



Adopted: 18th November 2016

Developing Terms of Reference for the Working Group on Cost-sharing for Host Centers

Purpose

This document sets out the adopted terms of reference (“TOR”) for the System Management Board’s Working Group Number 3 on Cost-sharing for Host Centers. The terms of reference were revised based on consultation with the members and finally adopted on a no objection basis on Friday 18th November 2016.

Distribution notice:

This document can be shared without limitation.

Prepared by: CGIAR System Management Office in collaboration with the Chair and members of Working Group 3 on Cost-sharing for Host centers.

Background

1. There are a number of CGIAR Research Centers (“Centers”) which host the staff of other Centers in locations around the world.
2. Hosting agreements vary with quite different arrangements developed for hosting by different Centers, in different locations, and with different charges. Particular hosting agreements are always negotiated between two parties.
3. This variance in hosting arrangements can give rise to mis-understandings and difficulties for both Centers and the CGIAR System as a whole. Should there be a substantive issue to address at a future time and one that escalates to a formal dispute within the System, Article 8.1(s) of the Charter of the CGIAR System Organization, sets out that it is the responsibility of the System Management Board to approve and oversee a mechanism to resolve disputes between the Centers.
4. There are also perceived opportunities for shared corporate services and other means of improving financial efficiency where multiple Centers operate in a host country, often supported by studies undertaken as listed in paragraph 5(f) of the draft TOR, which the CGIAR System would benefit from.

Establishment and Purpose of the Working Group

5. At its first meeting (11 and 13 July 2016) in Paris, the System Management Board established a number of Committees and ad-hoc Working Groups pursuant to Article 9.10 of the Charter of the CGIAR System Organization, including an Ad Hoc Working Group (“Working Group”) on Cost-sharing for Host Centers. The initiator of the Working Group, Gordon MacNeil, was proposed by the Interim Chair of the System Management Board to take the work forward.
6. In establishing the **Working Group on Cost-sharing for Host Centers**, the System Management Board agreed the following purpose¹: *To identify opportunities for shared corporate services and other means of improving financial efficiency where multiple centers operate in a host country to submit to the System Management Board*
7. The Board also established a **Working Group on Site Integration**, with the purpose: *To review and make a proposal for improving the implementation of the site/ country integration process.*
8. Recognizing that there are inherent linkages between the two groups, there is a degree of common membership between them. Similarly, the System Management Office will provide common support, to enhance collaboration and reduce potential duplication.

¹ As indicated in the document SMB2-02 on System Management Board Committees and Working Groups. Version: 9 September 2016.

Annex 1 - Terms of Reference
CGIAR Working Group on Cost-sharing for Host Centers

A. Purpose

1. The Working Group on Cost-sharing for Host Centers is established by the System Management Board (“Board”) to develop recommendations for shared corporate services and other means of improving financial efficiency where multiple Centers operate under the umbrella of a Center with a host country agreement or where multiple Centers operate with individual hosting agreements with a host country.
2. The Working Group is an ad hoc advisory group formed by the Board to provide inputs to assist the Board in the discharge of their respective functions. It does not have any executive authority, and as such, does not make decisions.

B. Operational context

3. Words and expressions used in these Working Group Terms of Reference (“TOR”) shall, unless the context requires otherwise, have the meaning attributed to them in the Charter of the CGIAR System Organization (“**Charter**”).
4. The Working Group has been formed to deliver inputs for the benefit of the CGIAR System as a whole.
5. Working Group members shall serve until 31 March 2017, or when their roles are performed, whichever is sooner.

C. Role of the Working Group

6. Taking into consideration that the Board will keep under review the effectiveness of the CGIAR System and the organizational structure of the Centers as set out in Article 4.1 of the Charter, and the specific functions of the Board as set out in Articles 8.1 (s) and 8.1 (hh) of the Charter, the Working Group shall have the roles described below. Priority Action A will be undertaken in its entirety first, with Priority Action B to be undertaken if there is remaining time and mandate.
 - a. **Planning the Working Group’s activities.** Discuss the proposed purpose and tasks of the Working Group and develop a work plan with key next steps and a timetable for its work.

b. Priority Action A. Provide recommendations for a standardized Center hosting arrangement by:

- i. Summarizing best available information on range of past and current Center hosting arrangements, including on, but not limited to, direct and indirect costs charging, multi-tier versus single-tier cost recovery processes, and in-house and partner indirect cost charges.
- ii. Consulting with Centers to identify issues and discuss possible solutions on Center hosting arrangements.
- iii. Carrying out an analysis of the various hosting arrangements with consideration of how various arrangements have worked and what will work for the benefit of the CGIAR System as a whole given the range of situations in which hosting may take place.
- iv. Identifying possible options for a common hosting arrangement that would work for all CGIAR Centers hosted by another CGIAR Center to be considered by the System Management Board.

c. Priority Action B. To the extent feasible, recommend other areas where cost savings may be achieved through appropriate Center-level arrangements by:

- i. Considering the various reviews and external studies that already exist within the CGIAR System including the following:
 - Accenture Development Partnerships August 2009 Review
<https://drive.google.com/file/d/0B5fuEIKrAdcpSzhGTKjYbW9tVU0/edit>
 - CGIAR Consortium ‘Thinking like a Billion Dollar Organization’
 - Accenture Development Partnerships, May 2013, Case studies of Ethiopia and Bangladesh.
 - Consortium Board discussed Shared Services Strategy, 2014
 - 2014 ICT case study: [here](#)
 - ii. Considering the opportunities within the Site Integration initiative for exploring and achieving efficiency gains by making use of common members between this Working Group (number 3) and the Working Group 5 on Site Integration².
 - iii. Taking into account the above (f) and (g) plus advice from others as necessary, making recommendations on some specific areas where relatively quick wins might be possible and the next steps for exploring the feasibility of these opportunities of a shared services approach.
7. In discharging its functions, it shall be the responsibility of the Working Group to maintain regular and open communication among its members and with the Chair of the Board.

² Common members include Matthew Morell and Barbara Wells, and Siboniso Moyo serves as an Additional Resource for the Site Integration Working Group also.

D. Composition and Chair

8. **Composition:** The Working Group will be comprised of **5 members** as follows: Gordon MacNeil (Board member); Matthew Morell (Center Director General) and Michael Gerba³ (Chief Operating Officer); Syon Niyogi (Director of Corporate Services, International Water Management Institute) and Siboniso Moyo (Director General's representative in Ethiopia, International Livestock Research Institute).
9. **Chair:** The Working Group will be chaired by Gordon MacNeil as selected by the Working Group members at the group's first virtual meeting.

E. Operations

The Working Group shall operate according to the following guidelines:

10. **Meetings:** The Working Group shall meet virtually as determined by the Chair in consultation with the other group members.
11. **Disclosing conflicts of interest:** Where a member has a conflict of interest on a specific topic under discussion, they will make the circumstances of the conflict known to the Working Group, to ensure that discussions proceed in an open and transparent manner.
12. **Quorum:** A majority of members shall constitute a quorum for the transaction of business.
13. **Meeting support:** The System Management Office carries the responsibility for:
 - a. preparation of a draft agenda and meeting materials in advance of discussions;
 - b. timely circulation of meeting summaries; and
 - c. preparation of materials to support Working Group member requests for additional inputs.
14. **Arriving at agreement on matters to be provided as formal inputs into the deliberations of the Board:** The Chair should aim for consensus on inputs that are proposed to be put forward to the Board. If consensus cannot be reached, both the majority and minority positions shall be reported.
15. **Access to expertise:** The Working Group in fulfilling its duties under these TOR will draw on expertise of the Centers, those working on CGIAR Research, the Funders, the System Management Office, and others as appropriate.
16. **Delegation of Authority:** The Working Group shall have the power to delegate on an exceptional basis its authority and duties to the Chair or individual Working Group members as it deems appropriate.

³ Michael Gerba was nominated by Barbara Wells, Director General of CIP, to replace her in Working Group 3.