

M O R R O W
S O D A L I



CGIAR UNIFIED GOVERNANCE REVIEW: FINAL REPORT

24 NOVEMBER, 2023

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ABBREVIATIONS / ACRONYMS

AFRC	Audit, Finance and Risk Committee
AOC	Assurance Oversight Committee
BCN	Board Chairs Network
CB	Center Board
Centers	One CGIAR Centers
CGIAR System	A reference to the Centers, the Funders, the System Council, the CGIAR System Organization, the advisory bodies to the System Council, and CGIAR Research
CIAT	International Center for Tropical Agriculture
CIFOR	Center for International Forestry Research
CIP	International Potato Center
CIMMYT	International Maize and Wheat Improvement Center
DG	Director General
GAC	General Assembly of Centers
ICARDA	International Center for Agricultural Research in the Dry Areas
ICRAF	World Agroforestry Centre
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
IFA	Integrated Framework Agreement
IFA parties	Signatories to the Integrated Framework Agreement
IFPRI	International Food Policy Research Institute
IITA	International Institute Tropical Agriculture
ILRI	International Livestock Research Institute
IRRI	International Rice Research Institute
ISDC	Independent Science for Development Council
IWMI	International Water Management Institute
NARS	National Agricultural Research Systems
MS	Morrow Sodali
SB	System Board
SC	System Council
SIMEC	Strategic Impact, Monitoring & Evaluation Committee
SO	CGIAR System Organization

I. INTRODUCTION

MANDATE

1. CGIAR is a global research partnership with an annual research portfolio of over US \$900 million and more than 9,000 staff across 89 countries¹. CGIAR's research is carried out by 15² Research Centers in collaboration with more than 3,000 partners in nearly 90 countries³. Partnerships include national and regional research institutes, civil society organisations, academia, development organisations, and the private sector.
2. In recent years, the need to work effectively across food, land, and water systems in the context of climate crisis has become more important than ever. Consequently, since 2019, CGIAR has embarked on the "One CGIAR" transformation to better combine the organisation's resources via a sharper mission and impact focus, unified governance, institutional integration, a new research modality, and greater pooled funding⁴. In support of further developing One CGIAR, the CGIAR Integration Framework Agreement ("IFA") was approved in February 2023 by the boards of 12⁵ CGIAR Centers.
3. According to section 5.2 of the IFA, an independent review of the unified governance arrangements (the "Unified Governance Review" or the "Review") was to be carried out in 2023 to determine whether they achieve the intended purpose or whether adjustments need to be made⁶. The Ad-Hoc Committee on Governance ("Governance Committee") was established by the IFA parties with broad representation from across the parties to prepare and coordinate the Unified Governance Review and recommend implementation of its outcome. As such, the Governance Committee was tasked to select the external reviewer, liaise with the external reviewer, assure adequate opportunities for engagement with CGIAR stakeholders, and deliver to stakeholders the outcome of the Review.
4. In response to the Request for Proposals: Independent Expert Review of the Unified Governance arrangements of CGIAR⁷ ("RFP"), Morrow Sodali was retained in June 2023 on behalf of the IFA Parties by the CGIAR to conduct the Unified Governance Review.
5. Based on input from our diagnostic phase (see *Methodology*), the following Report contains key findings and our analysis of the effectiveness of the current unified governance arrangements, proposed design requirements for the CGIAR's governance model moving forward, and actionable recommendations. Upon finalisation of our Report, the review will be concluded with the delivery of a presentation to the IFA Parties and System Council ("SC") on the key findings and recommendations from the Report.

¹ Available [here](#)

² 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.

³ Available [here](#)

⁴ One CGIAR flyer, available [here](#).

⁵ In October 2023, ICRISAT signed the IFA.

⁶ Integrated Framework Agreement, pg. 11: namely, to end hunger by 2030 – through science to transform food, land and water systems in a climate crisis.

⁷ Available [here](#).

OBJECTIVES

6. In light of the RFP, the Review aimed to:
 - 6.1. Develop a shared understanding whether the current unified governance arrangements achieve their intended purpose of:
 - 6.1.1. Providing a more cohesive and unified strategic direction to the IFA Parties.
 - 6.1.2. Promoting better alignment, understanding and cohesion of decision-making across all Center Boards ("CB") and the System Board ("SB") in furtherance of implementation of the CGIAR 2030 Research and Innovation Strategy.
 - 6.2. Enhance the effectiveness of CB by assessing whether they are currently constituted to fulfil their oversight responsibilities effectively in line with good governance principles and relevant best practice.
 - 6.3. Assess the current governance arrangements with countries hosting the headquarters of the CGIAR Centers and the CGIAR System Organisation ("SO").
 - 6.4. Clarify and strengthen the roles and responsibilities of the SC and SB governing bodies.
 - 6.5. Enhance the effectiveness of the standing or proposed committees of the SB and SC by reviewing how they serve the overall governance of CGIAR.

SCOPE

7. The scope of the Review focused on the following areas:
 - 7.1. Effectiveness of the unified governance arrangements in achieving their overall purpose.
 - 7.2. CB and oversight.
 - 7.3. Roles / responsibilities of SC and its committees.
 - 7.4. SB and its committees.
8. As per the RFP, following topics were out of scope for our Review:
 - 8.1. The composition of the SC.
 - 8.2. The selection process of SC members.
9. This review has not considered CGIAR's management structure per se, but rather how it interfaces with the governance structure.

METHODOLOGY

10. Throughout this Review, we have maintained regular touchpoints with the Governance Committee while ensuring independence in our analysis and conclusions.
11. Our diagnostic phase has included:

11.1. Review of key governance documentation provided by designated stakeholder representatives via a shared Dataroom: This included Center statutes, CGIAR foundation documents, IFA, Host Country Agreements, Board meeting agendas and summaries, reports from past reviews, among others.

11.2. Online survey: A bespoke and tailored survey for CGIAR stakeholders was prepared through our online platform BoardMirror® (the “Survey”). In total, 145 participants completed the survey, representing a 80% participation rate. This included responses from the SC, Host Country Representatives, CB members, SB members, Center and SO Staff, AFRC, Executive Management Team (“EMT”) members and former leadership.⁸

11.2.1. Each Survey respondent indicated their level of agreement with specific statements. The following scoring system was employed:

Response	Score
Strongly Agree	2
Agree	1
Don't know	0
Disagree	-1
Strongly Disagree	-2

11.2.2. Responses were analysed according to their relative scoring (for example, highest and lowest scoring responses) as well as extent of convergence and divergence between questions.

11.3. Interviews: We conducted 64 individual confidential interviews with CB members, SC members, SB members, Host Country Representatives, senior management representatives, funders, partner organisations, members of the Strategic Impact, Monitoring & Evaluation Committee (“SIMEC”), the Assurance Oversight Committee (“AOC”), and the Audit Finance and Risk Committee (“AFRC”), and other staff of the IFA Parties. The final list of interviewees was agreed with the Governance Committee to ensure participants were adequately representative of CGIAR stakeholders. Interviews included a closer probing of individual survey responses. We also conducted a group interview with the SB and selected SC representatives. For a full breakdown of interviewees and Survey respondents, see Annex II and Annex III.

11.4. Webinar: On 20 September 2023, we conducted a webinar in which initial issues and concerns raised to that date during our review⁹. The Webinar was focused on ensuring broad and balanced stakeholder representation and was committed to ensuring that (i) the voices of all stakeholder groups were further heard, considered and valued in the Review process and (ii) to build shared

⁸ For each stakeholder group, there was at least 50% participation.

⁹ These initial issues and concerns were drawn from the Issues and Concerns Inventory.

understanding of the issues and concerns raised by stakeholders. The webinar was attended by a total of 113 participants. For a full breakdown of Webinar participants, see Annex IV.

11.5. Hybrid Workshop: On 16 and 17 October 2023 in Rabat, Morocco, we led and facilitated a workshop attended by 50 in-person and 34 virtual stakeholders (the “Workshop”). The aim of the Workshop was to ensure that (i) there was a shared understanding among the stakeholders of the main findings identified during the Review; and (ii) that possible solutions to these findings were explored and actively discussed among the participants. In turn, this also allowed us to understand CGIAR’s needs and constraints. We strived to maintain our independence during this stage by providing the Workshop participants with the necessary background, tools, information and impartial pros and cons to address the main findings. For a full breakdown of Workshop participants, see Annex V.

STRUCTURE

12. The Report builds on key themes that emerged from our review, and is structured according to the following themes:
 - 12.1. Key Findings:
 - 12.1.1. Structure and Roles
 - 12.1.2. Process and Practices
 - 12.1.3. Incentives and Culture
 - 12.2. Benchmarking Insights
13. Each section of Key Findings covers strengths and areas for improvements. In addition, the Benchmarking Insights highlights features and characteristics of four organisations that may be of interest for CGIAR stakeholders to consider in their own context.
14. Following the Key Findings and Benchmarking Insights, we provide design principles to guide the adjustment of CGIAR’s governance model, as well as conclusions and recommendations for the short- and medium-term but also to guide CGIAR toward a governance model that will be effective and adaptable in the long-term. The Report analysis and recommendations are based on CGIAR’s current state.
15. In addition, *Annex I: Mapping of Governing Bodies and Committees* includes recommendations made in this Report, and also touches on ideas that may be considered for the future.
16. The following Annexes are included in this Report:
 - 16.1. Annex I: Mapping of Governing Bodies and Committees;
 - 16.2. Annex II: List of Survey Participants;
 - 16.3. Annex III: List of Interviewees;
 - 16.4. Annex IV: List of Webinar participants; and
 - 16.5. Annex V: List of Workshop participants.

II. EXECUTIVE SUMMARY

This Report presents the findings and conclusions of the Review carried out by Morrow Sodali in line with the scope and objectives of the RFP and with the subsequent discussions with the Ad Hoc Governance Committee appointed to oversee the process of the Review. The methodology and sequencing of the data collection was agreed with the Governance Committee, including a Webinar on the initial main findings and a Workshop to explore options for CGIAR to consider in light of those findings.

The Review has found that progress towards the intended outcomes of the unified governance reform have not been achieved and that revisions and modifications to the structures and processes are needed if the goals of One CGIAR are to be achieved. The Review has also found that there are some immediate steps to take to ensure a transition towards a model that is fit-for-purpose.

In a multi-stakeholder organisation like CGIAR, it is important to fully explore the balance between interdependence and alignment, and between the interest of one's own entity and that of the global organisation, and to identify how one can align entity-specific interests with global interests. While CGIAR is on the path to discover and achieve this alignment, there are some important adjustments that need to be made.

The findings and recommendations of the Review are divided in three main areas: (i) Structure and Roles, (ii) Processes and Practices, and (iii) Incentives and Culture. These areas are distinct in focus and complementary to each other.

In the area of Structure and Roles, the Review notes that the unified governance model has hinged primarily on the introduction of a 'Common Board Membership' and that this has been insufficient for the change sought. In practice this has proven to be impractical due to all of the 7 SB members serving on 12 CBs. The Review also notes that this has inadvertently and negatively affected the CB and their governance practice. It also notes that SB members are so over-stretched by serving on 12 CB that they have little bandwidth for System-level governance. However, the Review also notes positive aspects on the connective tissue that the Common Board members bring at System and Center level.

The Review found that while the AFRC has been a positive and innovative change in the governance practice, it has been overburdened, which affects its capacity of effectively fulfilling its function. The experience of this common committee has led to the consideration of applying "common committees" to other areas.

The lack of clarity on the roles and mandates of the SB and the SC has meant a duplication in mandates and confusion in governance leadership which has affected decision-making and limited the role of the SB. This is further exacerbated by the lack of communication and exchange between the two bodies. This, however, has been fully recognized by the members of the SC and SB, who have expressed an appetite to clarify and develop this relationship.

The role and recognition of host countries is an area that has caused concern both regarding their participation in the system and in the reform process. Stakeholders widely recognize the pivotal role host countries play for Centers but recognise there is need for better transparency and participation. Host countries are important contributors of resources and enable Centers to operate but, during the governance reform, they felt insufficiently heard and consulted. It is therefore important to create mechanisms to foster an appropriate exchange.

In relation to Processes and Practices, while in principle the arrangements provide various mechanisms for Center engagement, in practice there are few spaces for this exchange to occur. The General Assembly of Centers ("GAC") has been inactive for the past four years, even though it was broadly considered as a

valuable space for engagement. There is also a lack of proper visibility between Center activities and the SC, risking potential disconnection between the two bodies.

Trust between entities in CGIAR has been negatively affected in the process of implementing the unified governance model. There is a strong perception that the One CGIAR was driven by funders in the SC (particularly in the global north) and that the reform was imposed from above. This perception has created resistance and must be addressed if the future adjustments are to be effective.

The nomination and appointment process for the SB should be more transparent and better documented. These appointments should be based on clear expertise, experience and geographies that reflect Centers' location and areas of research.

In the important areas of Incentives and Culture, drivers of the change, the integration of the Centers into One CGIAR seem to have relied primarily on financial incentives. However, pooled funding has not increased at the expected rate leading to a continued reliance on bilateral funding. The other financial and non-financial drivers towards integration have not been sufficiently explored and implemented, leading to an over reliance on the structural changes and to a lesser extent the changes in process. The culture of each Center remains strong and little attention has been paid to developing and nurturing a culture of belonging to One CGIAR.

The executive leadership plays a key role in setting and enabling the environment for the integration of the Centers within the System and for the performance of the system as a whole. Their role in driving change has not been fully recognised and monitored to ensure that the governance changes correspond to the changes in how an integrated management must function.

Overall and fundamentally, a unified value proposition and culture must be established to drive reforms and deliver benefits.

Based on these findings, our top recommendations are summarised below:

- (i) Adjust the size of the SB and Common Board members representatives on CBs;
- (ii) Clarify and optimise the ways of working of the AFRC and explore additional areas for a similar set up of common committees;
- (iii) Clarify and realign the roles and responsibilities of the SB and the SC;
- (iv) Develop a clear nominations process and competency matrix for the SB and CBs;
- (v) Develop and monitor clear indicators for the contributions to One CGIAR by different entities and leadership positions;
- (vi) Establish the necessary common spaces where different stakeholders can exchange;
- (vii) Ensure alignment of the governance cycles for sequencing in decision-making and adequate consultation;
- (viii) Define the roles and decisions that are best integrated and coordinated and where those are located within each entity (SB and CB, for example); and
- (ix) Identify the incentives and efficiency gains that are conducive to a better integrated CGIAR.

III. SURVEY INSIGHTS: HIGHEST AND LOWEST SCORING RESPONSES

10 Highest Scoring Responses	
Survey Statement	Score
The Partnership Forum is an important forum considering ongoing trends, signals, and risks in local, regional, and global contexts in science and agricultural research for development.	0.76
The General Assembly of Centers is an important forum for Center boards to discuss shared issues.	0.71
The Audit, Finance and Risk Committee Chair ensures a designated Audit, Finance and Risk Committee member attends all formal meetings of each Center Board.	0.65
Each Research Centers' Internal Audit Function maintains a constructive relationship with the Audit, Finance and Risk Committee.	0.61
Center Boards maintain effective audit arrangements that are fit-for-purpose.	0.59
The Audit, Finance and Risk Committee provides adequate oversight of the Head of the Internal Audit Function.	0.58
The Audit, Finance and Risk Committee provides effective oversight and assessment of policies, guidelines, and processes related to financial management and budgetary review.	0.57
Each Center Board fulfils its obligations per its respective Host Country Agreement and/or establishing document.	0.55
There is strategic alignment across all IFA Parties as per the CGIAR 2030 Research and Innovation Strategy.	0.53
The Audit, Finance and Risk Committee maintains adequate reporting lines with Center Boards, including meeting summaries and regular reports on committee activities relevant to each Board.	0.52

10 Lowest Scoring Responses	
Survey Statement	Score
There is a shared understanding of the unified governance arrangement among all members of the CGIAR System and the CGIAR System Board.	-0.35
The current unified governance arrangement is fit-for-purpose.	-0.34
The unified governance arrangement enhances trust and mutual respect among key CGIAR System stakeholders.	-0.29
The quality of information flows and reporting lines within the unified governance arrangements are adequate.	-0.28
Internal stakeholder engagement is adequately incorporated in major decision-making processes across the unified governance arrangement.	-0.24
The Common Board Members are engaged, prepared and are able to manage time effectively.	-0.21
The composition, profile and size of the Center Boards is adequate.	-0.20
The delegation / distribution of decision-making authority across the System Board and System Council is efficient and transparent.	-0.14
Common Board members able to divide responsibilities effectively between their two roles.	-0.14
The System Board effectively reviews the capacity, skills, and organizational structure of the Centers.	-0.13

IV. OBJECTIVES AND INTRODUCTION OF UNIFIED GOVERNANCE

17. The CGIAR (formerly the Consultative Group on International Agricultural Research) was created in 1971 as an informal partnership among governments, private foundations and international organisations interested in supporting agricultural research for developing countries through a small network of international agricultural research Centers.¹⁰
18. After several reforms, in December 2009, a new framework of overarching principles was agreed between the Centers and the funders¹¹ to give rise to a reformed CGIAR as set forth in the CGIAR Joint Declaration. In 2010, the Consortium of International Agricultural Research Centers ("CGIAR Consortium") was established as a joint venture between 15 Centers supported by the Consultative Group on International Agricultural Research. In 2012, the CGIAR Consortium obtained international organization status pursuant to the agreement establishing the Consortium of International Agricultural Research Centers as an international organization and operated in accordance with the rules set forth in its constitution.¹²
19. In 2016, the Centers and funders agreed to a CGIAR System Framework that provided for a SC and a CGIAR SO. The CGIAR SO was to be established in accordance with the CGIAR System Charter which replaced the constitution of the CGIAR Consortium.¹³
20. In 2018, the SC decided to form the CGIAR System Reference Group¹⁴ ("SRG") which was tasked to bring back to the SC bold ideas for the future of CGIAR¹⁵. In 2019, the SRG presented the package of recommendations listed below, that aimed to create a rapid step-change in CGIAR so that it remains fit-for-purpose:¹⁶
 - 20.1. Recommendation 1: A compelling mission for One CGIAR;
 - 20.2. Recommendation 2: Unified governance;
 - 20.3. Recommendation 3: (a) An integrated operational structure; (b) One CGIAR policies and services; and (c) One CGIAR at the Country and Regional level;
 - 20.4. Recommendation 4: A new research modality; and
 - 20.5. Recommendation 5: More, and pooled, funding.¹⁷
21. These recommendations were approved in the SC meeting 13-14 November 2019 in Chengdu, China and were referenced as "One CGIAR' System Reference Group Recommendations to the SC".

¹⁰ Independent Review of the CGIAR System Synthesis Report, pg. 17.

¹¹ Defined as "entities that contribute funding to Centers in support of the CGIAR Strategy and Results Framework and to the activities of the CGIAR System Organization, either through the CGIAR Trust Fund or through bilateral contributions."

¹² Charter of the CGIAR System Organization, pg. 1.

¹³ Ibidem

¹⁴ Representatives of the System Council, including representation of regional constituencies where CGIAR operates; all members of the System Management Board, including six Center-affiliated members (Center Board members or Directors General), and the Executive Director of the CGIAR System Organization; and the 2019 conveners of CGIAR Center Boards of Trustees and Directors General

¹⁵ Meeting Summary 9th System Council Meeting, 13 and 14 November 2019, pg. 5

¹⁶ Ibidem

¹⁷ "By 2022, achievement of at least 50% pooled funding (through Windows 1 and 2) – with an intent to exceed this figure and achieve 70% or higher by the end of the next business plan period 2022–2024."

22. Following the Chengdu agreements, a series of milestones were reached in the One CGIAR journey, including (i) the appointment of the SB and their appointment as Common Board Members on CB and (ii) the appointment of the AFRC. Importantly, in 2020, the 2030 Research & Innovation Strategy was approved, which “presents CGIAR’s ambitious high-level approach for making a significant and meaningful contribution to the transformation of the world’s food, land and water systems.”¹⁸
23. In November 2022, the SC met in Brisbane, Australia, where the importance of accelerating the completion of the One CGIAR transition was emphasized, focusing on 4 key areas summarized below that required solution¹⁹:
 - 23.1. Strongly advocate to CBs to sign the IFA by the end of 2022 to ensure that CGIAR staff were confident about the pathway forward;
 - 23.2. Advocate for a new and increased pooled funding in support of CGIAR Global and Regional Integrated Initiatives (noting that a large share of funder investment for CGIAR research and innovation remained as un-pooled);
 - 23.3. Remain patient on the pathway to realizing the expected returns of a more integrated system, as CGIAR works to overcome several transition delays; and
 - 23.4. Support the SB in its quest to operate with a clearer role vis-à-vis the SC, by considering the formation of a small ad-hoc group to consider possible areas of overlap between the two bodies.
24. In February 2023, the IFA was approved and signed by the Boards of 12 CGIAR Research Centers²⁰ and the SO. The purpose of the IFA was to “set forth the objectives and core components of the Parties’ Integrated Partnership in a way that furthers the Parties’ own mandates, and that is consistent with the Parties’ respective Governing Instruments and Host Country Agreements.”
25. The IFA set out core components of the parties’ “integrated partnership”, drawing on the “One CGIAR” recommendations put forward by the CGIAR System Reference Group:²¹
 - 25.1. A compelling and united mission underpinned by a common CGIAR research strategy;
 - 25.2. Operational Integration;
 - 25.3. Engagement with partners at the country, regional and global levels;
 - 25.4. Research delivery and funding; and
 - 25.5. Unified governance.

¹⁸ CGIAR 2023 Research & Innovation Strategy: pg. 12.

¹⁹ Meeting Summary 17th System Council Meeting, 2-3 November 2022, pg. 5.

²⁰ The Africa Rice Center, Bioversity International, the International Center for Agricultural Research in the Dry Areas, the International Center for Tropical Agriculture, the International Food Policy and Research Institute, the International Institute for Tropical Agriculture, the International Livestock Research Institute, the International Maize and Wheat Improvement Center, the International Potato Center, the International Rice Research Institute, the International Water Management Institute, the International Center for Living Aquatic Resources Management.

²¹ CGIAR Integration Framework Agreement: Preliminary approach and roadmap for operationalization pg. 1.

V. KEY FINDINGS

OVERVIEW: SHARED COMMITMENT

26. Our Review shows that there is a shared dedication and sense of necessity among CGIAR stakeholders to deliver greater impact given the interconnected nature of food, land, water, and climate crises. CGIAR must therefore forge a more systematic approach to leverage its research, partnerships, expert voice, and convening power to magnify its impact on this set of interconnected issues. As such, there is strong shared commitment to the One CGIAR mission and to the idea of Centers and the SO working together in an integrated partnership – an important driver for integration.

"There's a common vision on what we're solving, how we're solving them, and the impact we intend to make. The next thing is to coordinate the other components to speak with one voice."

SB member

27. Similarly, it was widely acknowledged that Centers must collaborate more effectively to achieve magnified impact with respect to the goals of the 2030 Research & Innovation Strategy, whilst effectively maintaining their independence as separate legal entities with their own specific mandates²². To this extent, sharing of information and knowledge between Centers was recognized as reducing levels of duplication and repetition in efforts and resources.
28. Some notable examples of the desire to deliver greater impact and increase the efficient use of resources are: the approval and implementation of the 2030 Research and Innovation Strategy; the development of 32 Research Initiatives across five impact areas; the shared services arrangement (that includes a shared CFO and shared Board secretary²³) between IWMI, WorldFish, and IRRI; the shared CFO between ICARDA and the SO; and ongoing efforts to have one common external auditor.

"I think that the interaction between Centers is good. Before the DG was an emperor with their own kingdom. There's now collaboration between Centers and scientists."

Host Country Representative

"The Centers are not competing against each other as they were before. One CGIAR has significantly changed that."

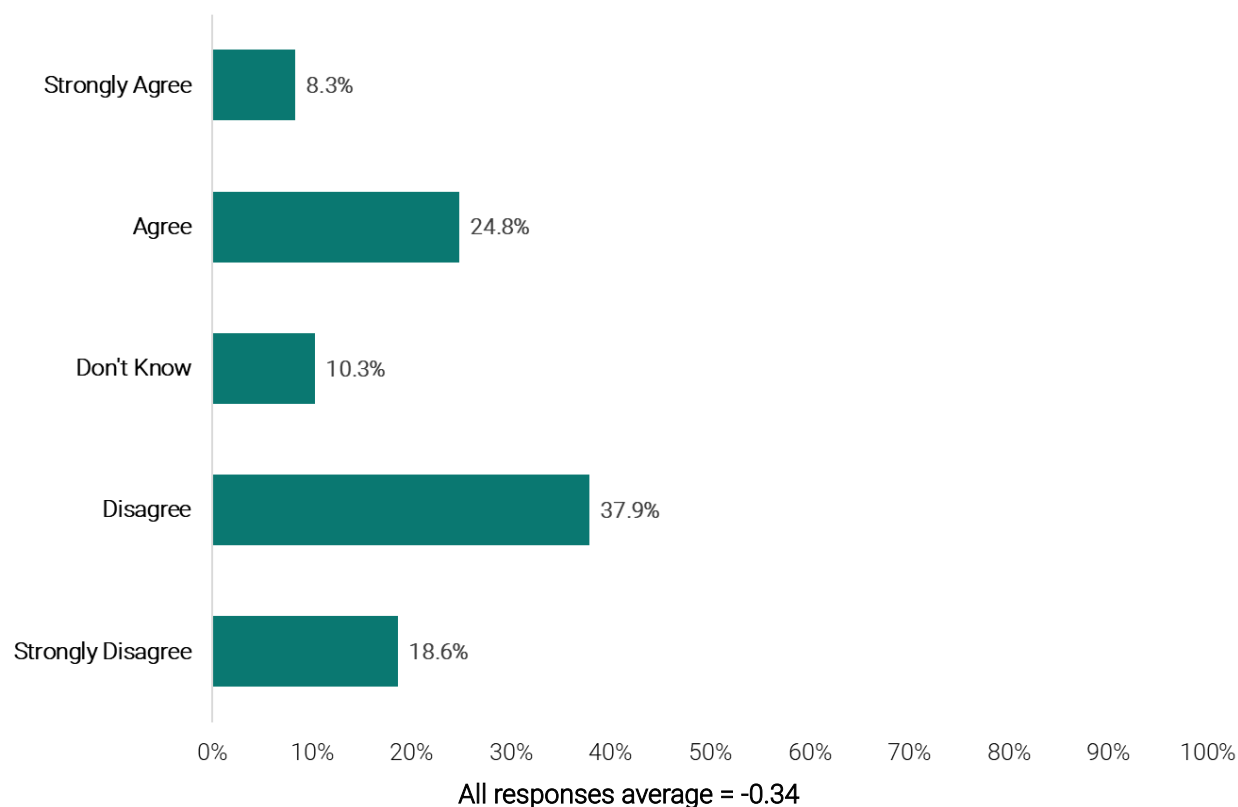
CB member

29. However, there was also strong agreement among stakeholders that the current unified governance model is untenable and not fit-for-purpose, both as a practical matter and because it erodes trust instead of advancing more integrated governance. Tellingly, just one-third of Survey respondents felt that the model is fit-for-purpose and 57% felt it is not (see Exhibit 1).

²² IFA (2022): pg. 3.

²³ From our understanding the three Centers use one common Board Secretary who is contracted and paid for by the Common Secretariat.

EXHIBIT 11: THE CURRENT UNIFIED GOVERNANCE ARRANGEMENT IS FIT-FOR-PURPOSE.



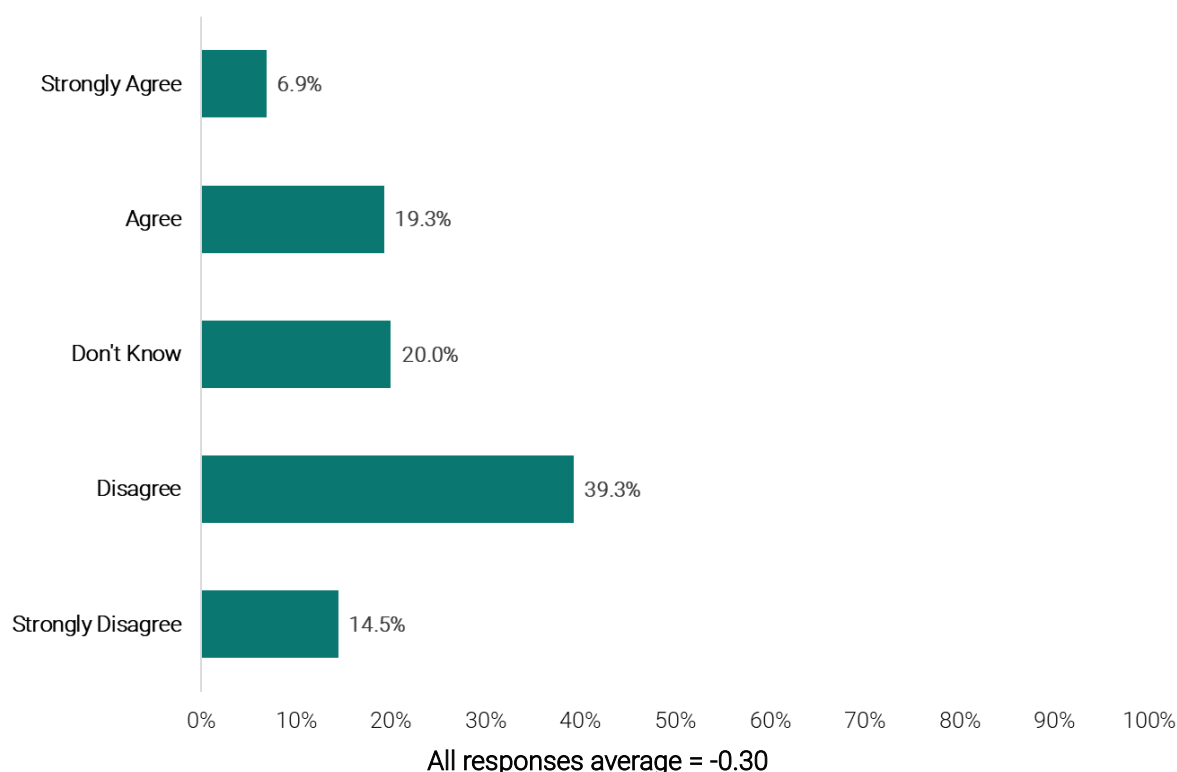
30. Several Survey and interview participants also voiced concern about the many governance and governance-related bodies in the CGIAR landscape (together with the management matrix they interact with) which also serve to slow down decision-making, confuse accountability, and further reduce transparency.

"Governance is supposed to provide clear processes and workflows. Our governance is hard to explain to insiders in CGIAR, let alone partners and funders from the outside. To make a decision, you need to engage over 70 people across the structure. It's a recipe for disaster and non-decision."

EMT member

31. It is therefore no surprise that the lowest scoring response across all surveyed participants related to the level of shared understanding of unified governance across the CGIAR System (see Exhibit 2).

EXHIBIT 22: THERE IS A SHARED UNDERSTANDING OF THE UNIFIED GOVERNANCE ARRANGEMENT AMONG ALL MEMBERS OF THE CGIAR SYSTEM AND THE CGIAR SYSTEM BOARD.



32. We also found a noteworthy shared sense of urgency and energy across the stakeholders to find solutions and move forward towards a governance model that enables the One CGIAR mission – with very limited appetite to “go back” to the way things were.

“There are huge improvements with the new SB Chair and Executive Management Team. I don’t expect that this Review will open up the box and go back in history. We want to look forward at 2024 and beyond.”

SC member

“The model was ok in the 1970s which limped through the 20th century but it’s completely out of date for the cross-cutting challenges for today. [...] Pragmatically and politically we can only move to the unified end of the spectrum if you have a big pot of money.”

EMT member

33. Overall, while there is a shared commitment to deliver greater impact by collaborating and integrating more effectively, there is a clear acknowledgement that the current governance model is constrained in terms of facilitating this.
34. The following sections describe the findings of our diagnostic review, split across three sub-sections. We explore how unified governance is playing out in terms of Structure and Roles, Processes and Practices, and Incentives and Culture. Based on inputs from key documentation, surveys, interviews,

the webinar and workshop, we provide insight into how CGIAR stakeholders perceive unified governance and its implementation, based both on intended outcomes as well as practical consequences.

STRUCTURE & ROLES

THE UNIFIED GOVERNANCE MODEL HINGES ON COMMON BOARD MEMBERSHIP, WHICH HAS PROVEN TO BE UNTENABLE AS CURRENTLY STRUCTURED

35. In 2019, following consultation with funders, clients, and Centers, the SRG (see para. 20) presented to the SC their recommendation to “establish a One CGIAR Common Board to provide a unified governance system for all CGIAR’s legal entities (CGIAR Centers and the CGIAR System Organization) and serve in effect as the single governance body for these legal entities”²⁴. The intended course of action was to initially form a two-thirds majority of discretionary members on each CB, consisting of a reconstituted SB as Common Board members, followed by the progressive “appointment of the remaining balance of common board members to each Center/Alliance Board.”²⁵ However, after backlash from Centers that doing so would conflict with Host Country Agreements, compromise was reached so that Common Board Membership did not exceed the two-thirds voting majority on CBs.

“It was clear from the onset (3-4 years ago) that there was an intent to get rid of the Centers and DGs. Even if it was well intentioned, when you look at the first org chart of the One CGIAR management system, the words “Center” and “DG” literally did not exist in the organisation.”

CB member

36. Beyond Common Board Membership, the SRG’s recommendation for unified governance also included the use of a common secretariat and common committees, the EMT’s support of SB decision-making, and the continued membership and participation of Host Country Representatives on their respective CBs²⁶. In line with this recommendation, the Transition Advisory Group 3²⁷ made recommendations to the SB in relation to the development and implementation of unified governance and subsequently developed a comprehensive checklist to guide revisions of Centers’ governing instruments to facilitate Common Board Membership.^{28 29}
37. However, in practice, the unified governance model has to date heavily relied on the structural arrangement of Common Board Membership: all SB members (including the SB Chair) are members of each CB, constituting at least a two-thirds voting majority in the composition of each CB. The application of the Common Board Membership arrangement as currently structured proved to be untenable and not be fit-for-purpose.
38. It quickly surfaced that SB members found it difficult to prepare for and attend two meetings for each of 12 CBs per year, plus all SB meetings and related System-level meetings. This already difficult task was aggravated by the fact that they also have full-time responsibilities and other Board directorships. It was therefore universally recognised that SB members are over-stretched and over-burdened,

²⁴ One CGIAR: A bold set of recommendations to the System Council (2019): pg. 4.

²⁵ Idem, Recommendation 2: Unified Governance: pg. 11.

²⁶ Idem, Recommendation 2: Unified Governance: pg. 10.

²⁷ Its composition included System Council voting members, System Board members (then present and former), Center Board Chairs and members, staff of Centers, and a DG representative.

²⁸ Transitionary Advisory Group 3 (2020) Towards One CGIAR

²⁹ As a result of the Common Board membership, several Centers such as IWMI, ILRI, IITA, IFPRI and CIP amended their bylaws to include 8 members of the CGIAR System Board as members of their corresponding boards.

serving much more than the notional 30 days per year they were hired for and still not being able to fulfil what seems like an impossible role.

39. Likewise, given the heavy demands serving on 12 CBs, SB members are often left with insufficient time to focus on System-wide issues such as development of KPIs for the 2030 Research and Innovation Strategy and pooled funding targets.

"I'm contracted for 30 days per year but end up spending 120 days, of which 80% of that time (excluding all the travel, etc.) is spent responding to Center issues."

SB member

"It's impossible for 7 people to govern 12 boards. There is no way the SB members can understand the science across all the Centers and get into their business. You need the people at the Centers to be specialized."

SC member

40. Time and geographic constraints³⁰ also make it difficult for SB members to attend every CB meeting. Several CB members noted that they have experienced issues meeting quorum requirements³¹, slowing decision-making processes for CB³² and rendering some meetings as purely informational.

"What I noted there, the [Center] Boards could not make some decisions. They could not vote because there was no quorum. [All] System Board members have not come except for two meetings. The Board could not make decisions which was a source of frustration for the Chair and management."

DG

"I don't think we've ever had a meeting where all SB members were able to make it."

CB member

41. Illustrative of CB members' general sentiment to Common Board Membership and the strain placed on SB members, the lowest scoring response among CB members was in relation to Common Board members' preparedness and engagement for meetings.³³
42. In addition, while Common Board Membership was envisioned in principle to be a mechanism that could drive integration and coherence by having a voting majority on every CB, in practice most issues on CBs are decided by consensus. This is compounded by SB members' reluctance to assert their voting majority, apart from rare exceptions.

"Despite the two-thirds voting majority on the CBs, the Common Board does not seem to be empowered to take decisions."

SC member

³⁰ We note that One CGIAR Centers are headquartered in the Philippines (IRRI), Mexico (CIMMYT), Peru (CIP), Kenya/Ethiopia (ILRI), Cote d'Ivoire (Africa Rice), Nigeria (IITA), Colombia/Italy (Bioversity-CIAT), Malaysia (World Fish), Lebanon (ICARDA), the USA (IFPRI), Sri Lanka (IWMI), and India (ICRISAT).

³¹ We note that current quorum requirements vary between Center Boards' governance documentation but are all based on the Transition Advisory Group 3's original recommendation that quorum to hold a Center Board meeting to require the presence of at least 2/3rds of the voting members of the Center Board to be in session, including 6 of 8 System Board members.

³² In such circumstances, decision-making would be done electronically.

³³ Averaging -0.10 among Center Board member responses to the survey statement 'The Common Board members are engaged, prepared, and are able to manage time effectively.'

43. Moreover, to accommodate Common Board Membership, Centers were asked to disband their standing committees³⁴, which included committees devoted to Center-level oversight of risk, finance, programs, governance, partnerships, and human resources, among others. While six Centers have retained or reinstated their Program Committees³⁵, Center-level committees have by and large remained disbanded. Consequently, concerns were voiced regarding the level of Center-specific oversight and Board attention provided for key, specific areas of oversight relevant to each Center.
44. This is further exacerbated by the reduction of the length of CB meetings. On average, CB meetings were reduced from 2-3 days to just 2-3 hours twice a year, providing very short segments of time for discussion of each agenda item. For example, AFRC members indicated deep concern that audit, risk and finance issues only had a 20-30 minute slot in CB meetings, which did not allow time for deep oversight discussions or decision-making about follow up. To enable deeper discussions, some Centers are convening informal groups of CB members with the time and interest to engage more deeply.
45. All CB members have a duty of loyalty and duty of care to each CB they serve on, which means that when they “wear the hat” of a particular CB member, they must put the interest of that Center first. Given that Common Board members are representing the SB (and are appointed to CBs because they are SB members), there is a perception that they may put the interest of the CGIAR System first – and that this presents an inherent conflict of interest. On the other hand, there are also perception that SB members may not put the interests of the “whole” first (i.e., the wider CGIAR System) because of their feelings of loyalty to Centers. Moreover, these perceptions of conflict of interest are stronger where there is a lack of trust and weak alignment between the Center and System³⁶, as highlighted by Survey results.³⁷

“I have a huge contention with the reduction of Board meeting time. We cannot meet our legal and fiduciary responsibilities.”

CB member

“There’s an innate conflict of interest for SB members about what is best for CGIAR as a whole vs the natural intense loyalty when they have individual roles on the Centers. They’ve chosen not to use the block vote to enforce decisions but what was expected to be the mechanism has not materialised. There’s this tension between representing One CGIAR and the individual Centers.”

EMT member

46. Relative to profile and composition, given that two-thirds of CBs are composed of SB members, and the remaining one-third includes Host Country Representatives, there subsequently remains little room to recruit independent CB members with specific expertise of value to each Center. For example, the World Fish Board is mandated to have four Center-specific voting members: two ex officio members nominated by the Ministry responsible for fisheries and aquaculture in the Government of Egypt and the Government of the headquarters Host Country, as well as two members elected by the Board.³⁸

³⁴ As stated in ‘Towards One CGIAR’ (2020): pg 6

³⁵ Africa Rice, CIP, ICARDA, IRRI, and IITA are supported by a board-level Program Committee while IFPRI has a Strategy and Program Council (formerly known as the Program Committee), composed of the entire board, which acts as an advisory panel.

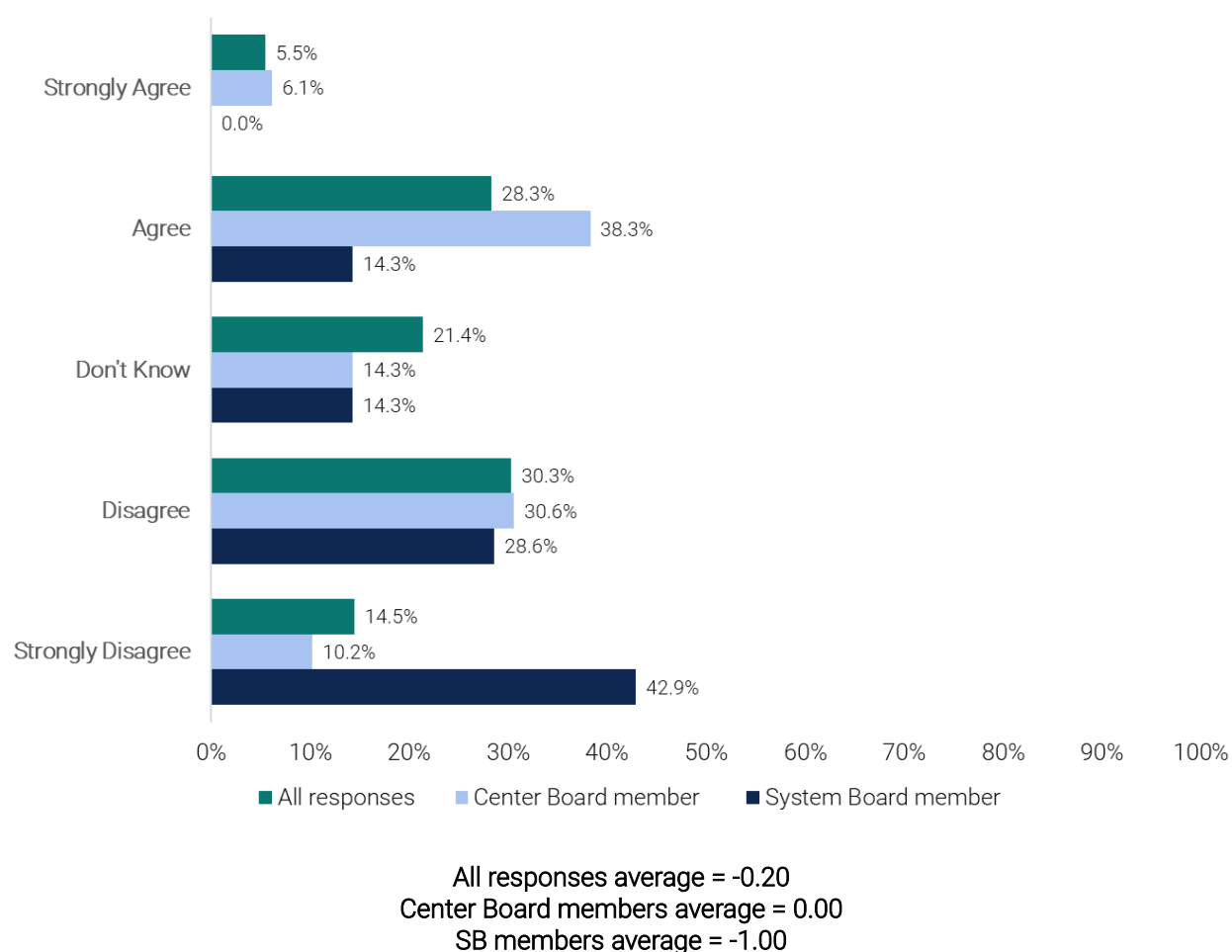
³⁶ We note that guidance for staff, including SB members, is provided in the CGIAR Code of Ethics and Business Conduct for CGIAR Staff.

³⁷ The survey’s statement “When necessary, real and potential conflict of interests from System Board members sitting on Center Boards are appropriately handled” scored an average of 0.23 across all participants and “There are adequate procedures in place to avoid conflicts of interest for Common Board Members” scored an average of 0.26 across all participants.

³⁸ As per article 6 of Constitution of the International Centre for Living Aquatic Resources Management (ICLARM) (2020)

47. Similarly, at CIMMYT, for example, Center-specific voting members must include an ex officio member appointed by the government of its Host Country and a member nominated by the agri-food sector of the Host Country, which leaves two members that can be elected by the Board³⁹. This gives Centers limited capacity to match CB member expertise, backgrounds, and profiles with their needs, as highlighted by Exhibit 3). Interestingly, Survey responses illustrated that SB members also acknowledged the difficulties related to CB composition.

EXHIBIT 3: THE COMPOSITION, PROFILE AND SIZE OF THE CENTER BOARDS IS ADEQUATE.



48. Nonetheless, though most feedback on the implementation of Common Board Membership highlighted areas for improvement, it has also demonstrated some positive results, as this first cohort of SB members have grown into their roles and slowly rebuilt trust with Centers. In addition, the connective tissue between the System level and Center level – and between each of the Centers – has allowed Common Board members to bring useful System-level perspective and experience to CB, as well as Center perspective to the System-level and externally.

³⁹ As per article 7 of the Constitution of the Centro Internacional de Mejoramiento de Maiz y Trigo (2020)

THE AFRC IS A HIGHLY VALUED COMMON COMMITTEE BUT IT IS OVERBURDENED, AFFECTING ITS CAPACITY IN OVERSIGHT

49. The subsequent formation of the AFRC⁴⁰ as a common committee to serve all CBs intended to provide a System-wide perspective in the oversight of Centers' audit, assurance, finance, risk and compliance matters⁴¹. Under this arrangement, each AFRC member serves as a focal point for two Centers and essentially plays the role of a standing Audit, Finance and Risk Committee for two legal entities.
50. This System-wide perspective is supported by the AFRC's composition and reporting lines to the rest of the CGIAR System. For example, at least one voting member of the SB with relevant expertise must be a member of the AFRC⁴² and the AFRC Chair serves on the SB as an ex-officio non-voting member⁴³. CBs also receive regular reports on AFRC activities and committee meeting summaries, as well as a designated AFRC member to attend all formal CB meetings⁴⁴. Moreover, the AFRC also has formal reporting lines with the SC via the AOC.⁴⁵
51. Survey responses and interviews highlighted that the AFRC brings a high level of skill with its oversight and its practical value add is welcomed and appreciated at both Center and System levels. Notably, five of the ten highest scores across Survey responses related to the AFRC and its fulfilment of its mandate.⁴⁶
52. Interviewees were vocal in their appreciation of the AFRC's composition and quality of oversight, with many identifying the committee as the biggest positive from the implementation of unified governance reforms. As such, Survey responses generally highlighted confidence in Center-level oversight of risk and audit matters, as shown by Exhibit 4 (though we note the divergence views among AFRC members). Some interviewees noted that the AFRC brought a higher quality of oversight to the CBs than any previous CB-level audit and risk committee and suggested the potential application of a "common committee" approach for other areas.

"I have lots of confidence in what the [AFRC] are doing. [...] I think that model's an interesting one. Why not have a Programme, Science, Innovation Committee? It's complicated because each Center has a different science so how do you connect that together? But the model is an interesting one that can build confidence between the Center and the System."

SB member

⁴⁰ 7 members were appointed in June 2021 and 2 members in April 2023. According to its TOR, the purpose of the AFRC is to:

- Provide all Boards to which it reports with reasonable assurance of performance of internal audit for each of CGIAR's legal entities; delivery of independent external audit for Board approval; the integrity of financial information; oversight of systems of risk management, an internal control framework and an ethics framework; and compliance with applicable laws, regulations and codes of conduct;
- Provide the SB with reasonable assurance of adequate internal audit capacity, system-wide governance, risk management and internal controls across CGIAR.

⁴¹ As per its responsibilities stated in CGIAR Audit, Finance and Risk Committee Terms of Reference (2021)

⁴² Idem: pg.7

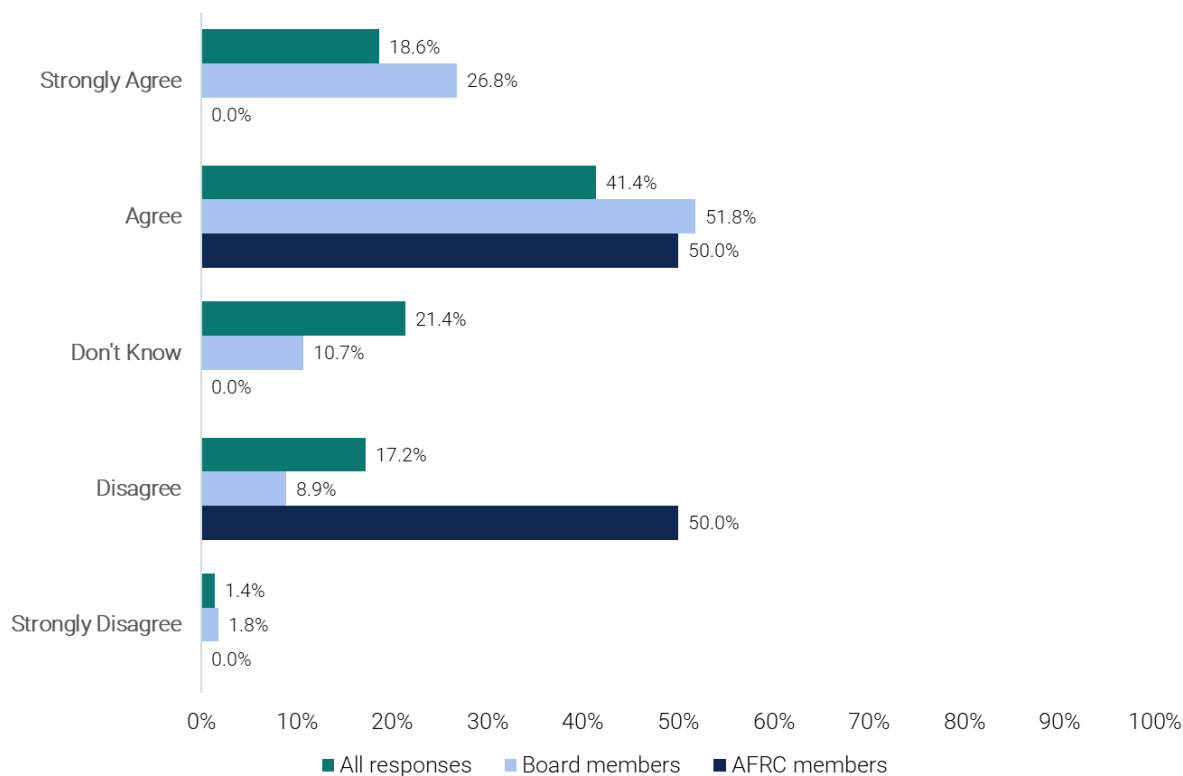
⁴³ Charter of the CGIAR System Organization (2020): Article 7.4

⁴⁴ CGIAR Audit, Finance and Risk Committee Terms of Reference (2021): pg.10

⁴⁵ Idem: pg.7

⁴⁶ The seventh highest survey score across all responses.

EXHIBIT 4: CENTER BOARDS MAINTAIN EFFECTIVE AUDIT ARRANGEMENTS THAT ARE FIT-FOR-PURPOSE.



All responses average = 0.59
 AFRC members average = 0.00
 Board members⁴⁷ average = 0.93

53. Supporting the quality of Center-specific oversight and the close relationship between Centers and their respective focal point, half of the AFRC members currently or have previously served on CBs, affording them a deep understanding and background for their assigned Centers and the AFRC's demanding oversight duties.⁴⁸ However, concerns were raised regarding the sustainability of the practice and potential oversight gaps forming with subsequent AFRC nominations (if candidates do not have previous association with CGIAR or the requisite availability to become as intimately familiar with the relevant risks related to specific Centers).

"New AFRC members won't have the same legacy of involvement with CGIAR that current members do. If a Center wanted to hide something, they could very easily hide it."

AFRC member

54. Despite the positive feedback, it should be noted that most AFRC members felt they are overstretched, overburdened, and need better resourcing and support, particularly due to their assignment as the

⁴⁷ Please note that this denotes the average score of both Center-specific Board members and System Board members.

⁴⁸ Tellingly, three of the seven highest scoring survey responses for AFRC members related to reporting lines and / or the constructiveness of relationship between the AFRC and Centers.

focal point for two Center. This is further compounded by the shorter duration of board meetings and allocated time for audit, finance, and risk issues on meeting agendas at both the SB and CB levels, creating a perceived over-reliance on the AFRC.

"We're being dragged into management disputes. We're not giving direction, not creating policies. We have lots of idle cash between the Centers but we don't have an investment policy. Can't do common policy while things remain like this."

AFRC member

55. Key areas needing improvement included a system to track the follow-up actions on issues where AFRC guidance has been provided, the quality of accounting discipline, and the quality of management reporting from the Secretariat to the AFRC.
56. In addition, it was noted that the relationship between the AFRC and AOC similarly reflects a lack of clarity in mandates and points of contact between the two committees, akin to the SB and SC (see para. 58 onwards). In this regard, we understand that the interim AOC Chair presented an assessment of the relationship between the AOC and AFRC at the May 2023 SC meeting, including distinction that the AOC focuses on independent, System-level strategic oversight, while the AFRC concentrates on oversight of day-to-day operations⁴⁹. Despite this assessment, our diagnostic review highlights perceived ambiguity and over-complication in audit oversight of the CGIAR System.

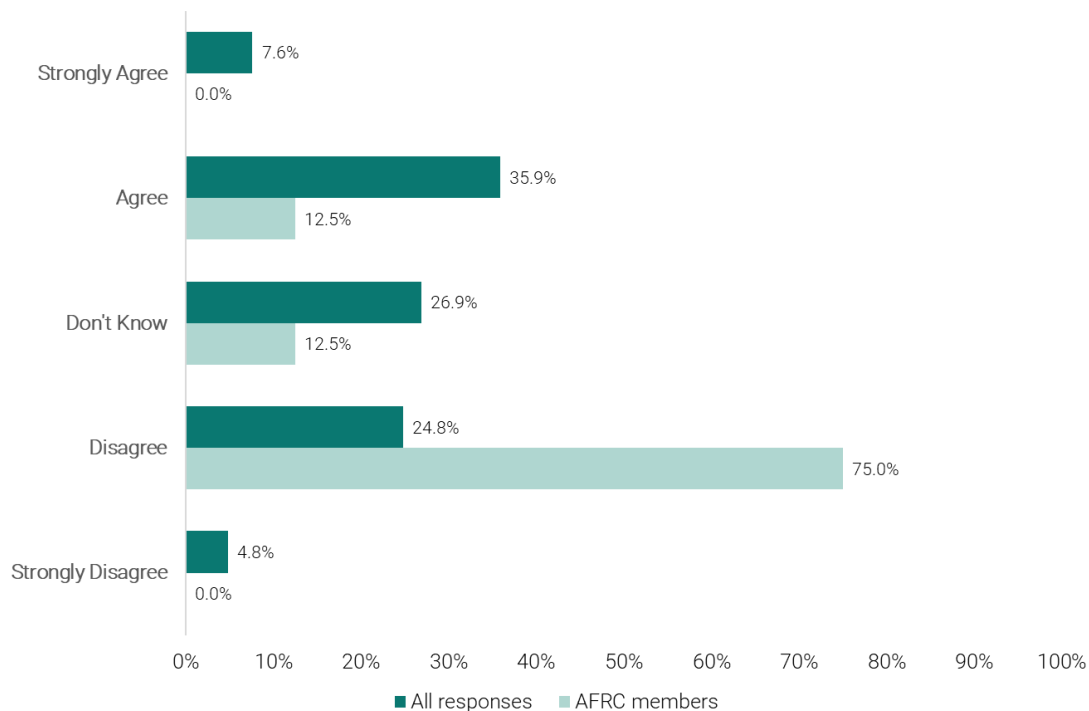
"I'm aware of the AOC and its existence but there hasn't been any reporting between the two bodies (that I'm aware of). [...] At the global level, there must be some way of unifying this."

AFRC member

57. Taken in sum, despite the perceived benefits of establishing the AFRC, the majority of the Committee's members expressed concern about the quality of risk and audit oversight across the CGIAR System and potential gaps in its oversight, as exemplified by Exhibit 5 – the fourth lowest scoring response among AFRC members.

⁴⁹ Meeting Summary 18th System Council Meeting 11-12 May 2023: pg. 10.

EXHIBIT 5: OVERALL, AUDIT AND RISK OVERSIGHT ACROSS THE UNIFIED GOVERNANCE ARRANGEMENT ARE ADEQUATE.



All average = 0.17
AFRC members average = -0.63

LACK OF CLARITY BETWEEN SC AND SB ROLES AND MANDATES

58. The SC is the strategic decision-making body that keeps under review the strategy, mission, impact, and continued relevance of the CGIAR System⁵⁰. The SC is supported by two standing committees: the AOC and SIMEC. The AOC provides assurance to the SC of the completeness and effectiveness of the Internal Audit Function and the independence of external audit functions, as well as oversight of System-wide governance, risk management, and internal controls⁵¹. SIMEC, on the other hand, provides advice and guidance to the SC on the gaps, challenges, and synergies relating to the SC Advisory Bodies⁵² and on the approval of CGIAR policies related to strategic impact, monitoring, and/or evaluation.⁵³
59. Despite the role of the SC in endorsing the One CGIAR reforms, the responsibilities of the SC have not been adequately updated to reflect their roles within the One CGIAR context, as well as the SB. This has led to a widespread perception that there is duplication in mandate between the two bodies and an inappropriate divide in topics discussed at the SB and SC levels, as highlighted by Exhibit 6.

⁵⁰ As per Articles 3-8 of the CGIAR System Framework (2016)

⁵¹ As per Terms of Reference Assurance Oversight Committee of the System Council (2017)

⁵² The SC Advisory Bodies – namely the Independent Advisory and Evaluation Service (IAES), the Independent Science for Development Council (ISDC), and the Standing Panel on Impact Assessment (SPIA) – facilitate and provide external, impartial, and expert advice related to strategy and positioning, program evaluation, and impact assessment.

⁵³ As per Terms of Reference System Council Strategic Impact, Monitoring & Evaluation Committee (2023)

"The mandate of the SC, as set forth in the CGIAR System Framework, has not been amended or updated to reflect the One CGIAR transition process or the unified governance arrangements."

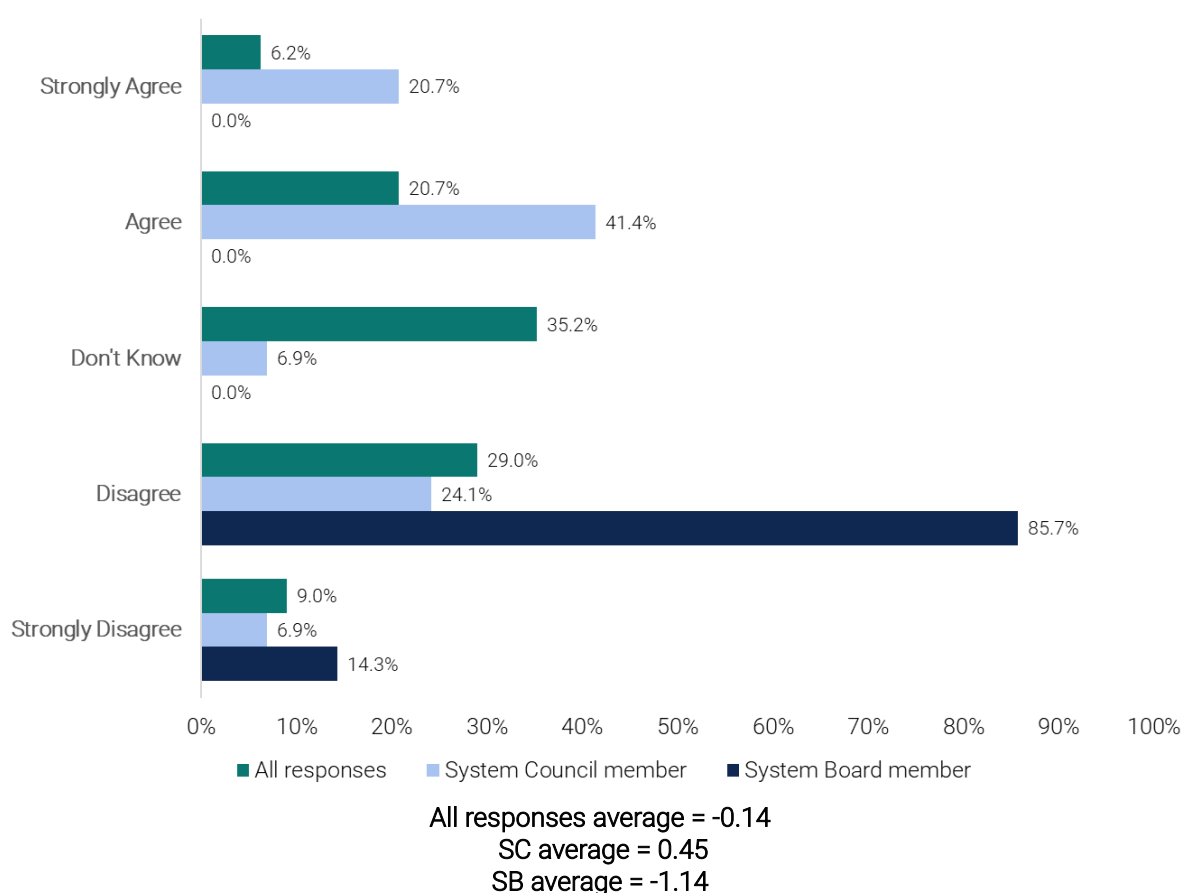
Center Staff member

"[The SB and SC's mandates] are duplicative in many cases, not well rationalized, and not adjusted based on unified governance. The responsibilities of SB (50 in all) are essentially the same as before this reform."

SB member

60. There appears to be subsequent confusion about who is mandated to provide oversight and govern the CGIAR System. Despite the positioning of the SC as the CGIAR's strategic decision-making body, the arrangement with the Common Board Membership places the SB as the key driver of unified governance and the wider System as a whole⁵⁴, yet the SB as a body is currently only formally mandated as the board of the System Organization.⁵⁵

EXHIBIT 3: THE DELEGATION / DISTRIBUTION OF DECISION-MAKING AUTHORITY ACROSS THE SYSTEM BOARD AND SC IS EFFICIENT AND TRANSPARENT.



61. A "stalemate" in decision-making was therefore described in relation to the two bodies, such as the extent to which the SB is obligated to take on all advice and recommendations provided by the SC

⁵⁴ Given the significance of the System Board in the implementation of unified governance and embedding a System-wide interest across the One CGIAR Center Boards.

⁵⁵ As per Article 7 of the Charter of the CGIAR System Organization (2016)

(and vice versa). As illustrated in Exhibit 7, areas of duplication are evident in mandate and confound who ultimately provides approval for System decision-making

62. For example, both bodies are responsible for the review of the annual portfolio analysis and program reports on the CGIAR Portfolio⁵⁶, though the SB has the added provision of proposing strategic actions to ensure results and continued relevancy to the SC⁵⁷. Beyond duplication, it is unclear how the SC is meant to action the recommended strategic actions (i.e. are they subject to approval?). This is similarly the case with the annual report on external relations and outreach, as both bodies are responsible for its review but there is no explicit approval process after the SB's submission to the SC.⁵⁸

"There is still a lack of clarity where ultimately the authority for making certain decisions rests. Both SB and SC need to more clearly define their responsibilities and then take them seriously."

SC member

"At best, [the SB and SC's mandates] are overlapping; at worse, they're competitive and duplicative. In both cases, the way the SC and SB operate and the legal basis for their action is not clear."

DG

⁵⁶ As per article 6.1(w) in the CGIAR System Framework (2016)

⁵⁷ As per article 8.1(hh) and 8.1(ii) in the Charter of the System Organization (2016)

⁵⁸ As per article 8.1(jj) in the Charter of the System Organization (2016) and article 6.1(x) in the CGIAR System Framework (2016)

EXHIBIT 7: SELECTED AREAS OF DUPLICATION AND/OR LACK OF CLARITY BASED ON THE SYSTEM BOARD AND SYSTEM COUNCIL'S MANDATES.

THEME	SB ⁵⁹	SC ⁶⁰
Strategy	Promote adequate and sustainable investment in international research on food, nutrition, agriculture and the management of natural resources	Promote a greater recognition of the role of food, nutrition, agriculture and the management of natural resources in sustainable development in international political fora, and in particular the role of agricultural research in achieving these goals
	Support and guide the CGIAR System's contribution to the United Nations Sustainable Development Goals and other relevant global initiatives	Support and guide the CGIAR System's contribution to the United Nations Sustainable Development Goals and other relevant global initiative
Financial and programmatic performance	Review the annual portfolio analysis and program reports on the CGIAR Portfolio prepared by the EMT and propose to the SC strategic actions to ensure results and continued relevancy	Review the annual portfolio analysis and program reports on the CGIAR Portfolio
	Review an annual report from the EMT on external relations and outreach prior to its submission to the SC	Review an annual report from the System Management Office on external relations and outreach
Evaluation	Review external independent evaluations of the CGIAR Portfolio, functions and structures and provide comments to the SC for its consideration	Review and endorse external independent evaluations of the CGIAR Portfolio, functions and structures, taking into account input from the SB and Center management responses

63. Ambiguity in mandates and the subsequent effect on decision-making is compounded by a lack of interaction between the two bodies. Though the SB Chair is an ex-officio non-voting member of the SC⁶¹, the rest of the SB do not participate in SC meetings.⁶² This contributed to SB members' widespread dissatisfaction with the relationship between the two bodies, as evidenced by Exhibit 8 (with a noteworthy divergence in average scores between SB and SC respondents), and an appetite for further engagement.

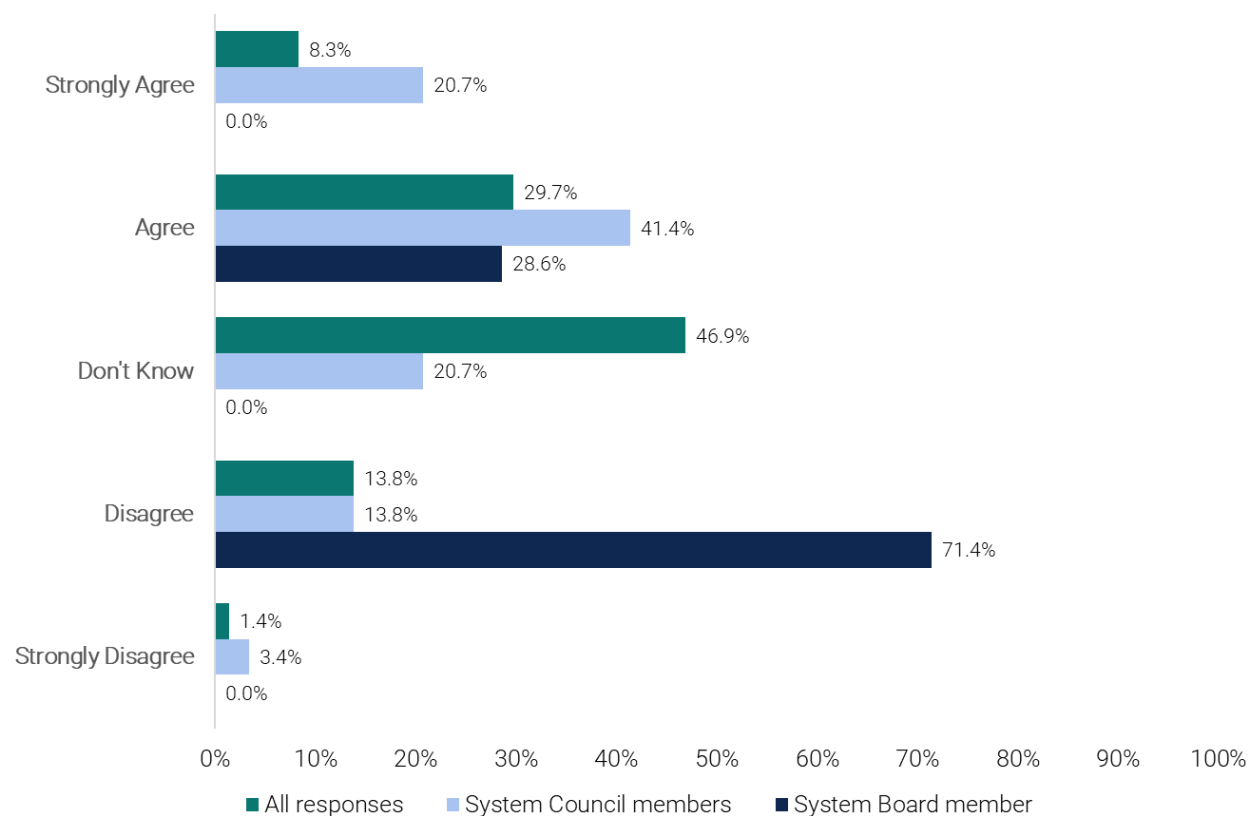
⁵⁹ As per Article 8 of the Charter of the CGIAR System Organization (2016)

⁶⁰ As per Article 6 of the CGIAR System Framework (2016)

⁶¹ As per Article 3.1 of the CGIAR System Framework (2016)

⁶² As per Article 4.2 of the Rules of Procedure of the System Council (2016), we note that the "the SC Chair may invite, following informal consultation with SC members, other individuals who may add value to the System Council's business to attend System Council meetings as observers," though in practice SB members do not attend SC meetings.

EXHIBIT 8: THERE IS A PRODUCTIVE RELATIONSHIP BETWEEN THE SYSTEM COUNCIL AND THE SYSTEM BOARD.



All responses average = 0.30
 SC average = 0.62
 System Board average = -0.43

64. It should be noted that there is shared acknowledgement between the SC and the SB of existing areas to improve in the relationship between the two bodies and areas for clarification in mandates. For example, at the SC meeting in Brisbane in November 2022, the SB expressed to the SC that the current division of governance roles and modalities for engagement require better alignment to reflect One CGIAR and develop a more efficient governance system.⁶³
65. Moreover, based on preliminary Survey results presented at the Webinar, representatives from the SC and SB held a meeting before the Workshop in October 2023, again highlighting an appetite to develop the relationship between the two bodies and clarify areas of their respective mandates.

⁶³ CGIAR (2022) Meeting Summary 17th System Council Meeting, 2-3 November 2022: pg. 23.

HOST COUNTRIES ARE IMPORTANT CONTRIBUTORS OF RESOURCES TO CENTERS, BUT ARE NOT ALWAYS RECOGNISED AS SUCH

66. Considering the important relationship between Host Countries and Centers, it was no surprise that during our diagnostic review the role of Host Countries was brought up in a variety of ways.
67. Several stakeholders expressed that Host Countries were not adequately considered, consulted, or heard when the unified governance model – particularly the original idea of a single Common Board – was decided, effectively undermining the role that host countries play vis-a-vis Centers in their respective country.
68. This subsequently embedded the sense that the integration process has been top-down, funder-driven, and at the “expense” of Global South stakeholders. Some implied that concerns related to host countries were a critical reason why some CGIAR Research Centers decided against joining One CGIAR.

“I think there is a strong feeling of the Host Countries feeling a bit disrespected, that their voice has not been heard.”

CB member

69. Further concerns were raised that these reforms diminished Host Country voices and created compliance risks relative to Host Country Agreements (by not sufficiently acknowledging the independent legal status of Centers and the respective role of their host governments).
70. In relation to this, interviewees consistently voiced their concern that the arrangements for the Common Board Membership affected Host Country Agreements and, in turn, affected the capacity of Centers to deliver and fulfil their obligations. Interestingly, survey results painted a more positive picture, as highlighted by Exhibit 9.

“If you're not there in the country or region, how can you understand associated risks if the country representative voice is not heard?”

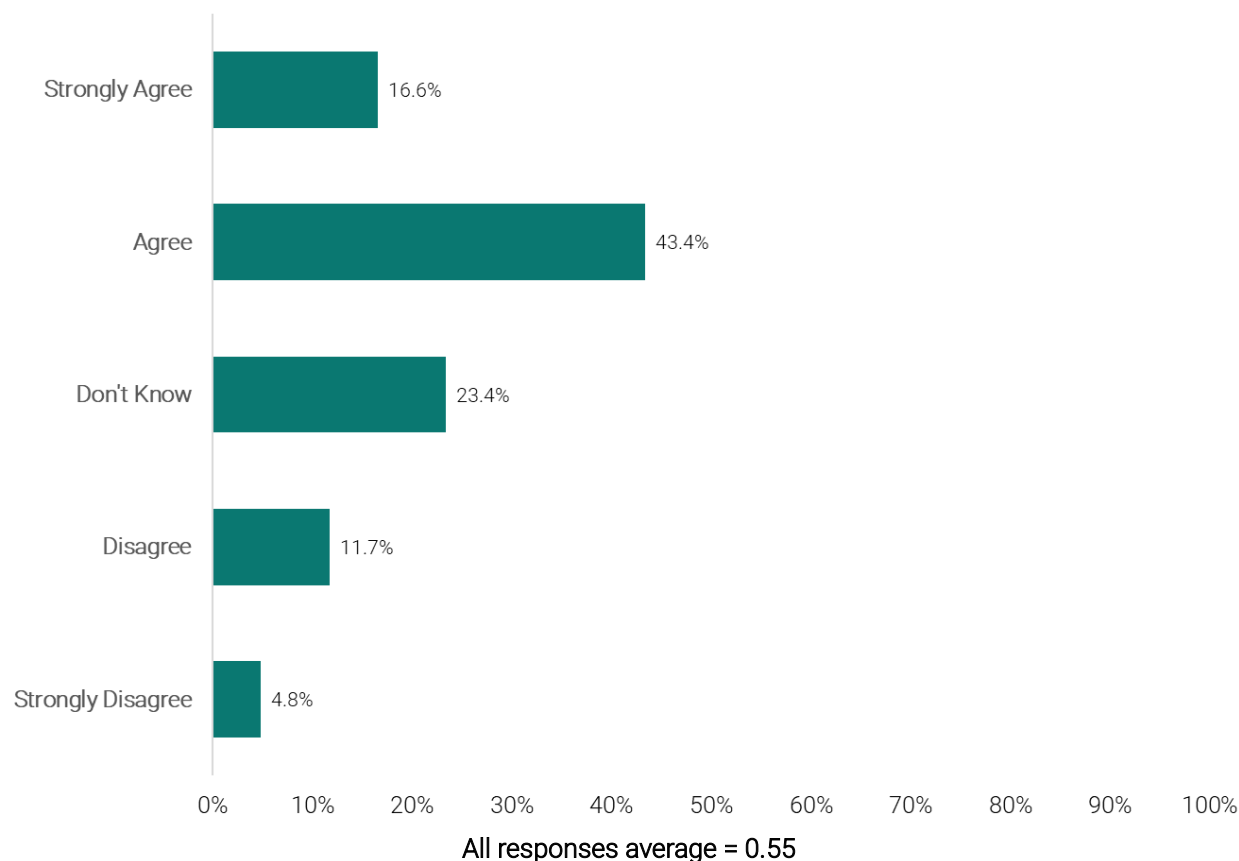
DG

71. Several DGs and CB Chairs also expressed frustration that the introduction of the unified governance model, and the two-thirds majority of Common Board members, had put them in a difficult position with their respective Host Countries. Given that, in general, DGs and CB Chairs themselves were not fully bought into the unified governance model, they were not able to defend it or advocate for it with Host Countries.

“We had a plan from the SC and were told X would happen, please approve Y. It was information, not consultation. [...] To antagonize and marginalize host countries and let funders dictate the reforms ignores the fact that host countries, most of which are in Global South, are the most essential components of the CGIAR System. [...] Fundamentally the issue is accountability: someone needs to take accountability for the application of unified governance.”

Former Leadership

EXHIBIT 9: EACH CENTER BOARD FULFILS ITS OBLIGATIONS PER ITS RESPECTIVE HOST COUNTRY AGREEMENT AND/OR ESTABLISHING DOCUMENT.



72. This was further worsened by the perception that the implementation of the Common Board Membership affected the autonomy of the Centers, which could constitute a breach of their respective Host Country Agreements (whereby the Centers are recognised as autonomous entities).

"Some host countries say very clearly that they sign the Host Country Agreements as an autonomous entity. And now, if the structure of the board and the way we operate contradicts that, they may revise [...]"

CB member

73. More broadly, there is little recognition of the contributions made by Host Countries to Centers. We heard throughout the diagnostic review that these contributions provide Centers with a license to operate, legal status as international organisations, tax exemptions and legal protections associated with that legal status, and (in some cases) campuses for offices, laboratories and gene banks, among others. This is what enables Centers to be operational and effective, particularly with respect to attracting and retaining top-notch scientists.
74. However, these often decades-long contributions are not monetised and, thus, there is not enough awareness by all of their impact in the same way as monetary contributions. This also adds to the feeling of their voices not been heard or not been properly consulted or informed of decisions occurring at System level.

"I took the time to calculate the amount of money [Host Country] has donated to [Center] over time without even taking into account the tax exemptions or staff privileges. That alone for the project co-financing would be above many of the big funders for the System."

SC member

"If they break the constitution, the [Host Country] government can take back the land, tax breaks, etc. Going outside the governing instruments knowingly, it takes only one signature from the Minister and it ends."

DG

PROCESSES AND PRACTICES

SPACES FOR CENTERS' VOICES

75. As stated in the IFA, the Parties recognise the complementary nature of their individual mandates (as described in their respective Governing Instruments and Host Country Agreements) and the consequent need to enhance their collaboration within the CGIAR System to collectively implement the 2030 Research & Innovation Strategy as well as better deliver on their individual mandates⁶⁴. Engagement across the CGIAR System between Centers and relevant stakeholders is therefore key to One CGIAR and related unified governance reforms.
76. In principle, Centers have various fora for engagement and consultation with a variety of stakeholders. For example, the Charter of the CGIAR System Organization describes the GAC, a forum for Centers to discuss issues related to the CGIAR System.⁶⁵
77. However, Centers in particular described that, in practice, there are few spaces for their voices to be heard. For example, the GAC was consistently identified across interviews and the Workshop as a valuable space for engagement and identifying shared issues and opportunities across Centers. This was further underlined by Survey responses, such as Exhibit 10, which was the second highest score among all respondents. Nonetheless, we were informed that the GAC has been inactive since 2019.

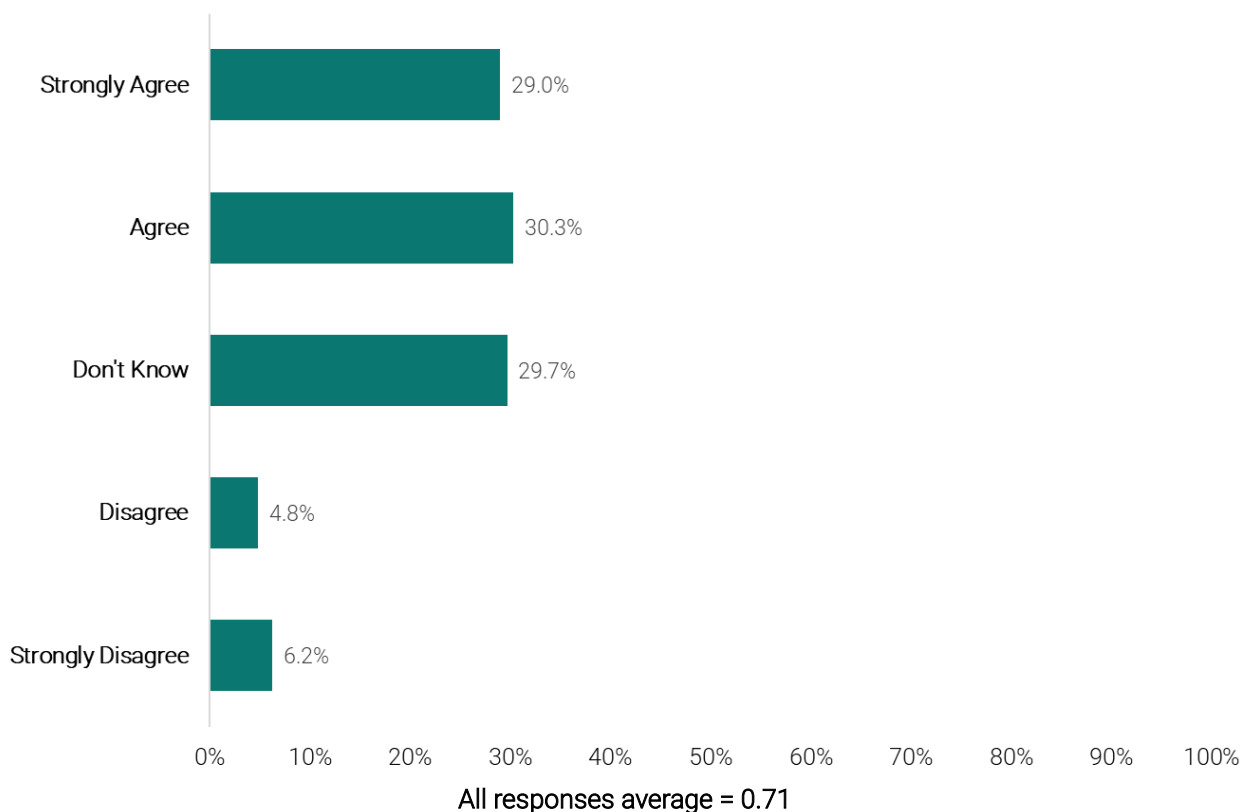
"When it comes to change management, you need to solicit support from key stakeholders. I've asked several times for a General Assembly because this is the forum where the Centers, host countries, SC, etc. can come together. There has not been a GAC for years but it is still in the documents. Those sorts of things erode trust."

CB member

⁶⁴ IFA (2022): pg. 3

⁶⁵ As per Article 5, Charter of the CGIAR System Organization (2016)

EXHIBIT 10: THE GENERAL ASSEMBLY OF CENTERS IS AN IMPORTANT FORUM FOR CENTER BOARDS TO DISCUSS SHARED ISSUES.



78. In the absence of effective fora for exchange, Centers coordinate through other mechanisms and caucuses, most notably the BCN. Active since February 2022, the BCN provides a platform for discussion between CB Chairs, the SB, SO staff, and the Executive Managing Team⁶⁶. The BCN was praised for supporting strategic matters by sharing and raising issues between Centers (contributing to a generally positive survey responses, as illustrated in Exhibit 11, though its effectiveness was acknowledged as being limited without a formal mandate and legal/governance grounding within the CGIAR System.

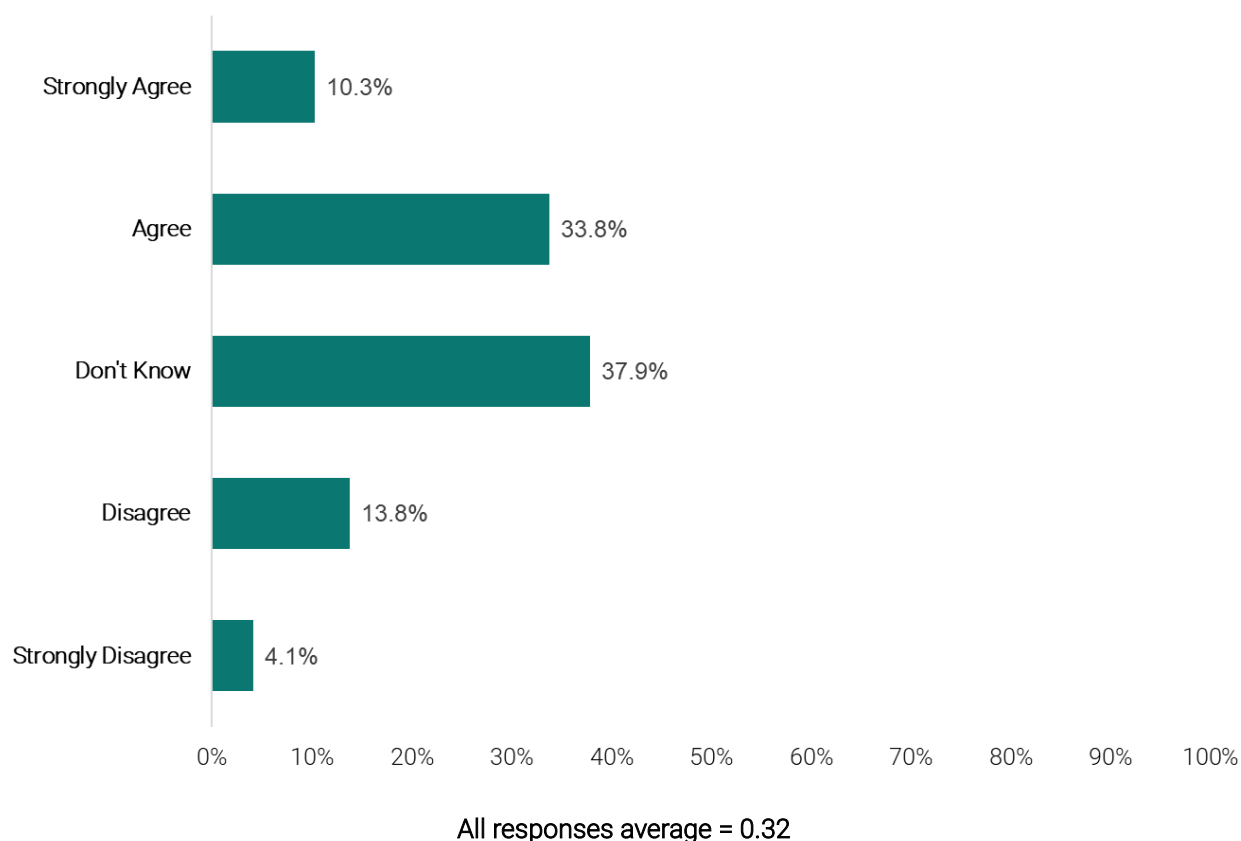
"The BCN does a good job of coordinating thinking and sharing information. It could be more effective with a specific charter and some decision-making [authority]."

SB member

79. Interestingly, some interviews and Survey respondents voiced a preference for a return of the GAC rather than expansion in mandate or further resourcing for the BCN. Reasons for this include the greater transparency of the GAC, the inclusion of stakeholders like DGs, and its existing formal status within the CGIAR System.

⁶⁶ At the time of the Review, we understand that the Board Chair Network is in the process of being expanded to include Director Generals and meeting every 3-4 weeks. The last meeting of the Board Chair Networked occurred in August 2023.

EXHIBIT 11: THE BOARD CHAIR NETWORK IS AN EFFECTIVE COORDINATING MECHANISM.



80. Moreover, the current governance structure does not allow for proper visibility between the SC and Centers' activities and issues, risking potential disconnect from implementing realities and a reliance on bilateral connections between Centers and their respective funders on the SC.

"We are in a privileged position to have our Ministry supported by [respective country's development agency]. They can fill in spaces on behalf of the Ministry and have discussions with Centers. However, there are other donors that don't have that, so they are unable to make informed decisions in the SC. Each donor has their own challenges."

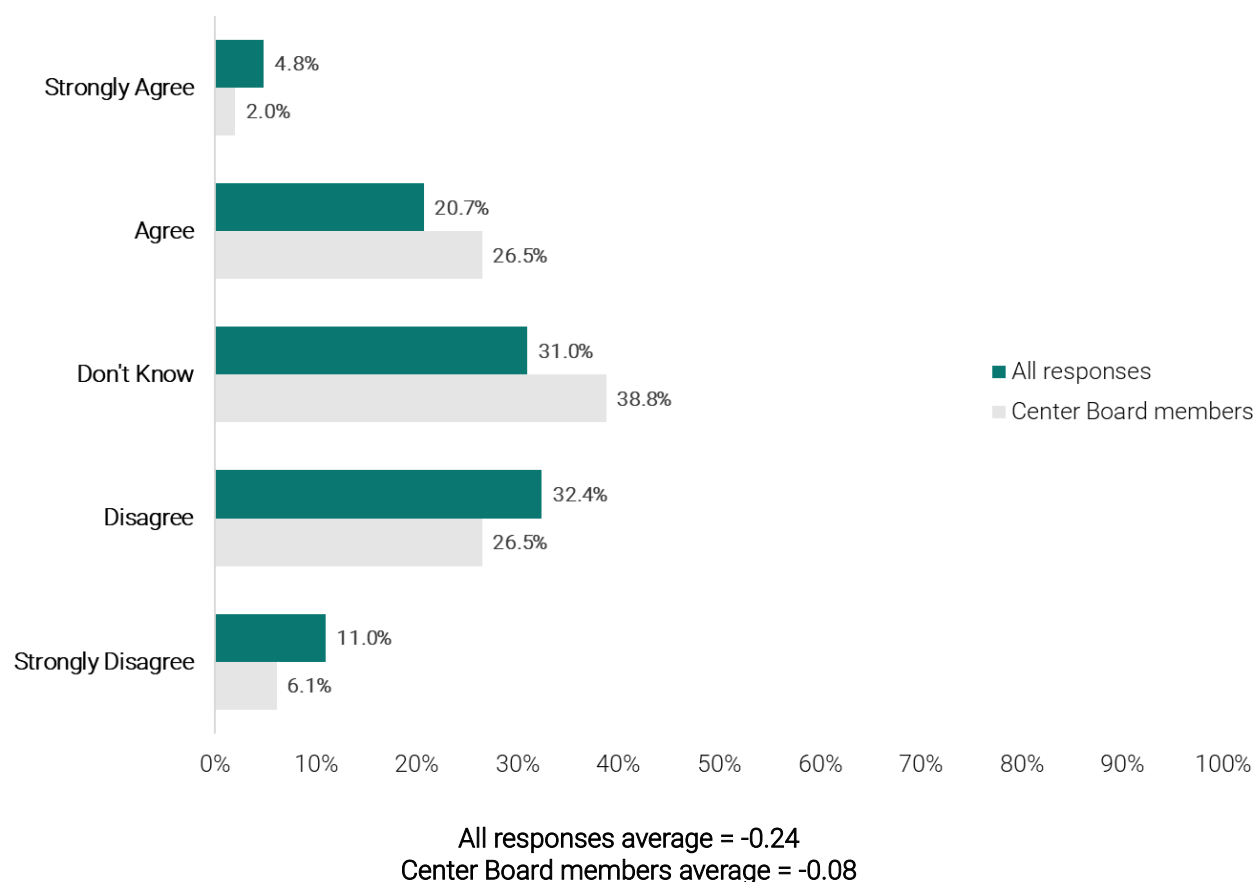
SC member

"Donors are too far removed from the System governance. In 7 years, I've still not sat at a table with a major donor - that cannot be right. There is no forum to do that unless you are part of the SB, a CB Chair, or a DG. That's something that will take time to fix."

CB member

81. Taken in sum, diminishing formal and joined up spaces for Centers' voices has contributed to a general sentiment that there is inadequate engagement incorporated into CGIAR's current decision-making processes, as illustrated by Exhibit 12.

EXHIBIT 12: INTERNAL STAKEHOLDER ENGAGEMENT IS ADEQUATELY INCORPORATED IN MAJOR DECISION-MAKING PROCESSES ACROSS THE UNIFIED GOVERNANCE ARRANGEMENT.



THE PERCEIVED TOP-DOWN APPROACH FOR INTRODUCING THE UNIFIED GOVERNANCE HAS UNDERMINED TRUST

82. Our Review shows a strong perception that the unified governance model was driven by funders in the SC (predominantly based in the Global North) and that associated reforms had (initially) aimed to replace CBs (most headquartered in the Global South) with a single SB (largely composed of individuals from the Global North). This was seen as an imposition of power and served to undermine trust and create a difficult climate for new SB members to enter on CBs.
83. Despite the formation of consultative groups, such as the Transition Consultation Forum and Transition Advisory Groups to assist the implementation of the SRG recommendations⁶⁷, many interviews bemoaned the “consultation” as being more informational in practice and cited a lack of clear communication to key stakeholders regarding the integration process. CB members, DGs and Host Country Representatives, in particular, felt they were not included in vital discussions and did not

⁶⁷ Transition Advisory Groups were thematically sorted based on cross-cutting (TAG1), research (TAG2), unified governance (TAG3), country and regional engagement (TAG4), finance (TAG6), and resource mobilisation (TAG7).

feel much ownership of related decisions. This further impeded buy-in and unified culture building across the CGIAR System (see *Incentives & Culture*).

"What I see is a hostile takeover. There's no consultation, nothing the Centers can do. If ever there's good intention, that intention should have been done in a more diplomatic way."

Host Country Representative

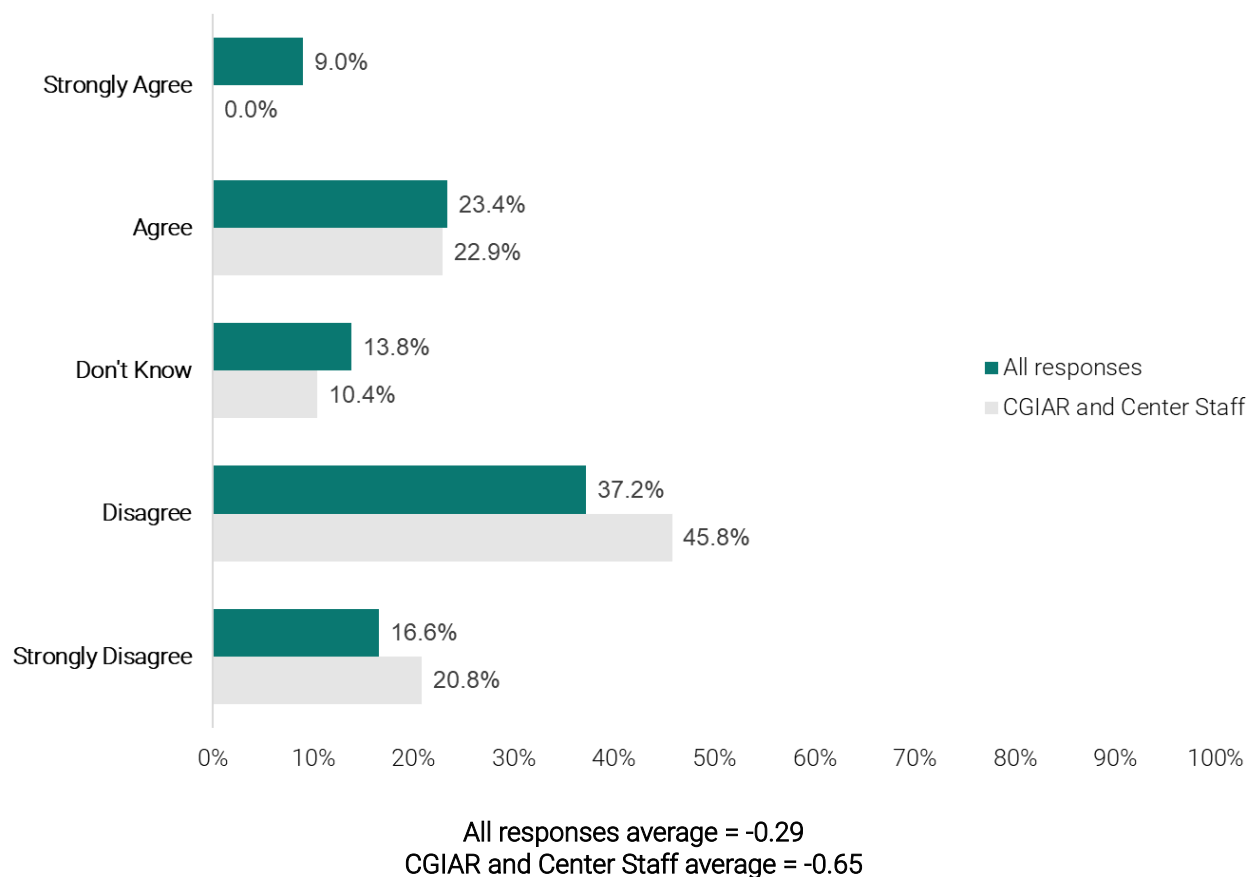
"To build One CGIAR, there should have been more interaction with the Center Boards and senior management. [...] It would have been ideal at the beginning to spend a couple days together and go through the objectives."

Center Board member

84. The lack of effective consultation and buy-in among Centers to the One CGIAR reforms, coupled with the Center-level oversight issues associated with Common Board Membership, have contributed to the widespread mistrust across the CGIAR System (as illustrated in Exhibit13)⁶⁸ and weak collective ownership of unified governance.

⁶⁸ Notably the third lowest scoring response across all surveyed participants.

EXHIBIT 134: THE UNIFIED GOVERNANCE ARRANGEMENT ENHANCES TRUST AND MUTUAL RESPECT AMONG KEY CGIAR SYSTEM STAKEHOLDERS



LACK OF TRANSPARENCY FOR KEY PROCESSES

85. Compounding low levels of trust among CGIAR System stakeholders is the perceived lack of transparency in relation to several key governance processes, including SB nomination processes and evaluation.
86. Based on the SRG's One CGIAR recommendations⁶⁹, an ad hoc Nominations Committee was formed in 2020 to identify and recommend candidates for SB membership and serve as Common Board members⁷⁰. Though there was a documented profile for desired candidates to act as guidance for the Nominations Committee's selection⁷¹, interviews highlighted a dominant perception that the appointment process and the criteria for selection of candidates lacked transparency, consequently leading to reservations about the quality of appointments and level of subsequent oversight.

⁶⁹ Namely, Recommendation 2: Unified Governance

⁷⁰ As per 'Terms of reference CGIAR System Board ad hoc Nominations Committee for CGIAR System Board / common board member' (2020)

⁷¹ As per 'Appointment of CGIAR System Board / common board member 2020/Q4: Candidate profile' (2020)

"SB members are selected on criteria not necessarily in the interest of the Center but the System. [...] This goes back to how SB members are selected: their competencies, where they come from, diversity, relevance, etc."

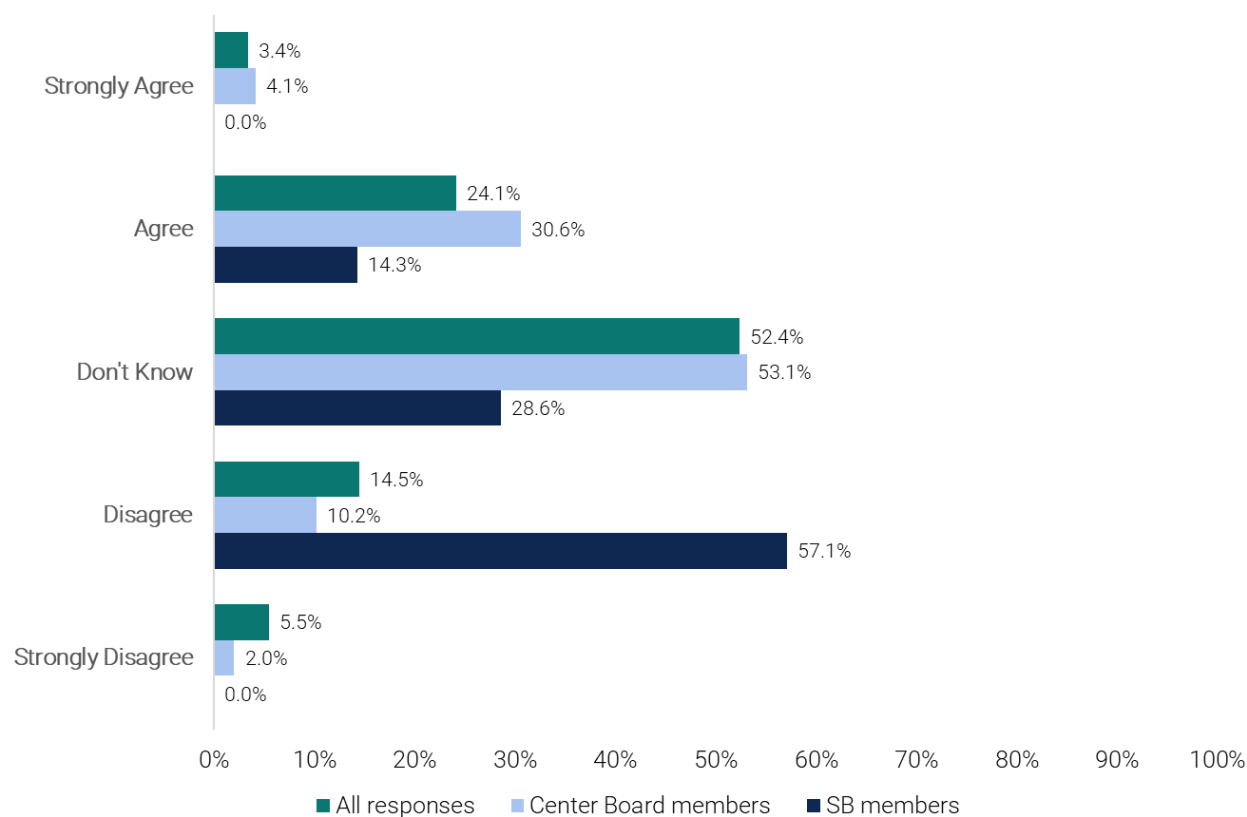
DG

"The System Board composition and the [appointment] process definitely lacked transparency. This is something that many people feel. Who is deciding nominations? Why were we not informed?"

CB member

87. Interestingly, SB members themselves highlighted the inadequacy of their nomination process, as illustrated in Exhibit 14.

EXHIBIT 14: THE NOMINATION PROCESS OF THE SYSTEM BOARD IS ADEQUATE AND TRANSPARENT.



All responses average = 0.06
Center Board members average = 0.24
SB members average = -0.43

88. Furthermore, SB members are coming to the end of their respective terms at the end of the 2023. With no decision being made on how to proceed regarding SB composition until the conclusion of the Review, interviewees voiced confusion and concern regarding the renewal / appointment process for the SB, as well as a desire for reputable future appointments based on clear and desired expertise,

experience, and geographies that reflect the Centers' location and areas of research. CB members expressed that, to that date, they did not know who would be appointed as member of their corresponding boards.

"SB members are coming to the end of their term and we still have no idea what is going to happen. In the past we had a matrix system; what's the current procedure and criteria to replace them?"

CB member

89. Similarly, some interviewees stated that more clear and regular evaluation, particularly for the SB, would create more accountability and support trust within the CGIAR System.

"We need a more explicit external evaluation of the SB, overseen by the SC. It would create an accountability between the two bodies."

CB member

INCENTIVES & CULTURE

INTEGRATION HAS PRIMARILY RELIED ON FINANCIAL INCENTIVES THAT HAVE UNDERPERFORMED

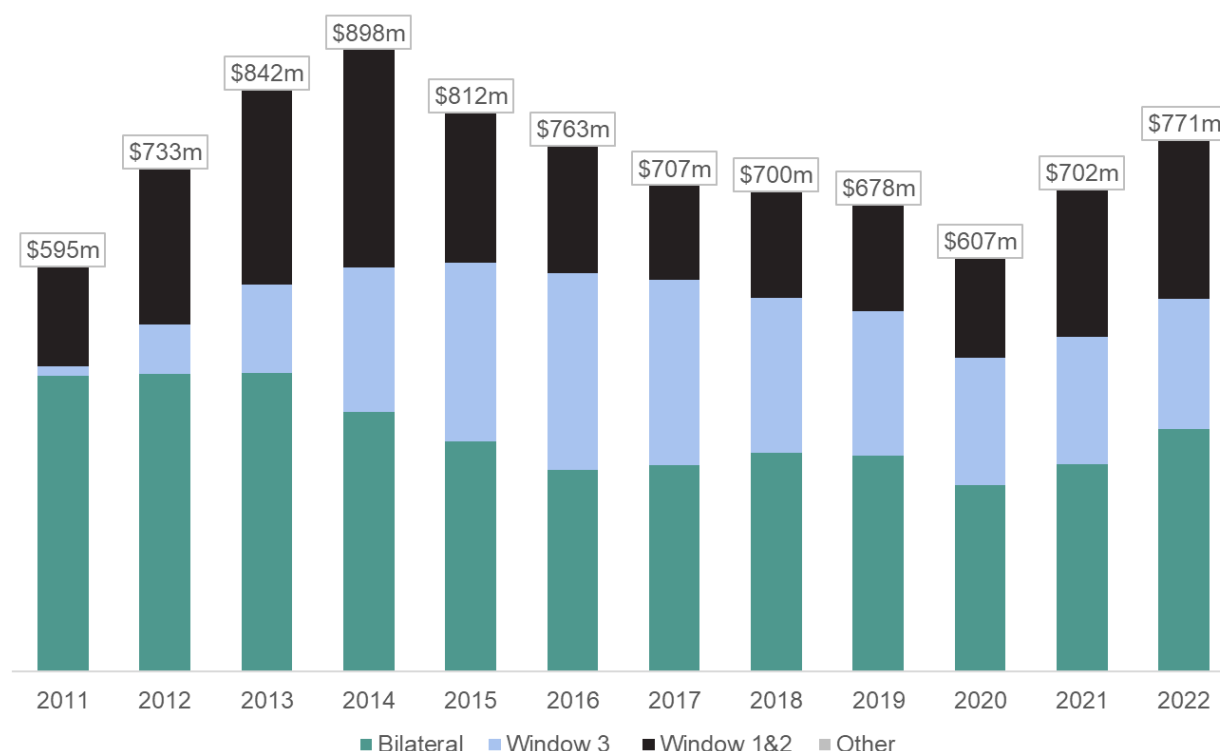
90. During our Review we found that most Centers do not have a sense of shared ownership of the unified governance model (see para. 83). Therefore, the main incentive for cooperation is financial. However, the implementation of the unified governance arrangements has met the difficult reality (especially in large Centers) that status quo funding arrangements remain powerful and incentives for integration are comparatively weaker. Many interviewees indicated to us an idea of "why would a Center align to One CGIAR priorities and systems if only 30% of their funding comes from that channel?"
91. At CGIAR, funders can contribute via the CGIAR Trust Fund, managed by the World Bank, which is channelled through two different funding windows before being received by Centers for agreed programmes of work that have been independently validated:^{72 73}
- 91.1. Window 1 denotes the 'pooled' funding, whereby funders can either contribute investments that are allocated to the CGIAR Portfolio (i.e. System-wide investments prioritised and allocated by the SC) or designate part of their Window 1 funding toward specific CGIAR Initiatives or Impact Area Platforms.
- 91.2. Window 3 funding is allocated by funders individually to projects that are aligned with System-wide investments.
92. Outside the CGIAR Trust Fund, funders can directly invest into specific projects at Centers, through bilateral agreements. Securing bilateral funding relies on Centers engaging in competitive procurement processes, calls for proposals, and scientists' networks and relationships, among others.
93. A key driver of One CGIAR was increased funding – specifically pooled funding. This included the target of attaining 50% pooled funding by the end of 2022 and 70% by the end of the 2022-2024 business

⁷² Information on CGIAR's funding channels available [here](#).

⁷³ We understand that window 2 funding (i.e. funds are directed by Fund Funders to eligible CRPs) was discontinued in 2022 as part of the One CGIAR reforms.

plan period⁷⁴. Though pooled funding has increased since the implementation of One CGIAR reforms, it has significantly underperformed on set targets and the most significant share of funding for Centers remains from bilateral sources, as highlighted by Exhibit 15.

EXHIBIT 15: CGIAR REVENUE BY FUNDING SOURCE (2011-2022)⁷⁵



94. In this context, Centers continue to prioritise the acquisition of bilateral funding as a means of maintaining their relevance and financial stability. However, this is far from universal across Centers as financial incentivisation is influenced by their respective scale and capacity resulting in their ability to attract and mobilise bilateral funding. For example, larger Centers are more capable of mobilising bilateral funding and therefore less reliant on pooled funding. In comparison, smaller Centers have a higher dependence on pooled funding.
95. Furthermore, it was suggested that donors also have a preference for bilateral funding due to the fluctuating political contexts and priorities of the donor landscape and heterogeneity of funding mechanisms. This in turn reduces the availability of long-term financial resourcing conducive to Window 1 funding. Donors also identified the expansiveness of the CGIAR Portfolio and the volume of (32) Research Initiatives as deterrents to Window 1 funding, instead preferring direct reporting and programmatic control over Centers.

⁷⁴ As per Recommendation 5 of the System Reference Group in 'One CGIAR A bold set of recommendations to the System Council' (2019)

⁷⁵ Based on CGIAR Financial Report Dashboards, available [here](#).

"Pooled funding isn't the answer if we're chasing 34 different directions and initiatives. There's only about 10 major funders; CGIAR should be seeking converge between them and let the research do something significant with the long-term funding."

SC member

96. Evidently, misaligned financial incentives have provided Centers limited means or will to change their respective fundraising strategies which has hindered the implementation of One CGIAR reforms.

"We're splitting the pie in a different way rather than growing the pie."

SB member

THE CULTURE OF DIFFERENT CENTERS DOMINATES CGIAR AND LITTLE ATTENTION HAS BEEN PAID TO BUILDING A ONE CGIAR CULTURE

97. Due to the reliance on (misaligned and underperforming) financial incentives and System-wide issues with trust, there is a weak culture of belonging to a One CGIAR 'family' and what that means in terms of subsequent behaviours to attain desired efficiency gains and deliver greater impact. Despite reform efforts, Center staff continue to identify strongest with their respective Center and not with the CGIAR system.

"I feel like the Centers themselves and their researchers don't feel particularly connected to the One CGIAR. When I asked about it, they said there's no value added and occasionally extra work."

SC member

98. As part of the One CGIAR's institutional integration, the SRG recommended the harmonisation of CGIAR's policies and internal business services to create common policies and services across One CGIAR, with priority action for human resources, information technology, finance, communications and resource mobilisation, and research support.⁷⁶ Despite the potential efficiency gains and benefit to the integration process, the SRG's vision remains largely unrealised beyond a few notable examples⁷⁷.
99. Complicating the matter, it was noted throughout the diagnostic review that one size does not fit all when streamlining processes and services among Centers. While some areas were identified as being suitable for full integration across the CGIAR System via global policies and common systems (such as common accounting practices, assurance services, as well as HR and IT functions, among others), a more coordinated approach that affords Center-specific consideration and independent application was suggested for other services and processes (via shared guidelines and principles, for example).
100. Building a unifying culture and shared accountability across the System is also impeded by the lack of Key Performance Indicators ("KPIs"). Though the EMT have developed KPIs (which they have been reporting against), the incentive structure was described as lacking authority and accountability for integration.

⁷⁶ As per Recommendation 3.b in 'One CGIAR: A bold set of recommendations to the System Council' (2019)

⁷⁷ We note the aforementioned shared CFO and Secretariat functions between IRRI, World Fish, and IWMI as well as the creation of the Office of Ethics and Business Conduct.

"It would be helpful to have a plan and set of KPIs that include Centers and the System together. Centers and central bodies should have a change agenda they need to meet, be it for governance, financing, and staffing of System-wide functions, etc."

EMT member

101. Consequently, with limited efficiency gains and incentivisation to embrace reforms, One CGIAR has struggled to establish a unified value proposition and culture across the CGIAR System to drive reforms and deliver envisioned benefits.

"Staff members across different Centers have become demoralized and disengaged, perceiving the governance structure as ineffective, confusing, or unfair."

SB member

102. DGs were cited as playing a key role in creating an enabling environment for integration and alignment between Centers and the System. Directly and indirectly, DGs can encourage or discourage their staff from collaborating with other Centers and with the SO. The way DGs communicate about One CGIAR and integration efforts send important signals to their staff on what will be rewarded and valued, and what is considered a lower priority.

"I asked yesterday what is the demographic profile of the research workforce but the HR team isn't allowed access to the HR data of the Centers because the DGs won't share the personnel files with them. How can you run a System like this?"

EMT member

VI. BENCHMARKING INSIGHTS

103. Following our Key Findings, below we present peer organisations intended to spur different ways of thinking about structures, stakeholder representation, distribution of roles and responsibilities, decision making and mutual accountability. They were presented during the Workshop to highlight features and characteristics that could be of interest for CGIAR stakeholders to consider in their own context.

Peer	Description and Mission	Operating model	No. of board members
Oxfam International	Oxfam is a confederation of 21 independent charitable organizations focusing on the alleviation of global poverty, founded in 1942 and led by Oxfam International.	Confederation	9
Gavi, the Vaccine Alliance	Gavi, the Vaccine Alliance is an international public-private partnership, which brings together various organisations and constituencies actively engaged in immunization in implementing countries.	Multistakeholder organisation: Partnership	28
Green Climate Fund	The Green Climate Fund is a fund established within the framework of the United Nations Framework Convention on Climate Change as an operating entity of the Financial Mechanism to assist developing countries in adaptation and mitigation practices to counter climate change.	Fund	24
Corporate Group (anonymized)	Solaris Ltd. is the largest financial holding in its respective country and maintains a diversified business portfolio. Solaris' companies are organized into four group business lines. Solaris Ltd. and Solaris Holdings are the main holding companies of the Group with identical board compositions and together act as the Solaris Group Board with general oversight responsibility for the Group.	Group Governance	9

104. It is important to highlight that the model adopted for the governance of each organisation is influenced by their mission, status and representation of members, the operational and organisational needs and owners of the main resources. While every organisation is unique, there can be elements to draw from, especially if one considers what 'issue' a specific organisation has tried to address in the specific design of its governance.
105. The organisations presented had sought specific outcomes in their design:

- 105.1. Oxfam International sought in their governance to ensure that constituencies in countries where the organisation is active have a voice in decision making spaces, and to facilitate a confederation-wide governance perspective (rather than a constant negotiation among the interests and perspectives of national affiliates).
 - 105.2. Gavi, the Vaccine Alliance had from the outset sought a model that would bring the key stakeholders needed for impact together in its governing body to ensure that they were part of the decision making. This resulted in a widened range of stakeholders recognising the importance of funders, implementing countries, research, civil society, industry and of course the key implementing partners.
 - 105.3. In the example from the Group Governance model, the drivers are around close alignment of the group and the fostering of a common corporate culture in the organisation along with the need for subsidiary boards that focus on what is best for its entity within the framework of a Group Governance Policy.
 - 105.4. The Green Climate Fund has aimed to forge an equitable form of governance, with balanced representation of and consensus-based decision-making between developed and developing countries on its board. This is a recognition that countries that are most deeply impacted by climate change must have a strong voice and role in the oversight of how climate mitigation and adaptation funds are invested and generate impact.
106. There are elements of each of these that can be useful lessons for CGIAR, both in terms of how they engage partners, how key stakeholders are included and balanced, and in terms of what the 'group' framework could look like as CGIAR is trying to balance alignment and autonomy.
107. Some of the characteristics of these organisations that may resonate to CGIAR, are the following:
- 107.1. In the context of a confederation such as Oxfam International, an interesting characteristic of interest to CGIAR is the emphasis on a shared ownership and dual citizenship:
 - (i) Entities are mutually accountable for commitments;
 - (ii) Entities think and act "local" and global at all times; and,
 - (iii) "Central" entity adds value through coordination, shared services and neutral facilitator.
 - 107.2. For a Group Governance model, it is important to align on the different functions carried out by the entities, and which of these functions which of these should be integrated⁷⁸, coordinated⁷⁹ or independent⁸⁰. Most importantly, under this model these entities operate within frameworks and according to policies and standards. There is also a clear and concise set of principles that guides the governance practices of the group. These also guide areas such as key reporting, information flows and engagement processes across the group.

⁷⁸ Standards and norms across an organisation like CGIAR, and their core mandate with all its elements is carried out under the responsibility of the System Board.

⁷⁹ Most elements of the mandate of the function carried out by an entity leadership in regular cooperation and exchange of information.

⁸⁰ The mandate is carried out under the authority of entity leadership (CB and DG, for example).

VII. DESIGN PRINCIPLES

108. The following section proposes design principles to guide the adjustment of CGIAR's governance model.

Principle 1: *Facilitate impact and ambition at scale.*

109. The One CGIAR mission aims to end hunger by 2030 through science to transform food, land and water systems in a climate crisis. This requires the CGIAR stakeholders (host countries, Centers, SO, funders, partners) to align and collaborate to deliver on this ambition. The governance model must be clear about how oversight roles are distributed amongst multiple bodies of the governance arrangement⁸¹ and about their different mandates and accountabilities. Roles and mandates must be distinct, complementary, and well understood in order to avoid duplication, inefficiency and delay.
110. This means the governance model must:
- 110.1. Define oversight roles clearly among governance bodies;
 - 110.2. Set clear goals, direction and expectations;
 - 110.3. Make timely decisions on resources and policies;
 - 110.4. Ensure accountability for performance;
 - 110.5. Provide thorough fiduciary oversight and good governance at System and Center levels;
 - 110.6. Reflect the value and contribution of all stakeholders, including host countries; and,
 - 110.7. Offer foresight and external perspective.

Principle 2: *Reflect both interdependence and independence in decision-making*

111. The IFA reaffirms that Centers are independent legal entities that come together to form an integrated partnership. It recognises that enhancing collaboration across entities to act in a more integrated way is critical not only to tackle interconnected challenges to food, land, and water systems but also to more efficiently deliver on Centers' individual mandates. Centers are in an interdependent relationship with one another and the SO: they must be willing to yield part of their independence for the collective benefit of CGIAR, which will then result in gained shared value.
112. This means the governance model must:
- 112.1. Clarify oversight and decisions that are essential to integration and alignment across CGIAR and those that are better advanced by Centers independently;
 - 112.2. Enable strong mutual accountability among all CGIAR entities; and,
 - 112.3. Enjoy a sense of legitimacy among stakeholders.

Principle 3: *Incentivise the collective implementation of the governance model.*

⁸¹ Such as SC, SB, Center Boards, AFRC, AOC, SIMEC

113. An underlying weakness of the current governance model is that it was perceived as imposed “from above” and primarily reflected the will of funding entities. This undermined the implementation of the model and generated mistrust and division among the different stakeholders. Learning from this experience, the process of improving and strengthening the governance model must foster collective ownership.
114. This means the governance model must:
- 114.1. Be driven by strong incentives and supported by an organisational culture and individual behaviours that promote One CGIAR;
 - 114.2. Clarify and foster the added value brought by the One CGIAR governance arrangement; and,
 - 114.3. Build on positive experiences of integration to inspire stakeholders.

VIII. CONCLUSIONS AND RECOMMENDATIONS

115. This section presents the conclusions of this Review and recommendations, which aim to address not only challenges and opportunities in the short-and medium-term but also to guide CGIAR toward a governance model that will be effective and adaptable in the long-term.
116. The experience of the past three years has revealed positive features to build on and leverage, and lessons to draw from. Overall, there is an opportunity to more solidly build on the strengths of the CGIAR System, to reflect the spirit and ethos of One CGIAR, and to reflect the shared commitment expressed in the outcomes of the Chengdu meetings and in the subsequent IFA.
117. Our recommendations are anchored in the understanding that a change in structure will have limited impact unless it is supported by changes in practices and ways of working – and, importantly, by changes in incentives, culture, and behaviour. All of these changes must be advanced in a mutually supportive manner in order to knit together multiple, separate Center ecosystems into a larger, richer, more productive One CGIAR ecosystem.

STRUCTURE & ROLES

Conclusion 1: The current Common Board Membership structure and SB and CB composition is not tenable. It exposes the System and Centers to increased risk and fuels mistrust. However, the Common Board Membership provides a foundation for increased connectivity and coherence.

118. The unified governance model has relied primarily on Common Board Membership, which populates each CB with a two-thirds majority of SB members. However, this “alignment through voting power” approach has not resulted in the integration and alignment desired (see para. 37), given the lack of collective ownership and buy-in of Centers. Centers often perceived the majority of SB members as an imposition of power and this generated a sense of “two camps” on CBs (SB members vs. Center-specific Board members), fuelling mistrust rather than cohesion.
119. The two-thirds majority approach also unintentionally weakened the quality of oversight of CB, given that the 7 (originally 8) SB members struggle to fully engage in the CB meetings and governance of all 12 Centers. Governance best practice underlines the importance of Board members being able to commit themselves effectively to their responsibilities, especially in the consideration of time constraints⁸². In addition, given that the remaining one-third of CB members often includes Host Country Representatives, CBs have limited space to bring on independent members with specific expertise (which are an important element of effective board composition).
120. Centers need more space to shape the composition of their Boards, the focus and content of Board meetings, and the establishment or dissolution of committees according to their needs – and with good governance and fiduciary oversight in mind, including alignment to global policies.
121. The experience implementing Common Board Membership offers several lessons:
- 121.1. The Common Board members, as connective tissue between Centers and System, and among Centers, contribute to alignment, coordination, and integration. The quality of connective tissue is more important than numerical majority: what is needed is meaningful, mutually value-adding connection and not a fragile and formalistic one. The connection

⁸² *Principles of Corporate Governance*, OECD, 2023 pg. 41

should reflect mutuality and interdependence: from System to Centers, and from Centers to System, with a system-wide authority vested in the SB.

- 121.2. Bringing System-level perspectives to CBs is helpful to integration. However, that does not require two-thirds of CB being occupied by SB members. Increasing the number of the SB and decreasing the number of Common Board members on CBs will facilitate integration while enabling better oversight.

For example, in a SB of 12 members, each member could serve on two CBs. This would enable each SB member to dedicate the necessary time to each CB on which they serve, and would provide CBs with more space to bring on independent Center-specific Board members with relevant expertise. Three SB members on each CB is also an option to be considered while contemplating the individual workload.

- 121.3. While it might also seem desirable for an AFRC member to serve on each CB, we *do not recommend* this, particularly for two reasons:

121.3.1. The first relates to the identity and purpose of the AFRC as a common committee which involves not only playing a role of an audit, finance and risk committee at a Center level, but also maintaining a degree of independence. As the AFRC will be reviewing and advising CBs on matters in its remit, including how a Board approaches risk or audit, it is important that they are not part of the body or process that they would review: independence is essential to avoiding self-review and conflict of interest.

121.3.2. Second, such an arrangement would put additional pressure and tasks on overstretched AFRC members.

It should also be highlighted that the performance of the AFRC received positive feedback in the Survey results, which may suggest that a change in its mandate to include such appointment is not necessary at this point.

- 121.4. The fact that the terms of current SB members ends in December 2023 is creating much uncertainty not only at the System level but also on all CBs. This could be addressed, for example, by extending all current SB members' terms for a period of time that would allow for the adjustment of the current governance model.

- 121.5. Beyond that, reappointing 3-4 current SB members (based on the nominations process outlined in *Recommendation 8*) to a new reconfigured SB will help to provide continuity and institutional memory to its work. We recommend that a Nominations Committee put in place a sequence of staggered SB member terms, in order to avoid having to replace all SB members at the same moment.

- 121.6. The SB needs more time, bandwidth, and role clarity to focus on System-wide governance. The formal remit of the SB needs to go beyond the oversight of the SO to include the policies, agreements, and commitments that make up the building blocks of One CGIAR.

122. In order to address the composition of the SB and, in turn, the CBs, we recommend that a Nominations Committee be established by the SC to identify and nominate candidates for appointment to the SB. The composition of the Nomination Committee should include SC members and CB members (appointed by a process agreed by the Centers). This will enable Centers to bring their input into the process and related decisions. The appointment of SB members should be guided

by a competency matrix that reflects both System and Center needs in terms of expertise, skillsets, backgrounds, geography, and networks (see Recommendation 11).

123. Finally, regarding the possibility of appointing a SB member as CB Chair, the principle should be that each CB has the space and responsibility to decide who should best serve as their Board chair. Therefore, a CB may appoint a SB member as CB Chair if such person is deemed as the most appropriate option. Therefore, there would not be a rule against such appointments but a possible practice which leaves room for flexibility. It is recommended that if such appointment is done, it should be motivated why this is the best option.
124. Being Board Chair is a demanding role, and will not help to minimize the number of “hats” that people wear within the System. In particular, this is an area where it might be more beneficial to have a separation of duties. For example, in a BCN meeting, a SB member would be present “only” in their capacity of CB Chair, but would probably still be perceived as a SB member first and foremost.

Rec. 1	<i>In the immediate term, the terms of current SB members must be extended for a transitional period that allows for the adjustment of the current governance model.</i>
Rec. 2	<i>The number of SB members should be increased. This will allow each SB member to serve on a smaller number of CB. It will also allow each CB to have fewer SB members and more space to have independent Board members with specific expertise.</i>
Rec. 3.	<i>To maintain continuity and institutional memory on the SB, the new expanded SB composition should include at least 3-4 current SB members. Additionally, the Nominations Committee should put in place a sequence of staggered SB member terms.</i>
Rec. 4	<i>Create a Nominations Committee of the SC to identify and nominate the appointment of SB members. The composition of the Nominations Committee should include SC and CB members.</i>

Conclusion 2 : The roles and responsibilities of the SC and the SB must be clarified, formalized, and clearly communicated, especially in relation to each other and SO management.

125. Best practice emphasises that the division of responsibilities among different supervisory bodies should be clearly articulated and designed to serve the interest of the organisation.⁸³ However, relative to CGIAR, the lack of clarity between the roles of the SC and SB has resulted in some confusion, duplication of effort, and ambiguous accountability (see para. 59). This presents difficulties also for the SO, which has a sense of accountability to both the SC and SB alike. The lack of space for the SC and SB to engage and exchange with each other also creates a disconnect and more room for duplication. Given the lack of clarity, for example, the SC is perceived to sometimes micromanage the SO on issues on which it should ideally have a high-level view.
126. Therefore, the TORs of the SC and SB should be less task-oriented and instead focus on areas of responsibility and decisions that each body is responsible for. The SC should be responsible for setting overall direction for the CGIAR System (vision, mission, strategy, impact expectations) and ensuring financial resources to support that overall direction. The SC should appoint the SB, delegate authority to the SB, and hold the SB to account. In turn, the SB and CBs would collectively agree on which

⁸³ *Principles of Corporate Governance*, OECD, 2023 pg.11

functions would be integrated, coordinated, and independent (see para. 144) and the SB should hold CBs to account for alignment with global policies and integration requirements.

127. The clarification of roles should underscore that the SB has a System-wide governance mandate (its mandate is not limited to governance of the SO) and that it is accountable to the SC for delivering on this mandate. The clear articulation of the SB's governance mandate should also have implications for the competencies that should be reflected in the SB's composition (and in the competency matrix that guides the work of the Nominations Committee).
128. As the roles of SB and SC are clarified, it will also become necessary to review their respective committee structures in terms of clarity and complementarity (further discussed under Conclusion 3). Suggestions of a revised committee arrangement is presented under Annex 1.
129. In addition, the SB Chair should not serve on any CB. Rather, they should focus on System-level governance, on creating an integrated global governance perspective, and maintaining strong connections to the SC and relevant common spaces (i.e. GAC, BCN) to enable timely decision-making. The SB Chair should also serve as the main governance contact for the Executive Managing Director of the SO.
130. Finally, we offer a reflection on an area that was defined as out of scope in our Review, but was raised on several occasions by CGIAR stakeholders: the relevance of revisiting and reimagining the SC's composition. Many views on the subject surfaced in survey responses and interviews, even though questions on this topic were not raised by Morrow Sodali. On this matter, there is a sense that the Global North funder-heavy composition of the SC does not provide sufficient space for Global South governments (both countries that host Centers and countries with significant national agricultural research and extension systems ("NARES")) and groups that are directly impacted by CGIAR research. Therefore, when the time is appropriate, the System should ask itself what type of SC composition could best position CGIAR for greater relevance and impact at scale.

Rec. 5	<i>Clarify the mandates and roles of the SC and the SB and update their corresponding TORs. This must be done to avoid duplication of efforts, ensure complementarity and synergy between the two bodies, and clarify accountability.</i>
Rec 6	<i>The SB should have a System-wide governance remit (rather than only oversight of the SO). The SB should account to the SC, and the CBs should account to the SB for alignment with global policies and integration requirements.</i>
Rec. 7	<i>The SB Chair's role and attention should be focused on System-level governance. We recommend that the SB Chair not sit on any CBs.</i>

Conclusion 3: While the AFRC was recognised as adding significant value, its TOR must be clarified.

131. In addition to Common Board Membership, the AFRC was the other common oversight structure introduced as part of the unified governance model. By and large, the AFRC is recognised by Centers as adding significant value in terms of providing a higher level of expertise in audit, finance and risk management than Centers had on their own. Each AFRC member serves as focal point to two Centers each, often putting them in a position of providing audit, finance, and risk management capacity to Centers in addition to providing oversight. The AFRC also provides a valuable System-wide perspective on audit, finance, and risk management issues.

132. However, there are questions about whether the AFRC's oversight role and capacity-lending role could be in conflict and whether there may be areas of duplication between with the role of the SC's AOC and the AFRC.
133. Therefore, the AFRC's TOR should be refined to clarify its oversight role, its role vis-à-vis that of the AOC, and its accountability relationship vis-à-vis the SB. In light of the clarified role and relationship between the SC and the SB, and the System-wide responsibility of the SB, it is necessary to look at the committee set up to ensure there is alignment.

Rec. 8	<i>Clarify the role of the AFRC in relation to oversight, its role vis-à-vis that of the AOC, and its accountability relationship vis-à-vis the SB.</i>
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Conclusion 4: Common committee structures (such as the AFRC) and common spaces (such as the BCN) are not fully optimised. However, in general common committees can bring added value and additional areas for a common committee set up should be considered.

134. The promising model of a value-adding common committee, such as the AFRC, could be applied to other areas where aligned and consistent oversight across Centers is essential to amplifying impact. Some potential examples for such additional areas are ethics, science oversight, and global policies, which would need to be mapped out while revising the full committee set up as a consequence of the realignment of SB and SC. Suggestions of a revised committee arrangement is presented under Annex 1.
135. In relation to common spaces for cooperation and exchange, the reactivation of the GAC was widely demanded by the Centers (see Exhibit 10). In the absence of the GAC, the BCN has become the only place that brings together Center leadership.⁸⁴
136. We suggest that the BCN be continued as a space for exchange and discussion twice per year and that a wider stakeholder meeting (with CB Chairs and DGs, SC, SB, key partners, and committee members) be held every two years.
137. There has also been appetite for creating a platform that convenes Host Countries and ensures that they have a space to discuss shared issues and opportunities. In addition, there is strong demand for a space to exchange with partners and have CGIAR's governance decision-making be influenced by partners, NARES, farmer groups, and producer groups. While each of these shared spaces can bring added value, consideration must be given to defining the role and mandate of each shared space, assessing the cost (financial, time, opportunity cost) of convening and servicing additional bodies, and identifying the optimal frequency and focus of convenings accordingly.

Rec. 9	<i>Consider applying the model of a 'common committee' to other areas such as science or ethics.</i>
Rec. 10	<i>Strengthen and formalise common spaces like the GAC and BCN to foster exchange and connection across CGIAR entities, and to cultivate a spirit of belonging to the One CGIAR</i>

⁸⁴ Though we note that the GAC and the BCN were created at different times with different roles: the former as a forum for all Research Centers, while the BCN as only for IFA Parties.

family united in urgent ambition. The establishment of additional common spaces for broader stakeholder interaction should be considered.

PROCESSES & PRACTICES

138. The often used quote that “change happens at the speed of trust”⁸⁵ carries a lot of meaning in the context of CGIAR where trust must be built both around people’s capability and intentions. For that to happen, it is pivotal that processes for communication, exchange, and mechanisms for raising concerns are developed.
139. Therefore, the conclusions and recommendations below seek to address the processes and links between different structures to ensure that trust is built and that efficiencies are part of the explicit aims of the governance arrangement.

Conclusion 5: The process for nominating and appointing System Board members is not transparent and not in line with governance best practice.

140. As described in the Key Findings section (see para. 85), there is a perception that the nomination process for SB members is opaque, which undermines confidence in the SB. Although the current SB composition was generally deemed as competent⁸⁶, there is currently the perception that the appointment process and the criteria for selection of candidates is not clearly established or understood. Governance best practice indicates that Board composition should be based on the appropriate knowledge, competencies and expertise to complement the existing skills of the board.⁸⁷
141. In line with Recommendation 2, a competency matrix should be developed to reflect both System and Center needs in terms of expertise, skillsets, backgrounds, networks, gender, and any criteria deemed essential for the SB’s and CBs’ effectiveness. Competencies should be articulated in such a way that the Nominations Committee is able to identify and attract individuals who are change agents and can bring leadership insight and talent to steward transformational change in a complex organizational ecosystem. This nominations process and competency matrix will support the work of a Nominations Committee appointed by the SC.
142. The fact that the Nominations Committee can include CB members will also help build trust and assure that the CBs’ needs are taken into account. These competency requirements should be applicable to Host Country Representatives to the highest extent possible in light of the political considerations of those positions.

Rec.11

Develop a nominations process and competency matrix that can support fit-for-purpose Board composition at the System and Center levels.

Conclusion 6: Requirements with respect to alignment and accountability among One CGIAR entities, and the roles of the SC and SB in upholding those requirements are unclear. This leads to slow progress on important areas of integration and alignment.

⁸⁵ *The Speed of Trust*, Stephen M.R. Covey, 2008

⁸⁶ Generally, dissatisfaction expressed regarding SB composition in interviews and surveys was focused on Common Board Membership rather than any individual’s capacity.

⁸⁷ *Principles of Corporate Governance*, OECD, 2023 pg. 38

143. While there is a strong shared commitment to the notion of One CGIAR and an integrated partnership, there has been very slow progress on the common systems and global policies that can drive integration and alignment. For example, we understand that when the SO requested that Centers share basic information on their current systems (as part of a diagnostic to inform a recommendation on common systems), some Centers refused to do so. When the situation was escalated, the SB could do nothing to require all Centers to comply. This reflects the reality that the SB's current mandate is limited to oversight of the SO, while there is a need for the SB to have a broader mandate with respect to governance and oversight of the entire CGIAR System.
144. For the SB to act effectively on this System-wide governance mandate, there must be a clear identification of areas that need to be integrated (to mitigate serious risks that might be incurred due to fragmentation or to harvest significant collective benefits from alignment), and those areas that need to be coordinated or independent. An integrated area would be one that the SB (and perhaps exceptionally the SC) approves and oversees, and all One CGIAR entities are expected to align. A coordinated area would be one where one entity has the responsibility to decide and other entities have a role to play in that decision. An independent area is one where the responsibility lies squarely with each entity and consultation is not needed, although information should be shared. The table below outlines these with some suggested illustrations.
145. Overall, there are two parameters to consider when deciding where to place an area for decision. One is related to the efficiency gains for integrating a function or decision and the other is a more principled basis for that decision (for example around pooled funding or global strategy).

Level	Description	Illustrative examples
<i>Integrated</i>	Standards and norms across CGIAR and their core mandate with all its elements is carried out under the responsibility of the System Board	<ul style="list-style-type: none"> • Global policies • Pooled funding • Global strategy
<i>Coordinated</i>	Most elements of the mandate of the function carried out by an entity leadership in regular cooperation and exchange of information	<ul style="list-style-type: none"> • Appointment of entity DG • Internal audit • Entity strategy • Financial systems
<i>Independent</i>	The mandate is carried out under authority of entity leadership (Center Board and DG)	<ul style="list-style-type: none"> • Appointment of entity staff • Amendments to statutes • Host country relations

146. In turn, the SB and CBs should collectively agree on which functions would be integrated, coordinated, and independent. In agreeing to this distribution, Centers agree that they will accept interdependence on functions where integration is essential to the collective good, and retain independence on other important functions. Integrated functions would be overseen by the SB, and CBs would account to the SB on alignment with global policies related to those functions.
147. In terms of policy making, the SB can approve, after consultation, policies that could be applicable to all CGIAR entities. For example, an anti-fraud policy or a global whistleblowing system. CBs would be responsible for ensuring that the policies are met in practice and are accountable to the SB.

148. If there is a specific section of the global policy that an entity cannot comply with for a particular reason (for example, local legislation) the entity could be exempted after explaining why it cannot comply. Note this is when an entity 'cannot' and not when it 'does not want to'. This is usually referred to as 'comply or explain'. The most important example is perhaps the agreement to work within and contribute towards a global strategy and to be able to show the results and alignment. However, we also note that global policies may be broad enough to include a general framework that may be customised by the corresponding entities without diverging from the main content.

Rec. 12	<i>Determine functions that are integrated, coordinated, and independent in order to clarify which functions need System-level oversight and which functions should be decided by Center Boards. This should be periodically assessed for efficiency and if necessary adjusted.</i>
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Conclusion 7: *The shortening of CB meetings and the disbanding of standing committees has negatively affected CBs' capacity for oversight of Center activities and reduced their ability to discuss collaboration initiatives across CGIAR.*

149. The introduction of Common Board Membership was accompanied by the disbanding of standing committees at the Center level and the shortening of CB meetings to 2-3 hours twice a year (from 2-3 days twice a year). Centers lost the focused oversight that their standing committees provided and did not have time for in-depth discussion in the much briefer format of Board meetings. Some Centers have reintroduced some informal committees, given concerns about the vacuum created, and these committees sometimes are composed of Center-specific Board members.
150. On audit, finance, and risk issues, the AFRC has played a deeply appreciated role for Centers. However, AFRC members themselves are concerned about the lack of time and attention that audit, finance and risk issues receive (sometimes 20-30 minutes) from CBs. This has raised concerns that governance attention at the Center level is "wafer thin." Close attention must be given to what changes are necessary in Center Board meeting duration, need for standing committees (keeping in mind how common committees like the AFRC might take on oversight of integrated functions – see Recommendation 12), and design of Board meeting agendas to both provide adequate Center level governance and to ensure that Centers are ensuring appropriate oversight while living up to their commitments to collaborate, align and collectively advance the 2030 Research & Innovation Strategy.

Rec. 13	<i>Centers should decide on Board meeting duration and agendas with efficiency, alignment and effective oversight in mind. CB meeting agendas should devote sufficient space for integration and collaboration initiatives across CGIAR.</i>
Rec. 14	<i>Centers should constitute/disband committees with efficiency, alignment and effective oversight in mind, and avoiding duplication with common committees and in line with global policies.</i>

Conclusion 8: *System-wide policies are developed and approved without sufficient consultation and buy-in from Centers and through them the relevant Host Country Representatives. This reduces the trust in the integration process, resulting in resistance towards the gradual adaptations and implementations that are essential to the establishment of the desired unified framework. A related issue is the lack of willingness to share data that would help global decision making and policy development. Decisions taken are not communicated in a transparent and timely manner.*

151. A common theme throughout this report, trust is an important driver of an effective integration process and is at the foundation of any cohesive unified framework. While Centers have agreed to take part in the integration, the development, approval and implementation of system-wide policies, strategies and mechanisms must be conducted through adequate involvement of stakeholders, notably Centers and Host Country Representatives. This would not entail an overburdened and bureaucratic process for validation of such policies, but rather processes that is sufficiently representative and deliberative for Center buy-in.
152. Centers must be involved and need to provide input and feedback, without necessarily being decision makers. It should be clear to all involved when input is required and when a decision is to be made. 'Opting out' of the consultation (meaning not participating or contributing late) should not be a reason to delaying decisions.
153. Such processes will not only contribute to Center trust in the integration process, but also make stakeholders feel like they are a part of the process, where they are respected and valued.
154. The lack of transparency and timeliness around system-wide decision-making was a major weakness of the unified governance model and caused considerable pushback in its implementation. It is vital that this sense of inclusion and transparency that some noted that the committee overseeing the Review has introduced continue as decisions with respect to the governance model are made.

Rec. 15	<i>Design and implement an agreed consultation process for the development and approval of global policies and decisions. Developing these policies is key to driving alignment and integration and, while consultation and commitment-building of Centers is important, some Centers should not be allowed to impede with the process.</i>
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Conclusion 9: *For the governance arrangement to be effective there is a need for joint planning and sequencing so that consultations and decision making can be effective and transparent. The sequencing of the different board meetings in the system may be improved.*

155. This means plotting the different decision-making moments and 'allocating' meeting times to specific bodies. While this may be perceived as 'top down' it is a necessity to align the various Centers' calendars to the SB meetings. The governance support teams in the different entities need to work together to come up with a suggested plan for this. It will also make it possible to plan other meetings (for example, the BCN) and help SB members plan their presence in CB. The plan and sequencing should operate with a constant 12-18 month horizon ahead.

Rec. 16	<i>A clear plan of the sequencing of meetings must be developed to help integrate the various governing bodies in the system, with a time horizon of 12-18 months.</i>
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Conclusion 10: *The lack of KPIs for both performance and integration reduces the understanding of the progress towards unified governance across stakeholders, the understanding of the benefits brought by the integration process, as well as the confidence in the adequacy of current Board members.*

156. There are currently no System-wide KPIs being used to measure progress towards integration, rendering the gradual efforts towards unified governance less tangible to stakeholders. This could be in the form of a concise scorecard that transparently tracks indicators of integration and alignment by Center and SO, and shares this annually among all entities as a basis for mutual accountability. Governance best practice underlines the need for organisational reports "[enabling] stakeholders to

make informed assessments of the organisation's performance and its short, medium and long-term prospects"⁸⁸

157. Governance best practice also encourages Boards to conduct regular assessments of their performance and composition to ensure their adequacy, provide recommendations for improvement and guide future nomination processes: "Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences, including with respect to gender and other forms of diversity."⁸⁹
158. Agreeing on the parameters for board assessments and characteristics of a successful board in the CGIAR System will help boards to improve and can provide incentives for improvement. Further, it will be a significant tool for identifying the needs of each board in terms of competency and composition (see Recommendation 8).

Rec. 17	<i>Develop metrics and 'score card' that can track performance and integration and facilitate mutual accountability among entities and between entity leadership.</i>
Rec. 18	<i>Develop a system and tools for SB and CB performance assessments and promote the performance of periodic Board assessments in alignment with global policies and best practices.</i>

INCENTIVES & CULTURE

159. Centers are the essential building blocks of One CGIAR. Acting in alignment and synergy, they can be greater than the sum of their parts. The governance model must facilitate strong, well-governed Centers working closely together, and with the SO, in complementary, efficient, synergistic and coherent ways. However, the governance model cannot do so on its own, unless it is supported by a conducive organisational culture and set of incentives.
160. Culture refers to shared mindsets and behaviours, and often describes "the way we do things around here." Culture permeates every organisation and can contribute to supporting or obstructing any change efforts, such as going from working in Center-based silos to integrated initiatives (or changing to unified governance). A useful reflection is that "in times of change, culture is either the ultimate guardian of the status quo or the guidance system for reaching a new horizon."⁹⁰ At CGIAR, efforts to build a One CGIAR culture have been limited and the currently existing culture is not supportive of integration across Centers.
161. The current governance arrangement does not provide sufficient incentives for the desired integration. It is useful here to think of different kinds of incentives:
 - 161.1. One is frequently mentioned and that is directly linked to *financial incentives* and how funding is allocated and under what conditions. It is noted that 'pooled' funding would be a driver for alignment but also that bilateral funding can be used to align through specific conditions.

⁸⁸ King IV Report on Corporate Governance Supplement for Non-Profit Organisations, 2016, pg. 90

⁸⁹ OECD, *Principles of Corporate Governance*, 2023, pg. 42

⁹⁰ Daryl Conner, *Transformational Change*

- 161.2. Another set of incentives can be sorted under *efficiency gains* and while they may have financial implications these are more indirect, and the gains can be more around less effort and less duplication. This can be a set of shared services and systems, but also investments in equipment. The gains should be looked at for individual entities and for the global CGIAR.
- 161.3. A third category of incentives may be framed as *impact related* and focus on contributions to global impact and the joint effort in making a significant dent in the global food system, and around sharing of knowledge and innovation. A stepping stone to that is the ability to attract the best scientific talent and being a global organisation with multiple pathways of career development and mobility across Centers with retained benefits can be a strong incentive for CGIAR to be the employer of choice promising talents.

Conclusion 11: A lack of internal incentives for engagement in global processes stem from different sources and has led to decreased trust and unclear terms of engagement. Participating in global fora allows entity boards to be better informed about the latest developments and plans and can inform decisions at entity level.

162. Stakeholders must be incentivized to engage with the One CGIAR system and other Centers, especially through the common spaces for interaction suggested in Recommendation 8, such as the GAC.
163. Looking at what motivates people to participate and then ensuring that this ‘need’ is met is an important step towards integration. Rather than being a time consuming and energy draining process these engagements could be rewarding (knowledge, networking) and beneficial (more strategic discussions, contextualised decisions) for participants.

Rec. 19	<i>Identify what different stakeholders need from the different spaces where they are asked to (i) engage and ensure that those needs are addressed and (ii) that the outcomes are communicated in a clear and timely fashion.</i>
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Conclusion 12: There is currently a lack of alignment of Center interests and system-level interests, which hampers the creation of incentives for participation, collaboration and Center buy-in.

164. The answer to the question “how does my entity benefit from being part of One CGIAR?” must be clear and concrete to all and, it must be followed by answering the question “what can my entity contribute to One CGIAR?”. It is not a one-way street. The benefits (short and long term) and contributions is a starting point for increasing integration. That clarity will make it easier for entities to engage and commit.
165. If, for, example all entities are incentivised by the ability to attract and retain talent then there are likely systems and policies that need to be integrated and aligned so that the benefits of belonging to a global organisation (with associated benefits) is used to the full extent. This may be a long process but starting with some concrete issues to advance will likely further changes possible.
166. Notably mentioned throughout our research was the creation of more concrete and implementable shared research agendas, a stronger implementation of CGIAR’s unified research strategy and the ability to attract bigger funders such as development finance institutions through a strong value proposition.

Rec. 20	<i>Undertake a stakeholder analysis for the CGIAR constituencies to map their interests and help create shared understanding of what the main incentives are for each and see how they can be connected and aligned. A particular focus should be given to Center incentives, funder incentives, scientists incentives, partner incentives, and Host Country incentives.</i>
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Conclusion 13 : *Bilateral funding remains the main source of income of most Centers and should be used to encourage integration and not as a reason to not integrate.*

167. Bilateral funding continues to be an essential component of Center operations. Moreover, it is an important facet of Centres' longstanding relationships with partners and host countries.
168. The size and capacity of Centers also comes to shape their reliance on pooled funding, with smaller Centers depending more on pooled funding than their bigger counterparts (which should be considered in the approaches towards funding). Moreover, in consideration of the fluctuating interests in the donor landscape related to the political and economic reality of funders, bilateral funding provides accessible and constant financial safety for Centers.
169. Pooled funding supports integrated research initiatives but is allocated annually and, as such, is perceived by Centers as riskier and more unstable. Committing pooled funding on a multi-year basis, and designing financial plans to make multi-year allocations, would provide stronger incentives for integration. In addition, funders should require that bilateral funding is also allocated in ways that are supportive of One CGIAR to underscore the importance of integration.

Rec. 21	<i>While it is pooled funding that is currently considered the main incentive for integration, funders should endeavour to make both pooled and bilateral funding supportive of integration. For example, funders should endeavour to make pooled funding available on a multi-year basis and CGIAR should endeavour to develop multi-year financial plans.</i>
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Conclusion 14 : *The performance assessments for CGIAR staff should reflect their performance in relation to their 'own' entity but also to the One CGIAR strategy and System. By making this visible and transparent, the incentive to contribute to the global good will be increased.*

170. This should be based on an articulation of the values and behaviours that are reflective of One CGIAR, in which all Centers are interdependent and belong to the CGIAR family. There should be a sense of dual citizenship: being a citizen of a Center as well as a citizen of the System. Annual performance assessments must hold staff accountable for living up to One CGIAR values and behaviours, and staff must be hired with these values and behaviours in mind. This is particularly important at the highest levels of senior management, where leaders must model these behaviours consistently.
171. For example, DGs should be assessed not only on their performance as leaders of their Center but also as leaders of the integrated partnership and models of One CGIAR culture. SO staff should see their roles being in service of One CGIAR and supporting Centers to optimise their contributions to One CGIAR. This must become the DNA of the CGIAR family over time.

Rec. 22	<i>Performance assessments for CGIAR staff, particularly senior leaders such as DGs, should incentivise behaviour and shape culture that reflects One CGIAR.</i>
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Conclusion 15: *There is no agreed framework or common understanding of One CGIAR's organisational culture.*

172. Culture is not about imposing rules but about respecting the values of each organisation, while also creating and internalizing values that are shared by the CGIAR System. Culture has a role play in ensuring that a collaborative, respectful and transparent way of working and interacting is evolving. The importance of leadership, including DGs, setting examples cannot be understated. Governance best practice highlights the importance of governing “the ethics of the organisation in a way that supports the establishment of an ethical culture”⁹¹
173. While all stakeholders seems to recognise the pivotal importance of a shared organisational ‘culture’ in support of integration and collaboration, there is no common understanding of what it entails or an agreed framework that covers it. This framework may include, among others, explicit language about shared values and behaviours, and could form part of performance reviews (individual performance assessments and organisational ones).

Rec. 23

Understand CGIAR’s organisational culture and create a framework for a common CGIAR organisational culture and behaviours.

Conclusion 16: Unified governance has taken focus and resources away from other viable forms of integration, such as alliances and mergers between Centers. The value of such integration efforts to both governance and research were widely recognized and they should be incentivized.

174. When the unified governance model was put into place, the space for other approaches to integrating governance was closed. This took the oxygen out of some important efforts to advance alliances and mergers among Centers that were being considered before unified governance was introduced.
175. Such considerations should be based on the successful experiences of past mergers and alliances (for example, the Alliance of Bioversity International and CIAT) and the shared services model being implemented by IRRI, IWMI, and WorldFish. The general aim is to increase cooperation, collaboration, and the transfer of expertise between Centers, as well as to optimise synergies in research and governance practices.
176. It is important that the governance model create space for and elevate examples of integration that occur without the orchestration of System-level actors. More such efforts should be encouraged, recognised and leveraged by governing bodies.

Rec. 24

The consideration of alliances, mergers and clusters between Centers, based on common and complementary research areas, geography and other factors deemed important by Centers, should be incentivised in alignment with global policies.

⁹¹ King IV Report on Corporate Governance Supplement for Non-Profit Organisations, 2016, p.90

IX. CONCLUDING REMARKS

177. For over 50 years, CGIAR has been a world leader in agricultural science and innovation for development, working to tackle the world's most pressing issues related to food security. Organisations like the CGIAR are therefore constantly challenged by a world that is rapidly evolving and requires an even faster response to emerging global problems.
178. The search for the most efficient and effective arrangement to reach its goals has led the CGIAR to undertake different organisational reforms starting in 1974. This transition, however, has not proven to be easy due to CGIAR's unique characteristics: a global research partnership between a self-standing organization and Research Centers which are all international/intergovernmental organisations in their own right⁹², that work in close collaboration with partners, including national and regional research institutes, civil society organizations, academia, development organizations and the private sector.
179. To steer and align such an organisation is not an easy task. The changes in governance that were introduced three years ago have proven to not be sufficient and have in some aspects led to negative unintended consequences. But CGIAR also foresaw that it would not be an easy task and planned for a review to lead to changes to the system. This shows self-awareness and anticipation and these two qualities will serve CGIAR well as new changes are introduced.
180. There is absolutely no reason why One CGIAR should not be successful in its efforts to better integrate and align focus and resources for strong impact in line with its mission. Improving the structures is one part of the needed changes but equally important are the aspects listed in this report under 'Processes & Practices' and 'Incentives & Culture'. While it may be difficult to get to an agreement on what to do and how, the real hard work starts when that agreement has been reached, making the System work.

⁹² That operate in accordance to their own governing instruments, each with their specific purpose in the field of agricultural research.

ANNEX 1: MAPPING OF GOVERNING BODIES AND COMMITTEES

The table below is an example of how the various parts of the CGIAR governance could be mapped out in the future and related to each other. Note that this is offered as a high-level overview and its implementation would require a lot more detail. The committee structures are included as examples of how they could be streamlined and aligned and do not constitute a recommendation for a final set up. If the roles of the SC and SB change the committee set up of these two bodies needs to be reconsidered to ensure alignment and efficiency. That is why the suggested committees are included here, as examples to think through when developing the committee structures both in the immediate and the medium term.

STRUCTURE	ROLE AND MANDATE	IMPLICATIONS
System-wide governing bodies		
SC	<ul style="list-style-type: none"> Sets overall direction for the CGIAR system (vision, mission, strategy, impact expectations) and ensure financial resources to support the overall direction. Appoints the System Board and delegates to the SB oversight over how the CGIAR system advances the strategic direction (vision, mission, strategy, impact expectations). Holds the SB accountable for performing this oversight role. 	<p>To play this role:</p> <ul style="list-style-type: none"> SC needs a Nominations Committee to ensure a thoughtful process to select SB members. SC needs another committee to provide an independent opinion on science and impact issues (an adapted SIMEC or ISDC) SC would not need the AOC. AFRC would incorporate any additional functions needed to enable the SB to report regularly to the SC on assurance and oversight issues. SC aligns to a global plan and sequencing of governing body meetings and decision making points
System Board	<ul style="list-style-type: none"> SB acts on behalf of the SC and has governance and oversight responsibility for the whole CGIAR system (not only the SO). It provides leadership for the ambitions of One CGIAR. It sets global policies and general requirements for all CGIAR entities after consultation with center boards. It monitors the aggregated performance of CGIAR and can make recommendations It monitors alignment to agreed policies and commitments It approves the responsibility for specific 'shared services' to an entity 	<p>To play this role:</p> <ul style="list-style-type: none"> SB needs more capacity: recommend increasing to 12-13 members. SB members need more time to focus on the whole CGIAR system: recommend that each SB member serves on only 2 Center Boards. SB needs a Board Chair who focuses only on whole-of-system issues and on the effectiveness of the SB as a governing body. SB needs an AFRC that supports fiduciary oversight at the Center and system levels and provides assurance at system level. SB needs a Committee to facilitate ethics and alignment with global policies across the CGIAR system. SB aligns to a global plan and sequencing of governing body meetings and decision making points
Committees of the SC		

Nominations Committee	Helps the SC ensure that the SB has the right mix of competencies to play its broadened governance and oversight role.	<p>To play this role:</p> <ul style="list-style-type: none"> • The NC needs to include some CB members. The combination of SC members and CB members will provide perspective on what is needed for system-level governance as well as Center-level governance. • The NC's recruitment efforts should be guided by a competency matrix. • The NC should have a clear process for calling for nominations, receiving nominations, shortlisting candidates, interviewing/vetting candidates and deciding on SB members. • The NC should develop a process for staggering SB member terms to ensure continuity and regular inflow of fresh perspectives, and maintaining a roster of prospective SB candidates. • The NC should match SB members with CBs, based on their competencies and the needs of CBs.
Other SC committees	<ul style="list-style-type: none"> • An advisory group that gives independent views to the SC on issues around strategy, science and impact. This could be an alignment of the mandates of ISDC and SIMEC 	<p>To play this role:</p> <ul style="list-style-type: none"> • It is appointed by the SC on recommendation by the Nominations Committee • It has the required relation from relevant center committees • Its members remain independent of CGIAR, no concurrent positions held • It receives the support required from the SO
Committees of the System Board		
AFRC	<ul style="list-style-type: none"> • Provide all Boards to which it reports with reasonable assurance of performance of internal audit for each of CGIAR's legal entities; delivery of independent external audit for Board approval; the integrity of financial information; oversight of systems of risk management, an internal control framework 	<p>To play this role:</p> <ul style="list-style-type: none"> • Continues as is with modifications made to its composition and ways of working to allow for more time and attention provided to centers
Other SB committees	<p><u>Option 1</u></p> <ul style="list-style-type: none"> • An Ethics, Governance and Policy committee is set up to provide guidance and advice to CGIAR entities on matters of an ethics framework, behaviour, adjustment of governance model and 	<p><u>Option 1</u></p> <ul style="list-style-type: none"> • It is composed of independent persons with expertise in relevant areas and familiarity with CGIAR or similar structures • It reports to the SB and can advise specific entities • It is appointed by the SB

	<p>implementation of global policies - and serves a function in relation to complaints and whistleblower mechanisms</p> <p><u>Option 2</u></p> <ul style="list-style-type: none"> A Science Committee is set up to provide independent advice to both specific centers and to the SB regarding strategy implementation 	<p><u>Option 2</u></p> <ul style="list-style-type: none"> Primarily composed of independent experts in relevant scientific fields It is appointed by the SB
Center-level governance		
Center Boards	<ul style="list-style-type: none"> Accountable for the performance of the entity it governs and for the meeting the terms of the agreements it enters into 	<p>To play this role:</p> <ul style="list-style-type: none"> Composed and appointed according to their statutory document and includes the Common Board Membership as agreed globally Its chair (or vice chair) participates in relevant global meetings of CGIAR It aligns to a global plan and sequencing of governing body meetings and decision making points
Center-level committees	<ul style="list-style-type: none"> CBs should appoint standing committees or time-bound committees, as needed. 	<p>To play this role:</p> <ul style="list-style-type: none"> The committee set up is agreed with the SB and/or its committees
Governance-supporting shared spaces		
General Assembly of Centers	<ul style="list-style-type: none"> A non-governing body that provides a space for DGs and Center Chairs to meet and exchange. The SB and some Committee members are also present to provide the connection. It currently has limited decision-making authority⁹³ and can put forward areas for recommended action 	<p>To play this role:</p> <ul style="list-style-type: none"> It removes the 'Assembly' from its name to be clear it is not a governing body It meets once every 18-24 months It is aligned to other meetings It is co-led by a center Chair, center DG and a member of the SB on a rotating basis The terms of reference are adjusted to reflect the role of this body
Board Chairs Network	<ul style="list-style-type: none"> This is an informal body for exchange between CGIAR entity chairs (incl SB chair) and serves to raise issues of future concern and collaboration/action 	<p>To play this role:</p> <ul style="list-style-type: none"> It meets at the frequency required but should aim to not meet more often than every four months The terms of reference is developed to frame its role

⁹³ Charter of the CGIAR System Organization (2020): Article 5.6

Governance Support Teams Network	<ul style="list-style-type: none"> • The persons/teams that are responsible for supporting the governance of the CGIAR entities cooperate to ensure alignment and to collaborate on matters that increase efficiency (like inductions) 	<p>To play this role:</p> <ul style="list-style-type: none"> • The group is given a mandate to develop a global governance schedule for approval of respective boards • The group is resourced to develop the required tools and mechanisms to enhance governance • The members of the group can lend support to each other as needed and can be drawn from for organizing global meetings
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ANNEX 2: LIST OF PARTICIPANTS

Sent as a separate attachment.

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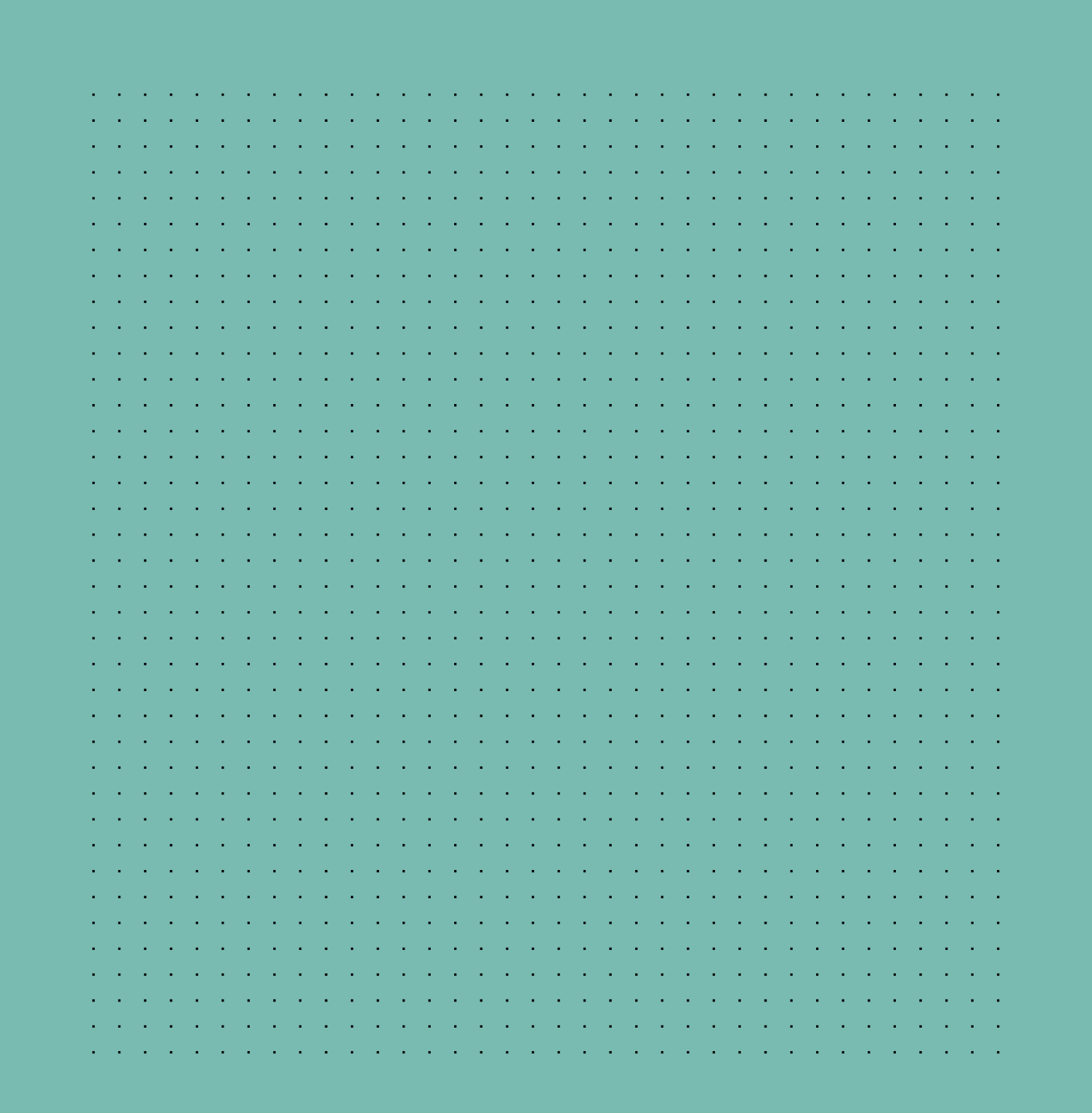
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