

Towards ONE CGIAR

TAG-3: UNIFIED GOVERNANCE



A **CHECKLIST** TO GUIDE REVISION OF CENTER GOVERNING INSTRUMENTS TO DELIVER A 'ONE CGIAR COMMON BOARD' WITH EFFECT FROM 1 OCTOBER 2020

Endorsed by the SMB with effect from 13 August 2020 (Decision Ref: SMB/M17/EDP6)

To deliver on the reality of a functionally effective common board, and thus 'Unified Governance' for CGIAR's legal entities, there is a need for Center governing instruments to be amended to be as aligned as far as is legally possible to simplify the operating environment for those persons who will serve as voting members of the board of the CGIAR System Organization, and the boards of Centers/Alliances (namely 'common board members'). Center governing instruments may require very specific, individual changes, and this document does not look to answer every question for those specific cases. Rather, it looks to deliver a higher-level view of the most common of the required changes to reduce institutional differences, and thus better serve the principle of aligned and unified governance.

In the following, the 'effective date' is by 1 October 2020, with decision making by each Center/Alliance board already having been completed by 18 September 2020. This leaves time to prepare press materials, website updates, and other administrative processes before 'One CGIAR Unified Governance' through common board membership comes into effect on 1 October 2020.

**** Note a nomenclature change effective July 2020:** Based on feedback, we refer in this document to "the board of the CGIAR System Organization" and "common board members", but not the "One CGIAR Common Board" as that will not be the title of the board going forward. Some have recommended "CGIAR System Board" as an alternative for 'System Management Board', and this is under review.

No	Main concept to address in governing instrument with effect from 1 October 2020	Rationale for inclusion of this concept in the governing instrument moving forward	Completed
Center/Alliance board and membership structure			
1	Voting members - Maximum of 12 voting members on the Center/Alliance board, including all 8 voting members of the board of the CGIAR System Organization	This implements decisions of the System Council and System Management Board, based on the 2018 System Reference Group discussions. Using the nomenclature of “board of the System Organization” in Center/Alliance governing instruments allows for flexibility in the name (e.g. ‘CGIAR System Board’, or as current, ‘CGIAR System Management Board’, or ‘CGIAR Board’ etc)	<input type="checkbox"/>
2	Director General - to be a non-voting ex-officio member of the Center/Alliance’s own board	Ensures clear separation between those accountable for governance (voting members) and those accountable for management (with continuing accountability for decisions by being a member of the Center/Alliance board)	<input type="checkbox"/>
3	Non-voting members – Provide for small number of non-voting members on the Center/Alliance board if determined as necessary by the Center/Alliance board (for example, 1 or 2, with a maximum of up to 4 persons including the Director General, or fewer as preferred by the Center/Alliance board)	Continuity of knowledge, contributing to decision making on those decisions that are agreed as remaining with Center/Alliance boards	<input type="checkbox"/>
4	The CGIAR Executive Management Team members who are appointed by the board of the CGIAR System Organization to have a standing invitation to attend and contribute during Center/Alliance board sessions – In the drafting, provide that these persons attend as invited guests unless the session involves a confidential staffing matter below Director General level and internal only to the Center/Alliance	Reflects that, in the usual case, all boards will meet at the same time, and will take concurrently (at the same time) as many decisions as possible. Excluding the EMT from Center/Alliance board meetings would adversely impact concurrent whole-of-CGIAR decision making. <i>(Note -1: this standing invitation to attend and contribute to discussions could be stated in Rules of Procedure, so long as the ability to attend is not otherwise precluded under the governing instrument of the Center/Alliance board. Note -2: Also possible in the drafting to use the more generic language of “the CGIAR executive leadership team” as a defined term, so long as it is clear it is the cross-CGIAR management team appointed by the board of the CGIAR System Organization)</i>	<input type="checkbox"/>

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5	Appointment of Chair of Center/Alliance board - Selected by the Center/Alliance board from amongst its voting members every three years (or more frequently where required due to end of term, or earlier departure of the Center/Alliance board Chair)	Ensures continuing ownership in the Center/Alliance board Chair choice, as well as creating the opportunity for the Center/Alliance board (should they wish to do so) to appoint the Chair of the board of the CGIAR System Organization as the Center/Alliance's own Board Chair, to further support unified governance <i>(Note: It is for the Center/Alliance board to decide if their own current Chair will be one of the continuing members of the Center/Alliance board with effect from 1 October 2020. If yes, then it is anticipated that they would finish their term as Center/Alliance board Chair, and at that later time, the Center/Alliance board would select a new Chair, which could be the Chair of the board of the CGIAR System Organization or the Chair of another Center/Alliance board)</i>	<input type="checkbox"/>
6	Appointment of Vice-Chair of Center/Alliance board – Selected by the Center/Alliance board from amongst its voting members each three years (or more frequently where required due to end of term or other earlier departure of the Center/Alliance board Vice-Chair)	Reflects good practice to have a Vice-Chair who can step in if the Chair is unavailable, as well as creating the opportunity for a Center/Alliance board to, if they wish, have the Vice-Chair focus on Center/Alliance internal matters. <i>(Note: This could be particularly attractive if the Center/Alliance board decides to appoint the Chair of the board of the CGIAR System Organization, who is also the Chair of the CGIAR common board, as its own Chair thus maximizing the opportunity for increasingly aligned Unified Governance)</i>	<input type="checkbox"/>
Voting member appointment and terms			
7	Term lengths of discretionary voting members (including all of the persons who are also voting members of the board of the CGIAR System Organization) – Subject to the operation of item 8, may be appointed for up to 6 years, with terms typically of 3 + 3 years, with flexibility for shorter terms to support best rotation of members	Consistency across all bodies, and a good governance practice to not have all members rotate at the same time. This formulation allows for persons who are also members of the board of the CGIAR System Organization to have the same length of term on a Center/Alliance board as on the board of the CGIAR System Organization, thus enhancing unified governance and alignment <i>(Note: Operationally, the terms served by CGIAR common board members will need to be the same on the Center/Alliance boards as they are on the board of the CGIAR System Organization. Thus, the engagement letters signed with the board members will need to be a common engagement letter for these people)</i>	<input type="checkbox"/>

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8	Eligibility of voting members of the board of the CGIAR System Organization to serve on Center/Alliance boards as voting members: Such members will be deemed by the Center/Alliance to be starting their initial term on the Center/Alliance board from the effective date of their membership of the board of the CGIAR System Organization irrespective of any Center/Alliance board membership terms up to that date	Ensures eligibility of experienced Center/Alliance board members to be considered for appointment as voting members of the board of the CGIAR System Organization and, as CGIAR common board members, and retention of their skills also on their current board <i>(i.e. should someone have served 6 years on one entity's board, and then be considered for CGIAR common board membership across all legal entities, then absent this provision, they would need a 'waiver' of the 6 year ceiling to then be appointable again to the same Center/Alliance board. This would need to be a standing provision, and not simply for 1 October 2020)</i>	<input type="checkbox"/>
9	For appointments of the voting members of the board of the CGIAR System Organization to Center/Alliance boards in 2021 and beyond: Provide that from the effective date of the person's appointment as a voting member of the board of the CGIAR System Organization, they are thereby also a voting member of the Center/Alliance board	Recognizes that after the inaugural appointments with an effective date of 1 October 2020, then going forward there will be a CGIAR Nominations Committee, appointed by the board of the CGIAR System Organization (of which CGIAR common board members form the entire voting membership), that will have undertaken a thorough process. This approach avoids duplication in decision making on the intended common appointment of these people.	<input type="checkbox"/>
10	Appointment process for Center/Alliance board specific voting and non-voting members – Suggest that the provisions note that the Rules of Procedure will set out the relevant processes, with support from the CGIAR Common Secretariat as set out in Rules of Procedure (rather than the board's highest governing instrument)	Maximizes opportunity for common talent pool and the provision of an efficient service, whether for CGIAR common board members or Center/Alliance board-specific members <i>(Note: CGIAR Common Secretariat to also support all official nominations for non-discretionary members, working in concert with Center/Alliance board-specific colleagues)</i>	<input type="checkbox"/>

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Committee names and membership			
11	Specified committee – Only an audit committee to be appointed by the board of the Center/Alliance (as a common committee), with a risk-based mandate that covers the areas of: integrity of financial information; the oversight of internal controls; compliance with applicable laws, regulations and codes of conduct; delivery of independent external audit; and performance of internal audit.	Creates flexibility for a revised One CGIAR committee structure, that includes a common CGIAR audit committee that has a mandate that takes up the breadth of the responsibilities across Center/Alliance ‘Audit’ Committees (and currently differently mandated and named). Note, that the appointment by the board of the Center/Alliance is anticipated to be a ratification of the membership of a common audit committee, that also thus serves as the audit committee of each board (this work is forthcoming in TAG-3) to then bring to the Centers/Alliances for inputs) <i>(Note: that the current nomenclature across the system is Audit, or Audit & Risk; or Finance & Audit; or Audit, Finance & Risk Management etc).</i>	<input type="checkbox"/>
12	Audit committee membership – A majority of its members must be persons who are not serving as a member of any CGIAR entity board (i.e. external independent persons), and who are experienced in the fields of external and internal audit, risk management, and ethics, with at least one person holding a professional accounting qualification	Introduces important element of independence into oversight arrangements; creates flexibility in membership of the group; to be able to move towards a common CGIAR audit committee. The Terms of Reference for the new CGIAR audit committee will specify the number of members, that the Chair of the committee will, to the extent not otherwise a voting member of the board of the CGIAR System Organization, be an ex-officio non-voting member of that board <i>(Note: TAG-3 will bring discussions forward on the common CGIAR audit committee, and draw on experience also of the current CGIAR Audit Committee Chairs’ group etc)</i>	<input type="checkbox"/>

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13	Other committees and advisory groups – Delete the need for other named mandatory standing committees. Instead, provide that the Center/Alliance board may establish other standing committees or advisory groups as determined appropriate by decision of the board, after consultation with the CGIAREMT; and that membership may consist of some members that are independent of the Center/Alliance board membership	Creates space for a forward-looking standing committee and other advisory group approach that is fit-for-purpose for the new 2030 new research agenda. By including the possibility of technical advisory groups (as distinct from a smaller number of, optimally, whole of CGIAR standing committees), the full breadth of Center/Alliance experience to contribute to discussions, while also providing flexibility in the committee framework as the system evolves over time. Provides opportunity for the CGIAR executive leadership team and Director Generals to propose more optimal ways of using advisory groups for strategic counsel. <i>(Note: existing Center/Alliance board program and other committees are still able to continue until it is decided otherwise, although committee Terms of Reference are likely to need amending to consider Center/Alliance board member changes. It is not recommended that the Terms of Reference are amended for now, but rather await further guidance from TAG-3 across the coming months)</i>	<input type="checkbox"/>
14	Ex-Co – Remove any reference to a Center/Alliance executive committee should be removed.	Delivers on the desire for boards to operate at a higher more strategic level, and for the CGIAREMT to be working to deliver an integrated operational structure as part of One CGIAR Unified Governance (SRG, recommendation 2) and Institutional Integration (recommendation 3a). A Center Board can still decide that it prefers to delegate to a smaller group some responsibilities of the Board, either on an adhoc basis or on an annual or other long-term basis. However, with an EMT in place, it is not envisaged that that the same frequency of Board engagement with the Director General will be required, and thus the inclusion of a formal continuing ExCo in the governing instruments is not required.	<input type="checkbox"/>
Operational matters			
15	Holding of meetings – Provide that meetings can be held virtually or in person	Remove requirement in some governing instruments that one meeting must be held in person each year (e.g. COVID-19 context suggests that greater flexibility is required)	<input type="checkbox"/>

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16	Notice of meetings: Convene Center/Alliance Board meetings upon reasonable prior notice, with the possibility for short-notice meetings in case of an emergency	Flexibility to operate in a virtual context, and in a responsive way to the evolving CGIAR agenda in the first 12 months of operation of CGIAR unified governance	<input type="checkbox"/>

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17	Quorum to hold a meeting – the presence of at least 2/3rds of the voting members of the Center/Alliance board to be in session, including 6 of the 8 persons who are also the voting members of the board of the CGIAR System Organization	Facilitates delivery of unified governance, and increasing alignment of strategic action A center may wish to make their quorum higher, and provide that the quorum must also include 1 or 2 of the Center-specific voting members (if they have such members)	<input type="checkbox"/>
18	Decision making on <u>regular business</u> during a meeting (virtual or in-person) – Strive for consensus among the voting members (which does not mean unanimity). If a vote is required, to pass it requires support from 2/3rds of the voting members who are present (after meeting quorum is satisfied)	Facilitates delivery of unified governance, and increasing alignment of strategic action	<input type="checkbox"/>
19	Decision making on <u>regular business</u> without a meeting – Decisions to pass if supported by 2/3rds of voting members	Recognizes that CGIAR will operate with revised modalities, and that historical practices (such as requiring unanimous approval in writing for electronic decision making) sets a higher bar than if the meeting is in person; also provides flexibility in terms of simple decisions of the board (e.g. a monthly “batch” of procedural decisions could be issued if needed)	<input type="checkbox"/>
20	Decision making on <u>special business</u> (i.e. dissolution of Center/Alliance; Ending recognition as a CGIAR Center; Merger/ Alliance with another CGIAR Center – 3/4 qtrs. of voting members	Reflects the importance of these decisions for the Center/Alliance, for headquarters countries and for CGIAR; reflects that this is a current provision in many Centers’ legal instruments	<input type="checkbox"/>
21	Board Secretary – provide for the Center/Alliance board to be supported by a person who fulfills the role of Board Secretary, without specifying nationality or location of individual(s) or that they need to be staff of the Center/Alliance	Creates flexibility to implement a CGIAR Common Secretariat	<input type="checkbox"/>

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22	Honorarium arrangements – remove any specific provisions about amounts and modalities. Provide that the board will set honorarium amounts for Center/Alliance specific members in consultation with the board of the CGIAR System Organization.	Creates the space to align board operational policies on honorarium arrangements, to address differing rates currently across CGIAR centers (Can be in Board Handbooks etc)	<input type="checkbox"/>