



Agenda Item 10  
Document SC18-10b  
For information and guidance on approach  
(Article 16 CGIAR System Framework)

Issued: 5 May 2023

## Approach with respect to CGIAR Centers that are not parties to the CGIAR Integration Framework Agreement (IFA)

**Purpose:** This presentation presents options considered by the System Board for next steps relating to CGIAR Centers that are not parties to the CGIAR Integration Framework Agreement (IFA) and sets out the approach recommended by the System Board following its 26<sup>th</sup> meeting on 11 April 2023.

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## System Board and System Council most recent deliberations

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- **At SB 22 on 29-30 November 2021**, the Board approved proposed changes to the CGIAR System Framework to align its language to One CGIAR concepts, subject to approval by the System Council & 2/3 of the Centers.
  - ❖ Such changes included a change to the definition of “Center”, which limited “Centers” to those that had appointed the System Board members as a minimum 2/3 majority of the voting members of their boards.
  - ❖ The Board requested the SO to make conforming changes to the System Organization Charter, and to present the amended Charter for System Board electronic approval as soon as possible.
- **At SC 14 on 15-16 December 2021**, the System Council approved the proposed amendments to the CGIAR System Framework, except for the amendment to the definition of ‘Center’.
  - ❖ The System Council requested the System Council Secretary to come back to the Council with an updated definition of Center after further consultation with Mexico. This did not occur as no agreement was reached on this with Mexico in 2022.
  - ❖ The System Council noted that the SO was requested to make conforming changes to the SO Charter and present the amended Charter for SC electronic approval as soon as possible.
- **The amendments to the System Framework approved by the SB and by the SC never became effective** as they were not submitted to Centers for approval (amendments need to also be approved by 2/3 of Centers to become effective).

## Need to determine:

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- i) approach with respect to Centers that are not parties to the IFA, and
- ii) approach with respect to the other amendments to the System Framework that were approved by both the SB and SC (to align with One CGIAR concepts).

## Status of CIFOR, ICRAF & ICRISAT

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- Did not appoint SB members as a 2/3 majority of the voting members of their boards.
- Did not sign the CGIAR Integration Framework; they are eligible to sign provided they (i) have the “same common board membership” as the other Parties, and (ii) are recognized as “CGIAR Research Centers” under the CGIAR System Framework, as amended from time to time.
- Currently recognized as “CGIAR Research Centers” under the CGIAR System Framework and System Organization Charter.
- However, at the ICRISAT Governing Board meeting held from the 24-27 April, the Governing Board revisited its earlier decision and declared its intention to “join the One CGIAR system”.

## As CGIAR Centers:

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### **Their rights include:**

- Conducting CGIAR Research & submitting proposals for CGIAR Research to be funded from CGIAR Trust Fund (they are therefore still *eligible* to receive funding from the CGIAR Trust Fund, including pooled funding for Initiatives)
- Contributing to agenda setting of the CGIAR System (research strategy, CGIAR Research, etc.)
- Approving amendments to the SO Charter and System Framework (approval by 2/3 of current 15 Centers is required)
- Participating in shared services and other non-mandatory activities

### **Their responsibilities include:**

- Acting in accordance with CGIAR System Framework, SO Charter and CGIAR Policies
- Complying with System Board resolutions
- Providing to SO relevant information on CGIAR Research to facilitate reporting requirements
- Collaborating with the SB, EMT and other Centers where joint action is needed
- Fostering the purpose of the CGIAR System

## Current CGIAR Portfolio 2022-2024

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- CIFOR, ICRAF and ICRISAT do not participate as Centers in the Initiatives or Impact Area Platforms and therefore **do not receive W1 funding directly from the Trust Fund** (can only receive funding for them under sub-grants, like external partners)
- Do not have a Financial Framework Agreement in place with the SO for funding for Initiatives and Platforms
- **Can continue to access W3 funds for bilateral projects** under the Trustee Agreement (under 2017 Financial Framework Agreements that continue to apply, SO has no fiduciary responsibility for these funds)
  - CIFOR received ~\$ 300 K in 2022
  - ICRAF received ~ \$ 2.5 M USD in 2022; ~ \$2.6 M in 2023
  - ICRISAT received ~ \$ 170 K USD in 2022

## Next CGIAR Portfolio 2025-2027

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- As CGIAR begins the process to develop and design its next portfolio of Initiatives, for the 2025—27 period, there will be a need to **confirm the terms on which Centers can engage in that portfolio and its development**
- As set out in the relevant SB26 document, subject to Board and System Council endorsement, **the design and development process would begin immediately following 18<sup>th</sup> meeting of the System Council in May**, with a view to a System Board recommendation and System Council approval of the portfolio in mid-2024
- Given their current status, **closer engagement by CIFOR, ICRAF, and ICRISAT in the next portfolio would have material implications for e.g. the scope of work and funding expectations**, which would need to be considered as early as possible in the design process
- In practice, **a decision regarding their terms of engagement is needed by end-2023, at the very latest**, to enable meaningful input into the process, interaction with other stakeholders, and for the resulting implications on funding and the division of roles to be managed sufficiently upstream of the launch of the next portfolio
- Specifically, in view of concerns raised by ICRISAT regarding their access to funding from the Genebanks Initiative, management will need confirmation of which Centers will receive pooled funding directly from CGIAR Trust Fund W1. **The working assumption, based on 2022—24 precedent, is that such funding will only be available to those Centers that have appointed the same common board members**

# Options:

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**Option 1:** Continue the Framework and Charter amendment process started in 2021 by making amendments, effective 1 January 2024, that limit the CGIAR Centers to those Centers bound by the IFA. This would lead to the exclusion of ICRAF, CIFOR and ICRISAT if they haven't signed the IFA by 31 December 2023. They could rejoin subsequently.

## Advantages:

- Provides clarity with sufficient lead times in view of the development of 2025—27 portfolio
- Ends ambiguities associated with CGIAR having 2 classes of membership
- Provides 3 Centers with a clear incentive to make a decision
- Puts an end to the 3 Centers claiming that they have rights under the SO Charter that are not being honored
- Ends their access to CGIAR Trust Fund W3

## Disadvantages:

- Forces the 3 Centers to decide whether they agree to sign the IFA, which requires that they have the same common board membership as the parties, at a time when a core element of the IFA (unified governance) is still under review
- Entails some legal risk as the procedure for ending the recognition of CGIAR Research Centers set forth in the Charter is not followed (the procedure to end recognition only applies in cases of breach of funding agreements or CGIAR Policies, failure to perform adequately as per CGIAR's Risk Management Framework, or failure to ensure results or the continued relevancy of AR4D under CGIAR Research)
- Risk as to whether amendment will be approved by 2/3 of 15 Centers, i.e., 10 Centers



## Options (cont.):

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**Option 2:** Keep 3 Centers as CGIAR Research Centers until unified governance review is carried out

### Advantages:

- Avoids a decision until a core element of the One CGIAR integrated partnership is clarified
- Keeps the door open

### Disadvantages:

- Ambiguities associated with CGIAR having 2 classes of membership
- Lack of clarity as to whether and how the 3 Centers could be involved in the development of 2025—27 portfolio
- Lack of clarity for Funders and stakeholders (and staff)
- The 3 Centers could, and perhaps must, use the rebrand once approved

## Options (cont.):

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**Option 3:** Explore options for the Centers to unilaterally withdraw with effect 31 December 2023, which they have been unwilling to do so far

### Advantages:

- Amicable solution which avoids "noise"
- Clarity on positions, use of logo and brand, etc.
- Keeps the door open
- Mitigates legal risk

### Disadvantages:

- May be perceived as a permanent termination

## Decision of the System Board (11 April 2023)

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- As the IFA was on the Board agenda for ICRISAT in April, and as CIFOR-ICRAF has a new CEO as of 1 May, the System Board decided to have the System Board Chair reach out to both organizations to discuss their interest in joining the IFA
- The ICRISAT Governing Board has now declared its intention to “join the One CGIAR system”, so discussions with ICRISAT will need to start about the steps to complete such intent and the timeline therefor.
- If the response of CIFOR-ICRAF is negative, the System Board will discuss the options presented further