financial report on CGIAR Research and other activities, prior to its submission by the System Administrative Office to the System Council;

g) review and comment on the annual portfolio analysis of the CGIAR Research, prior to its submission by the System Administrative Office to the System Council;

h) provide input into the development of proposals for clear guidelines and criteria for prioritization and allocation of funds across CGIAR Research based on strategic priorities and performance;

i) provide input into the development of a proposal for annual allocation of funds to CGIAR Research;

j) identify areas that could benefit from system-wide shared services that enhance effectiveness and efficiency and collaborate with the System Administrative Office in the development of proposals and budgets for submission to the System Council;

k) provide input into the proposed agenda, documents and recommendations prepared by the System Administrative Office that impact the Centers for meetings of the System Council, prior to submission to the System Council;

l) provide input into proposed changes in the rules of procedure of the System Council;

m) raise any concern to the System Council that actions of the System Council or System Administrative Office are not consistent with this CGIAR System Charter;

n) contribute to the annual performance evaluation of the Executive Director;

o) provide input to IEA into the development of the multi-year evaluation framework for CGIAR Research to be approved by the System Council;

p) [Propose, for System Council approval, an annual budget and work plan for fulfilling its functions];

q) perform such other functions with respect to the self-management of the Centers Consultative Group as agreed by the Centers.

Composition and Meetings of the Centers Consultative Group

12.2 [The Centers shall determine the membership of and rules of procedure for the Centers Consultative Group and provide that information to the System Administrative Office for public disclosure.]

OR

12.2 [The Centers Consultative Group shall consist of one representative from each Center and its corresponding alternate and shall meet as often as necessary, but at least twice per year in ordinary session.

12.3 The rules of procedure shall provide for the location and arrangements for the conduct of meetings, including convening extraordinary meetings, as well as the manner in which the Chair, the Vice-Chair and the Secretary of the Centers Consultative Group will be elected amongst its members.

12.4 Centers Consultative Group meetings may be held face to face, by video or audio-conference or any other electronic communication medium that allows Centers Consultative Group members to follow and contribute to discussions as they occur in real time.

12.5   The Centers Consultative Group may conduct business only when at least twelve Centers' representatives are present at the meeting.

12.6   The Centers Consultative Group shall use best efforts to make all decisions by consensus.

12.7   If all practical efforts by the Centers Consultative Group have not led to consensus, any member of the Centers Consultative Group seconded by another member of the Centers Consultative Group, may call for a vote. In circumstances where a vote is taken, decision require a majority of the members present during the meeting

12.8   All decisions of the Centers Consultative Group shall be recorded in a summary of the Centers Consultative Group meetings, approved by the Centers Consultative Group and retain in the permanent records of the Centers Consultative Group in accordance with the rules of procedure.

12.9   The rules of procedure of the Centers Consultative Group shall be provided to the System Administrative Office for public disclosure.] [25]

Article 13. Independent Science and Partnership Council

13.1   The Independent Science and Partnerships Council (ISPC) is a standing panel of experts appointed by the System Council to serve as an independent advisor on science and research matters, including strategies for effective partnerships along the research for development continuum. The purpose, functions and composition of the ISPC shall be as set forth under its Terms of Reference, as approved and amended periodically by the System Council with powers duly delegated by the System Council.[26]

OR

13.1   The Independent Science and Partnerships Council (ISPC) is a standing panel of experts appointed by the System Council to serve as an independent advisor on science and research matters, including strategies for effective partnerships along the research for development continuum. The System Council shall approve and amend periodically terms of reference for the ISPC elaborating upon arrangements to allow it to fulfill the following functions.

13.2   As requested by the System Council, the ISPC shall undertake the following:

      a)   Provide expertise and feedback throughout development of the CGIAR Strategy and Results Framework:
         i.   lead scientific foresight activities;
        ii.   commission studies on topics relevant to strategy development;

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[25] Two alternatives are proposed. While the Centers have proposed that this Articles 12.2-12.9 be included in the Charter, other views have been expressed that the first alternative for 12.2 is sufficient and that the details should be agreed by the Centers and not included in the Charter

[26] It is proposed that it would be preferable to set forth the purpose, functions and composition of the ISPC in terms of reference to be approved by the System Council to allow greater flexibility to amend them in light of changing circumstances.

iii.   lead and advise on prioritization of the portfolio of CGIAR Research programs, based on insights from scientific foresight exercises and impact assessments, among other sources

iv.   lead and facilitate development of criteria for science quality, relevance and performance for CGIAR Research;

v.   assess system-wide science infrastructure and skills; and

vi.   relative to CGIAR Strategy and Results Framework priorities;

b)   Provide assurance to the System Council for science quality and relevance through:

    i.   independent review of science proposals for CGIAR Research for strategic relevance, rigor and credibility, capturing synergies across CGIAR Research, coherence to the Strategy and Results Framework and recommend actions and priorities for funding to the System Council;

    ii.   making recommendations to the System Council concerning science quality in the CGIAR System, including periodic analysis of the System portfolio with respect to duplication, omission, and areas of comparative advantage;

    iii.   convening and brokering science discussions with outside experts and science groups within the CGIAR System;

    iv.   recommendations to the System Council on impact assessment strategy, enhanced impact assessment capacity within the system, and leading system-level impact assessments; and

    v.   as appropriate, providing commentary to System Council on annual research program performance;

c)   Provide overview of strategies for effective partnerships along the research for development continuum;

d)   Carry out synthesis and capture lessons learned from ex post impact assessment to feed into the relevant CGIAR System mechanisms for program evaluation and priority setting; and work to support ex ante impact assessment across the CGIAR System;

e)   Provide advice to the System Organization and Centers on internationally accepted research standards; and

f)   Such other functions as may be directed by the System Council.

Article 14. Independent Evaluation Arrangement

14.1   The Independent Evaluation Arrangement is a functionally and operationally independent service formed under the authority of the System Council to provide accountability, contribute to learning and support decision-making through the conduct of independent, external evaluations in order to provide the CGIAR System with objective, contemporary and cost-effective information on the overall performance of CGIAR Research and the functions and structures of the CGIAR System. The purpose, functions and composition of the IEA shall be as set forth under its Terms of Reference, as approved and amended periodically by the System Council with powers duly delegated by the System Council. [27]

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[27] It is proposed that it would be preferable to set forth the purpose, functions and composition of the IEA in terms of reference to be approved by the System Council to allow greater flexibility to amend them in light of changing circumstances.

OR

14.1   The Independent Evaluation Arrangement is a functionally and operationally independent service formed under the authority of the System Council to provide accountability, contribute to learning and support decision-making through the conduct of independent, external evaluations in order to provide the CGIAR System with objective, contemporary and cost-effective information on the overall performance of CGIAR Research and the functions and structures of the CGIAR System. The System Council shall approve and amend periodically terms of reference for the IEA elaborating upon arrangements to allow it to fulfill the following functions.

14.2   As requested by the System Council, the IEA shall undertake the following:

a)   [In consultation with the Centers Consultative Group, the System Administrative Office, the ISPC Chair and the [head of the] Internal Audit Arrangement,] propose for System Council approval a multi-year evaluation framework for CGIAR Research, to be reviewed annually to ensure relevance in light of changed risk and organizational conditions, and that includes periodic evaluations and periodic external governance and management reviews of the Centers;

b)   Plan, design and implement an annual evaluation plan in accordance with the multi-year evaluation framework;

c)   Develop, and periodically revisit and propose revisions if necessary, to the CGIAR Evaluation Policy for approval by the System Council;

d)   Review implementation of evaluation recommendations in subsequent evaluations;

e)   Report on and advise the CGIAR System on lessons learned from evaluations;

f)   Provide learning and evidence from evaluations for the development of each CGIAR Strategy and Results Framework in a manner that ensures that evaluation information feeds into analysis of what has worked or not, thereby providing proactive, temporal input into decisions about future directions;

g)   Support ISPC's review of proposals for CGIAR Research based on lessons learned from evaluations and [propose][support the development within those proposals of appropriate] accountability and learning frameworks [to be included in such proposals];

h)   Guide and support the CGIAR System to develop and implement a consistent and cost-effective contemporary evaluation culture;

i)   Facilitate evaluation quality and effectiveness across the CGIAR System;

j)   Support the development of criteria for science quality, relevance and performance for CGIAR Research; and

k)   Undertake such other functions as may be directed by the System Council.

Article 15. Internal Audit Arrangement

15.1   [The Internal Audit Arrangement is functionally and operationally an independent, objective assurance and advisory service established under the authority of the System Council, and designed to add value by improving system-wide operations, particularly with respect to governance, risk management, and internal controls. The purpose and functions of the IAA shall be as set forth under its Terms of Reference, as approved and amended periodically by the System Council with powers duly delegated by the System Council.] [28]

OR

15.1   [The Internal Audit Arrangement is functionally and operationally an independent assurance and advisory service established under the authority of the System Council designed to add value by improving system-wide operations, particularly with respect to governance, risk management, and internal controls. The System Council shall approve and amend periodically terms of reference for the IAA elaborating upon arrangements to allow it to fulfill the following functions.]

15.2   [For the purposes of this Charter:

a)   Assurance means the objective examination of evidence for the purposes of providing an independent assessment of effectiveness of risk management, control and governance processes. In the delivery of the assurance function, a risk-based approach will be applied that takes account of the overall framework of assurance services at Center level. The bodies concerned and the specific subjects to be covered will be selected for audit on a risk basis and according to a timeframe proposed by [head of[the IAA and approved by the System Council on the recommendation of the Audit Committee.

b)   Consulting services are advisory and management-requested activities [, the nature and scope of which are agreed with the Executive Director, and where relevant the Centers Consultative Group. Consulting services are] intended to add value and improve the CGIAR System's governance, risk management and control processes without the internal auditor assuming management responsibility.]

15.3   [As requested by the System Council, the IAA shall undertake the following:

a)   In consultation with the Centers Consultative Group, the System Administrative Office, and the ISPC and IEA, prepare a system-wide multi-year audit work plan, to be reviewed annually to ensure relevance in light of changed risk and organizational conditions, that focuses on providing assurance to the System Council on key processes and controls in high-risk areas across CGIAR Research, the System Organization and its advisory bodies, building on the principle of subsidiarity and the role of Center boards, while providing assurance that audits meet accepted international standards [,with special reference to the following aspects:

i.   Risks are appropriately and continuously identified, assessed and proactively managed by the relevant body;

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[28] It is proposed that the purpose, functions and composition of the IAA be approved and set forth in terms of reference approved by the System Council to allow greater flexibility to amend them in light of changing circumstances.

ii. Significant financial, managerial and operating information is accurate, reliable and timely;

iii. CGIAR Research policies, procedures and applicable laws are complied with; and

iv. The development and maintenance of high-quality control processes are promoted by relevant bodies in respect of CGIAR Research.];

b) [Implement][Ensure the implementation of] appropriate elements of the multi-year audit work plan as requested by the System Council;

c) Foster a common approach to internal auditing throughout the CGIAR Research, System Organization and advisory bodies based on standards and guidance from the Institute of Internal Auditors, by providing and facilitating knowledge sharing and capacity building through a community of practice;

d) Prepare and keep under review, in consultation with the Centers Consultative Group, high-level guidelines for the CGIAR Research and activities of the System Organization on effective internal audit;

e) Advise on the development of an escalation policy [between Center management, Center Boards of Trustees and the System Council for identified risks] [and provide the System Council with an assurance on its implementation];

f) [Upon request by a Center, provide guidance, technical assistance, back-stop advisory support or internal audit functions to the Center, including assistance in identifying specialists or firms, to carry out independent quality assurance of the Center's internal audit functions;] and

g) Carry out any other function in relation to CGIAR Research, and System Organization and advisory body operations as requested by the System Council.]

Article 16. Trustee

16.1   There shall be a trustee for funds contributed to a CGIAR Trust Fund. Such trustee shall have the responsibilities agreed between the trustee and the System Organization and the Funders who contribute through a CGIAR Trust Fund, as applicable.

Article 17. Entry into force

17.1   This CGIAR System Charter shall enter into force upon the amendment to the Constitution of the Consortium of International Agricultural Research Centers in accordance with its terms, but no earlier than 1 July 2016.

Article 18. Amendment

18.1   This CGIAR System Charter may be amended by the System Council at a meeting in accordance with the provisions of Article 8 upon the agreement of at least:

   a)   [three-quarters of the Centers; and][29]
   b)   Funders whose contributions in the immediately prior three year period represent not less than three-quarters of all contributions during that period.

18.2   Notwithstanding Article 18.1, the System Council may amend this CGIAR System Charter at a meeting in accordance with the provisions of Article 8 if such amendment is deemed immaterial or inconsequential by the System Council without any objection from the Center representatives who are Active Observers.

Article 19. Dissolution and Liquidation

19.1   The System Organization may be dissolved if the System Council determines that the System Organization is unable to continue its activities or the existence of the System Organization is not necessary.

19.2   The System Council shall consult the Centers and the Funders as well as the States that are parties to the Agreement establishing the System Organization as an International Organization prior to any decision to dissolve the System Organization.

19.3   The System Organization shall remain operative for such period as is necessary for the orderly cessation of the System Organization's activities and the disposition of its property. In the case of dissolution, the unencumbered funds of the System Organization, subject to the conditions attached to those funds, shall be returned to the original Funders, or with the original Funder' agreement, shall be distributed to an organization or organizations having purposes similar to those of the System Organization, as may be determined by the System Council.

Article 20. Transitional arrangement

20.1   Until such time as the agreement establishing the Consortium of International Agricultural Research Centers as an international organization ("International Organization Agreement") is amended to reflect the nomenclature used in this CGIAR System Charter and for the purposes of that International Organization Agreement:

   a)   all references in this CGIAR System Charter to:
        i.   System Organization shall be construed as meaning the Consortium;
        ii.   The System Council shall be construed as meaning the Consortium Board; and
        iii.   The Centers shall be construed as meaning the Member Centers.
   b)   The official legal personality of the organization shall remain the CGIAR Consortium.
   c)   [Terms of reference of the Chair [and Vice-Chair] of the System Council will be approved by Centers prior to the entry into force of this document.] [30]

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[29] It has been proposed that Center approval is not required for amendments to the CGIAR System Charter.
[30] The Centers have proposed that this text be included.

Annex A: Guiding Principles for the Governance of the CGIAR System[31]

Preamble

1.	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 for development of sustainable agri-food systems in developing countries. Its vision is a world free of poverty, hunger, malnutrition, and environmental degradation.

2.	The CGIAR System has unparalleled capacity to mobilize people, science, resources, and infrastructure in more than 60 countries to build capacity in, conduct and integrate breakthrough research with delivery to millions of farmers and other players in the agri-food system, including consumers. CGIAR's work is undertaken with the proactive engagement of CGIAR System Partners who are interested in collaborating with the CGIAR System to deliver on its research agenda, and/or benefit from the global knowledge, products, and technologies that the system generates.

3.	CGIAR regards the results of its collaborative research for development activities as global public goods, and is committed to their widespread diffusion and use in line with the International Treaty on Plant Genetic Resources for Food and Agriculture32 and the CGIAR Principles on the Management of Intellectual Assets33, thus delivering maximum possible access, scale and scope of impact, and sharing of benefits to advantage the poor, especially farmers in developing countries.34

4.	CGIAR undertakes its research within a Strategy and Results Framework. Designed at a whole of portfolio level, the Strategy and Results Framework provides a framework for CGIAR research program development, priority setting, and resource development and allocation for successive periods.

Guiding Principles of the CGIAR System

5.	**Governance of the System should enable the Centers and CGIAR System Partners to conduct high quality research for development.** The CGIAR System should support national development programs and their commitments to the Sustainable Development Goals in the agri-food sector. Effective governance should focus on strengthening and promoting an effective and efficient research-oriented partnership by creating the framework, incentives, and conditions through which high quality results and impacts can be achieved.

6.	**Governance practices across the CGIAR System should engender mutual respect and trust in the value of collaboration.** The Centers are recognized as having the experience and capability to

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[31] As agreed at the meeting of Centers and Contributors in February 2016, these guiding principles are included as they were adopted by the meeting

[32] The maintenance of genetic resources is at the very heart of CGIAR's work, such that CGIAR is committed to holding in trust these unique genetic resources for agriculturally significant species of central importance to advance and sustain productivity for the world's smallholders in the 21st century.

[33] The CGIAR Principles on the Management of Intellectual Assets set out the Center and Funders' agreed basis for the use and management of Intellectual Assets produced or acquired by CGIAR from its research and development activities, and are incorporated into these principles by reference.

[34] 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.

ensure effective conduct, delivery and impact of the CGIAR System's research for development when working in close partnership with external (both national, regional and global) research and development partners, including the private sector. The CGIAR System's effectiveness depends on strong, dynamic, well managed 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. Centers and Funders should have adequate voice and influence in the governance of the System Organization.

7.   **Effectiveness, efficiency, transparency, and impact should be key performance criteria for the CGIAR System.** All CGIAR System entities should meet high standards of efficiency, effectiveness, transparency, and value for money. Impacts on the ground should be demonstrable and measureable. With a view to greater local coherence and alignment with national systems, the CGIAR System should strive for greater integration of its activities through joint planning and partnerships. Policies and procedures to plan, implement, and oversee the CGIAR System should be clear, unambiguous, functional, cost effective, and flexible in order to respond to changing circumstances. Policies and administrative structures should strive for simplicity in promoting the effective and efficient delivery of critical functions while avoiding overlaps and redundancies.

8.   **A foundational principle of the CGIAR System is collective responsibility and mutual commitment.** Centers and Funders have a collective responsibility for the performance and results of the CGIAR System. Sustained mutual commitment of both Centers and Funders is essential for fulfilling the mission and goals of the CGIAR System. Centers and Funders should live up to commitments they respectively make.

9.   **The CGIAR System requires effective leadership to support the achievement of its objectives and to mobilize financial support for the CGIAR System.** Effective leadership should promote a common vision and coordination of functions to avoid duplication or conflict, ensure clarity, internal complementarity and coherence, and communicate consistent messages with CGIAR System and external partners.

10.   **The CGIAR System entities should have clearly defined roles, responsibilities, accountabilities and oversight functions.** The new structure will manage potential conflicts of interest and be most effective if roles**,** responsibilities, accountabilities and oversight functions are defined with sufficient precision to be unambiguously interpreted and fulfilled by actors across the CGIAR System. Responsibilities should be assigned to those entities that can most efficiently and effectively fulfill them. The CGIAR System entities should demonstrate accountability to its ultimate beneficiaries.

11.   **A fundamental principle of the CGIAR System is that the whole should be greater than the sum of the parts.** CGIAR-wide programs, such as CGIAR research programs and platforms, are especially important mechanisms to achieve this principle, as is the multi-stakeholder nature of system governance. Centers should continue to identify opportunities to collaborate in complementary ways that maximize impact.

12.   **The principle of subsidiarity should guide policies and implementation, and overreach must be avoided.** The Centers should be responsible for system functions that can be more efficiently and effectively executed by them and by CGIAR research programs and for the use of funds provided to them. Center Boards have legal, governance and fiduciary responsibilities of their own, and these must be fully recognized and respected. While it is expected that cross-cutting and system-wide policies, procedures and guidelines can facilitate collaboration and an effective and efficient CGIAR System, the System Council decisions should allow Centers and their Boards flexibility to adapt policies, procedures and

guidelines appropriate to the needs and conditions of individual Centers while achieving the goals and expected results of such cross-cutting and system-wide guidance. The principle of subsidiarity should also be respected by Centers as they cooperate with CGIAR System Partners.

13. **The CGIAR System should have a strong, visible system profile based on streamlined, system-level monitoring, and impact assessment, and evaluation of programs and performance in relation to the SRF and CRPs.** A robust performance monitoring system needs to be in place, which includes consolidated reporting at the system-level. There should be no redundancy in program and financial reviews and reports. Maximum use should be made of reviews conducted by CGIAR research programs and the Centers so that maximum staff time and resources can be focused on the core business of research for development. The CGIAR System will make use of independent evaluation of its programs and institutions to assess the relevance, quality, development efficiency, effectiveness, impact and sustainability.

14. **Corrective action, when required, should be targeted.** All entities funded by the CGIAR System should be accountable for the proper use of funds provided to them and for compliance with CGIAR System policies, procedures and guidelines applicable to them. Reporting back on compliance monitoring to the System Organization should be through regular reporting and independent system reviews and in accordance with other agreements between the System Organization and the Centers. When deficiencies or malfeasance are identified, corrective/disciplinary action should be directed at the concerned entity. Lessons learned should, however, be employed by appropriate entities to strengthen controls and other mechanisms across the system.

15. **Legitimacy of action requires input from a broad range of stakeholders.** System Organization governance and management structures, including at CGIAR research program level, should facilitate adequate and meaningful participation and voice of CGIAR System Partners, especially with national agri-food knowledge and innovation systems.

16. **Stable and predictable funding contributes to maximizing impact and results. Recognizing that it has not always been possible to ensure predictable funding, the CGIAR System will need to be sufficiently flexible and adaptable to respond to changing circumstances.** Research for development is by nature a long-term process, and the CGIAR System requires sufficient and predictable resources to sustain research and to cover essential Center costs over time, delivered through, to the extent possible, multi-year donor commitments and innovative finance mechanisms. 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 that can enhance adaptability or flexibility of the CGIAR System to changing resource streams and volumes should be established to 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 must develop and execute a robust Resource Mobilization Plan that fully takes into account the significant resource mobilization capability, infrastructure and incentives distributed across the CGIAR System and seeks to promote synergies, not competition, in fund raising throughout the CGIAR System. To the extent possible, funding mechanisms should be simplified and perverse incentives eliminated.

Annex B: Eligibility criteria for Funders' inaugural System Council members and alternates

1.   For purposes of the inaugural System Council, Funders have agreed to the following eligibility criteria for selecting its System Council members and alternates.

2.   To be eligible for to be a Funder representative on the System Council, a Funder must have contributed in the three year period 2013-2015 a weighted minimum of US $10,000,000 to the CGIAR System, to be calculated as follows:

   a) Contributions to Window 1 of the CGIAR Fund shall be weighted at three times their nominal amount;
   b) Contributions to Window 2 of the CGIAR Fund shall be weighted at twice their nominal amount; and
   c) Contributions to Window 3 of the CGIAR Fund and bilateral contributions to Centers shall be counted at their nominal amount.

3.   Funders that provide the weighted minimum of US $10,000,000 to the CGIAR System shall agree on the distribution of the System Council contributor seats amongst themselves and the formation of constituencies, if required.

4.   Contributions that provide less than the weighted minimum may seek to join any of the constituencies once they are agreed.