



**Progress Report: Implementation of Recommendations
of the
Stripe Review of Corporate Governance of CGIAR Centers**

ExCo 15
Lisbon, Portugal
October 1 – 2, 1008

Prepared on behalf of the Alliance
by
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Chair, Alliance Board

I. Introduction

The Alliance is pleased to provide ExCo 15 a report on the significant progress made by the CGIAR Centers in implementing the recommendations of the Stripe Review on Corporate Governance, as requested by ExCo 13.

This report covers all 32 Stripe Review recommendations, nine of which were reported directly by the Alliance and the rest reported via the Performance Measurement System and other sources. The report includes:

- √ Highlights of the progress we have achieved thus far
- √ Detailed information on the follow-up to each of the 32 recommendations

As widely recognized, the performance of the Boards as well as the organization of their work has improved considerably over the last two years. We are grateful to the Stripe Review for their contribution to this process and for helping to ensure that governance in the Centers continues to meet very high standards.

As the recommendations of the Change Management Process are implemented, we expect further changes to occur in the work of the Boards.

II. Highlights

Board Structure, Composition, and Size

Centers have made significant progress in this area. Some Centers' legal obligations, however, have constrained full implementation of some recommendations.

One area that requires immediate attention is recruiting members with financial management expertise. Presently, six Centers have only one member with professional qualification in financial management and four Centers have none; the SR recommends at least two.

Strategy Setting and Performance Oversight

Centers have made great headway in strategic oversight with entire boards being fully engaged in the development of and providing oversight to the implementation of strategic plans. It is also worth noting that, except for two Centers, all others now have a board-approved policy on delegated authority to the director general.

Board Renewal

Centers have made considerable progress on “Board Renewal,” with all 15 now conducting annual board self-assessments, and openly inviting CGIAR shareholders and stakeholders in filling at-large board vacancies.

However, the PMS reports that new board members from 7 Centers have yet to participate in the CGIAR Board Orientation Program, while members from 3 Centers have not been given a Center board orientation.

In addition, one Center needs to work on a board-approved grievance policy and two Centers have yet to implement a DG performance assessment using a wide range of inputs which includes staff feedback.

Board Accountability

Centers have considerably improved transparency in the conduct of its affairs, contributing to greater board accountability to stakeholders. All fifteen Centers now make available the current MTPs, EP MRs, and financial performance reports on their websites. To further strengthen transparency about Centers’ products and processes:

- √ Six Centers started to make minutes of board meetings available on their websites
- √ Four Centers now provide reports on performance indicators in annual reports
- √ Five Centers make their staff compensation structures publicly available on their websites

A large majority of the Stripe Review recommendations have been implemented by almost all Centers, resulting in significant improvement in the quality and efficiency of board oversight. We will continue to follow-up on the recommendations that still require Center attention to further enhance CGIAR Center governance.

III. Detailed Information on the Implementation of the Recommendations

BOARD STRUCTURE, COMPOSITION, AND SIZE

Recommendation 1 The CGIAR as a system represents a wide range of stakeholders. The center board therefore needs to reflect this diversity and at the same time have the needed mix of skills to ensure that their functioning will be effective and efficient. The boards have done reasonably well in being representative of the stakeholders and shareholders. There is, however, unevenness in the mix of competencies and skills present in some of the boards.

In order to perform this role, boards need to have a proper mix of skills to judge the quality and relevance of science, and to oversee the finances and overall accountability of centers. *At a minimum, two persons with adequate financial, business and accounting knowledge and experience should be members on every board.** At least three members with science or science management background should be available to a board.

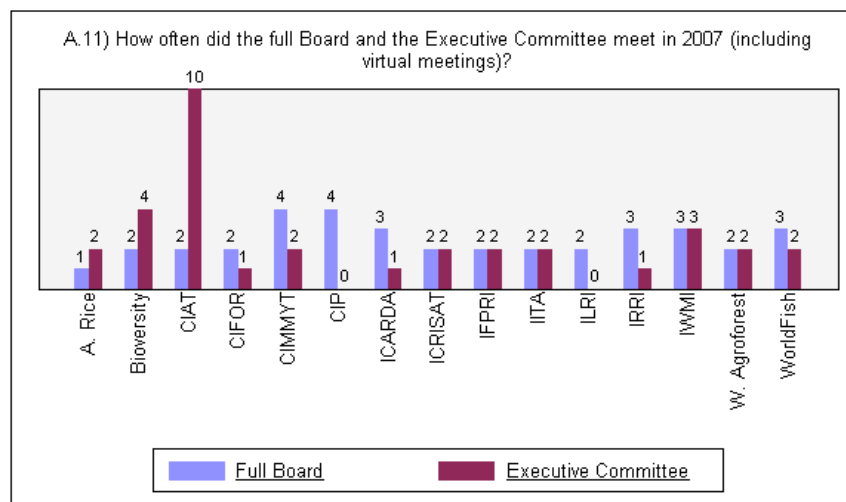
**Italics added to highlight action points*

Centers' Board members with professional qualification in financial management

3< IFPRI	2 Bioversity	2 ICRISAT	2 IRRI	2 ICRAF	1 Africa Rice	1 CIAT	1 CIMMYT	1 CIP	1 IITA	1 ILRI	0 CIFOR	0 ICARDA	0 IWMI	0 WorldFish
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Source: PMS database

Recommendation 2 The frequency of board meetings should be determined by the nature and scope of the business to be transacted. Given the mix of functions of center boards, the Panel recommends that *full board meetings should be held at least twice a year*. In addition, *two more meetings may be required to review quarterly reviews of finances and programmatic matters*. In order to minimize costs, these additional meetings may be conducted through telephonic or video conferences or through delegation to an executive committee that reports back to the full board. The duration of each meeting may be reduced, depending on the requirements of different centers. Increased frequency will also enable boards to meet in other regions where research projects or partners are located.



Source: PMS database

Recommendation 3 The proposals above may increase the time and attention that members may be required to give their boards. It will most certainly demand more time from the chairperson of boards. This *may necessitate a review of the compensation of board members* due to the increase in accountability, responsibility, expertise, and time

required of them. This would apply, in particular, to board chairs and committee chairs.

Center Boards that reviewed Board compensation

√ Africa Rice	√ Bioversity	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	√ WorldFish	PLANNED	NO REVIEW NEEDED	
												CIMMYT	CIAT	CIFOR

Source: Alliance Progress Report

Recommendation 4 The duration of a member's term on a board should not exceed six years. The current practice of most boards to renew a member's term after three years is a sound one. It is important, however, that *boards review more rigorously members' contributions before confirming them for a second term*. Members who fail to attend consecutive meetings or do not contribute adequately in the judgment of the boards should not be offered a second term. A board may choose to renew members for less than three years in order to have staggered membership to ensure continuity.

Boards that conducted a formal evaluation of board members before reappointment

√ Africa Rice	√ CIFOR	√ CIMMYT	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	NO MEMBERS RENEWED in 2007			X CIAT
											Bioversity	CIP	WorldFish	

Source: PMS database

Recommendation 5 Keeping in view the need for a board that is compact, accountable and well focused on governance, it is recommended that the *size of the board should be between nine and eleven members, excluding the DG (ex-officio)*. A smaller board enhances the chances of synergy, participation, and focus. A board with less than nine members may cause problems in terms of quorum and the mix of skills needed in a board. A much larger board may add unduly to costs, given the increased frequency of meetings. The Panel offers this as a **guideline to be adapted to the needs to the centers**.

Board size

8 World Fish	9 Africa Rice	10 CIFOR	10 CIP	10 IWMI	10 ILRI	11 CIAT	12 Bioversity	12 CIMMYT	13 ICRISAT	13 ICRAF	14 IITA	15 ICARDA	15 IRRI	16 IFPRI
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Source: PMS database

Recommendation 6 Consistent with their international status and mandate, centers serve many countries and, in many cases, more than one region. Center boards, therefore, need to have members from different regions and backgrounds. Hence, *host-country representation on a board should be limited to one nominee*. A board may still wish to invite other host country representatives to its meetings as observers as and when necessary. **Where feasible, center charters should be amended in line with this recommendation.**

Number of host-country representative(s)

1 Bioversity	1 CIFOR	1 CIMMYT	1 IFPRI	1 IRRI	1 IWMI	1 ICRAF	2 CIP	2 IITA	2 ILRI	2 WorldFish	3 ICARDA	3 ICRISAT	4 CIAT	5 Africa Rice
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Source: PMS database

Recommendation 7 A similar rationalization of CGIAR nominees on boards is also in order. Presently, the number of nominees varies widely, the maximum being eight. It is recommended that the *number of CGIAR nominees should not exceed two unless there are legal problems that may cause a center to lost its international status or privileges*. CGIAR should strengthen its consultation and nomination process in order to ensure that its nominees meet the competencies needed by the boards.

Number of CGIAR nominee(s)

1 CIAT	2 Africa Rice	2 CIFOR	2 CIMMYT	2 CIP	2 ICARDA	2 ICRISAT	2 ILRI	2 IWMI	2 ICRAF	2 WorldFish	3 Bioversity	3 IITA	3 IRRI	8 IFPRI
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Source: PMS database

ROLE OF BOARDS IN STRATEGY SETTING AND PERFORMANCE OVERSIGHT

Recommendation 8 Limitations of time and the overload and urgency of the operational programs of centers often lead to a relative neglect of strategic functions in some of the boards. It is imperative that this imbalance is rectified by *providing adequate time and resources to the boards to perform their strategic functions of planning, review and oversight.*

Full Board engagement in reviewing, approving and guiding the MTP

Fully Africa Rice	Fully Bioversity	Fully CIAT	Fully CIMMYT	Fully CIP	Fully ICARDA	Fully ICRISAT	Fully IFPRI	Fully IITA	Fully ILRI	Fully IRRI	Fully IWMI	Fully ICRAF	Fully WorldFish	Partially CIFOR
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Source: PMS database

Recommendation 9 Boards need to strengthen their role in ensuring that centers' strategy fits well with the overall CGIAR priorities and strategies. This will require boards to *ensure that there is a process in place that encourages management to embark only on programs or projects that are aligned with the agreed upon priorities.*

The SC assessment of the latest Center MTPs (2009-2011) shows that during the past three years there has been a "positive change in the focus" of Center research to the CGIAR research priorities. Most Centers and CPs now provide the rationale for the research and how it will contribute to IPGs. The impact pathways also indicate how associated capacity strengthening, partnerships, advocacy and 'local pilot projects' can enhance outcomes.

However, there are still weaknesses in how the MTPs fit with the overall CGIAR priorities and strategies which need attention by the boards, among them:

- "The "accounting" of contribution to the priorities at individual MTP level does not mean there is a cohesive program to achieve the priority goals (development outcomes). There is no evidence from the current MTPs of collective action in emerging areas."
- "In many MTPs the project portfolio reflects a lack of internal priority setting and focus and there is a natural inclination of trying to do too much."

Source: SC Overview Commentary – CGIAR MTPs 2009 - 2011

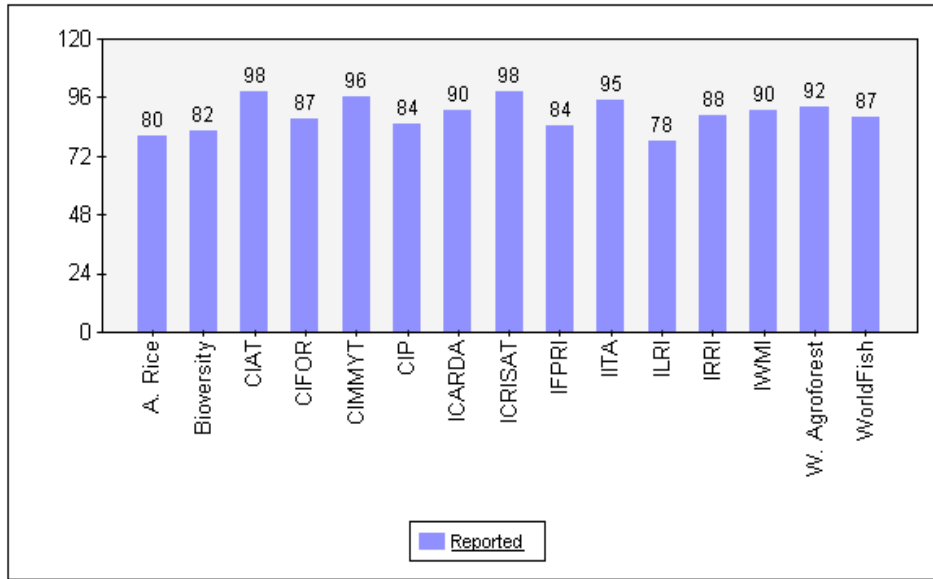
Recommendation 10 Board's oversight of performance should use the MTP as the starting point. An important function of the board is to see to it that the *annual program and resources allocated to it are consistent with the specific objectives stated in the MTP* relevant to the review. The oversight function will also require that the *board and management develop and use suitable performance indicators that reflect both the process and outcomes.*

The Performance Measurement System (PMS) captures information on the achievement of planned outputs as described in the MTP. This is increasingly used as an internal monitoring tool but there is still scope for raising the boards' awareness of the possible uses of this tool. Future Board Orientation Programs will elaborate more on the value and utility of the PMS as a tool for Board oversight.



Consultative Group on International Agricultural Research
Performance Measurement System

% of Output Targets Achieved - 2007



Center	Achieved	Not Achieved	% Reported
A. Rice	41	10	80.39
Bioversity	37	8	82.22
CIAT	62	1	98.41
CIFOR	14	2	87.5
CIMMYT	105	4	96.33
CIP	124	22	84.93
ICARDA	66	7	90.41
ICRISAT	49	1	98
IFPRI	101	19	84.17
IITA	38	2	95
ILRI	36	10	78.26
IRRI	60	8	88.24
IWMI	39	4	90.7
W. Agroforest	71	6	92.21
WorldFish	51	7	87.93

Recommendation 11 If system priorities and funding of regional partnerships and global programs increase in importance, center and systems' governance structures will need to adjust to this new reality. To enhance the oversight of inter-center collaboration among centers the panel **endorses** the practice of joint board memberships. Boards of such centers **may** also occasionally meet jointly, to review their programs and performance.

Centers with joint board members

✓ Africa Rice	✓ CIFOR	✓ CIMMYT	✓ IITA	✓ ILRI	✓ IRRI	✓ IWMI	✓ ICRAF	✓ WorldFish	X Bioversity	X CIAT	X CIP	X ICARDA	X ICRISAT	X IFPRI
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Source: Alliance Progress Report

Centers holding joint board meetings

✓ Africa Rice	✓ CIMMYT	✓ IITA	✓ ILRI	✓ IRRI	✓ IWMI	✓ ICRAF	✓ WorldFish	CIFOR No success	X Bioversity	X CIAT	X CIP	X ICARDA	X ICRISAT	X IFPRI
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Source: Alliance Progress Report

Recommendation 12 As part of the effort to strengthen the financial oversight function of the board, *the chair of the audit committee should keep close contact with the CGIAR group on internal audit* so that the adoption of best practices and system improvements is facilitated.

The annual meeting of external auditors with both the audit committee and the full board should be a standard practice. Paid consulting services by the current external auditor should be prohibited.

IAU Statement on Implementation*

Internal Audit

The CGIAR Internal Auditing Unit (IAU) is formally engaged, as an internal audit service provider, by 14 of the 15 Centers. While the other Center, IITA, does not presently engage the IAU on an ongoing basis, IAU maintains an ongoing relationship with the IITA Internal Audit Unit. In addition, senior IAU staff visit IITA at least annually to exchange information.

External Audit

The usual practice for all the Centers is for the external auditors to meet with the Audit Committee only. It is standard practice in all cases for the external auditors to present their audit report to that Committee, and to have a closed session with the Committee. It is not standard practice in any Center for the external auditor to also meet with the full Board.

All Centers are adhering to the practice of not engaging their external auditor in paid consulting services.

*Please see the *Annex* for the full IAU Statement

Recommendation 13 An important function of the board is to assess the risks associated with the Center's programs, finances, human resources, management systems, and general operating environment. *Risk assessment statements should accompany all documents on programs presented to the board.* Similarly, the risks associated with proposed financing arrangements and donor commitments for specific projects should be made known to and discussed by the board. The Board should *review such risks periodically.*

Boards that reviewed the adequacy of the Center's risk management and internal control mechanisms (as an explicit board meeting agenda item during 2006 – 2007)

√ Africa Rice	√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	√ WorldFish
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Source: PMS database

Recommendation 14 When the annual accounts and report are presented to the board, the *DG and chief financial officer or Director of Finance should present a due diligence certification.*

Centers that provide due diligence certification when presenting annual accounts to the board

√ Africa Rice	√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	√ WorldFish
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Source: PMS database

Recommendation 15 The *financial approval/spending limits delegated to the DG and other senior officials should be authorized by and made known to the full board.* DG should submit an annual or periodic report on such expenditure to the board. A similar practice should be adopted for the Chair.

Centers with board-approved policies on delegation of board authority to DG indicating transactions requiring board approval and those delegated to the DG

√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	√ WorldFish	X Africa Rice	X IITA
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Source: PMS database

BOARD RENEWAL

Recommendation 16 CGIAR and center board orientation programs, executive leadership courses, and other development programs for new board members are critical for their effectiveness and better understanding of the CGIAR system and center's business. It is recommended that the *CGIAR orientation program be given to new members preferably after they have attended one board meeting that will give them some familiarity with the centers and their work.* In addition, CGIAR members should have opportunity to become acquainted with center operations, participate in board orientation, and observe board meetings to enhance understanding between centers and CGIAR members.

Participation in a CGIAR Board Orientation Program by all new board members (who started their terms in 2006 or earlier)

√ CIAT	√ CIFOR	√ CIP	√ ICARDA	√ ICRISAT	√ IITA	√ IWMI	√ WorldFish	X Africa Rice	X Bioversity	X CIMMYT	X IFPRI	X ILRI	X IRRI	X ICRAF
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Source: PMS database

Participation in a comprehensive Center-specific orientation program by new board members (who started their terms in 2006 or earlier)

√ Bioversity	√ CIAT	√ CIFOR	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ ICRAF	√ WorldFish	X Africa Rice	X CIMMYT	X IWMI
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Source: PMS database

Recommendation 17 The *annual evaluation of the center DG* is the responsibility of the full board. A *wide range of inputs, including feedback from center staff should be sought* by the board as part of the evaluation process. The finding of the evaluation and their implications should be discussed in the full board, and communicated by the board chair to the DG. Remuneration, incentives and other benefits given to the DG should be disclosed to the board.

Boards that evaluated the DG's performance using a wide range of inputs

√ Africa Rice	√ Bioversity 360°	√ CIAT	√ CIFOR 360°	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI 360°	√ IWMI 360°	√ ICRAF	√ WorldFish 360°	Board input only	
													CIMMYT	IRRI

Source: Alliance Progress Report

Recommendation 18 *Boards should conduct their annual self-assessment and an evaluation of the chair in a formal manner with clear guidelines.* Committees and their chairs should also be evaluated in a similar manner. The board chair should discuss with each member his/her performance annually and offer guidance for improvement as appropriate.

The Panel strongly reiterates the crucial role of EPMRs in providing an independent cross-check of center governance, and as an important means for strengthening the performance and accountability of center boards.

Boards that conducted self-assessments in 2007

√ Africa Rice	√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	√ WorldFish	X IFPRI
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Source: PMS database

Centers whose full boards were engaged in the annual performance assessment of the board chair

√ Africa Rice	√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ ILRI	√ IRRI	√ WorldFish	X IITA	X IWMI	X ICRAF
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Source: PMS database

Recommendation 19 *Succession planning for board chair and members should commence at least a year ahead of the vacancy.* For the DG, the succession planning process should be set in motion with an even longer lead time. In addition to the DG's appointment, the board should also approve the appointment of the deputy DG (if any) and other members of the senior management team, based on the recommendations of the DG.

Boards that commence succession planning for board chair and members at least one year ahead of the vacancy

√ Africa Rice	√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	√ WorldFish
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Source: Alliance Progress Report

Recommendation 20 *CGIAR should strengthen its consultation and nomination process* in order to ensure that its nominees meet the competencies needed by the boards. The nominations process has to build on a better understanding of the profiles or selection criteria between the CGIAR and the centers. Financial management and governance are criteria that have indeed become more important. However, knowledge of relevant areas of science, research for development, business operations, communication skills, and stakeholder relations are equally important criteria.

As of September 2008, all Centers except one have at least 2 CGIAR nominees serving on their boards. The ExCo *ad hoc* committee that handles selection of CGIAR nominees has worked with Centers to encourage identification and appointment of individuals with finance/governance expertise and CGIAR System knowledge.

Recommendation 21 For members-at-large, a board should carry out a systematic analysis of its needs for expertise/skills/representation. In order to improve transparency in the recruitment process, *CGIAR stakeholders and shareholders should be invited to submit nominees* for the available membership slots.

Centers that invited open nominations from CGIAR stakeholders and shareholders while recruiting board members at-large

√ Africa Rice	√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	√ WorldFish
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Source: Alliance Progress Report

Recommendation 22 Special attention needs to be given to *increasing the efficiency of functioning of the boards.* Appropriate agenda setting, timely circulation of papers/documents well ahead of meetings, and summarizing the issues for strategic discussion and decision making will enable members to be more effective. The chair needs to play a lead role in running efficient meetings and facilitating decision making.

Boards with formal sets of guidelines concerning agenda-setting, circulation of papers for meetings and summary of key decisions

√ Africa Rice	√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	√ WorldFish
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Source: Alliance Progress Report

Recommendation 23 The board secretary should report to the board chair in regard to all board matters. Annual evaluation of the board secretary should be dealt with by the board chair in consultation with the rest of the board and other relevant officials.

Centers whose board secretaries report to board chairs on all board matters

√ Africa Rice	√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	√ WorldFish
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Source: Alliance Progress Report

Centers whose board chairs carry out formal assessments of board secretaries' performance

√ Africa Rice	√ Bioversity	√ CIAT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ WorldFish	PLANNED	INFORMAL	
												ICRAF	CIFOR	CIMMYT

Source: Alliance Progress Report

Recommendation 24 In terms of grievance redressing and conflict resolution mechanisms for the staff, there should be a provision for an appeal of the last resort to the Board when all other remedies have failed. Such appeals should be directed to the board chair. The mechanisms need to be strengthened, made transparent, and fully communicated to staff.

Centers with board-approved grievance policies

√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	√ WorldFish	X Africa Rice
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Source: Alliance Progress Report

ACCOUNTABILITY OF BOARDS

Recommendation 25 The CGIAR centers are ultimately accountable to the poor in the developing countries. To ensure accountability towards these beneficiaries, center boards need to ensure that research priorities, products and processes are designed in such a way that they serve the needs of the poor. Sharing this information in a transparent manner is one way to demonstrate accountability.

Centers with current MTP available on the Center's website

√ Africa Rice	√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	√ WorldFish
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- the SC and CGIAR Secretariats
- √ Development of an online tool for the annual submission of the 3-year rolling MTP and for internal use, thus simplifying Centers' and CPs' reporting annual progress on the MTPs
- √ Reduction in the frequency of in-depth review and the development of a full SC commentary (to every three years) for MTPs of adequate standard, eg, six MTPs were considered of sufficient quality and structure to "graduate" in 2007 and ten in 2008
- √ Harmonizing multiple reviews of Centers and CPs, particularly discouraging simultaneous EU donor reviews of programs already being reviewed within the CGIAR M&E framework. EU consultants participated in a recent PM Workshop to learn about data available from the PMS that could meet their bilateral M&E needs. EU is now revisiting its own processes which is likely to reduce indirect costs to Centers
- √ Increasing use of audio and videoconferencing to do business, thus reducing travel days

Recommendation 29 In the ultimate analysis, the board is responsible for the fit between the center's programs and projects, and the overall CGIAR strategy. Irrespective of the vagaries of donor funding, accountability for the decisions and outcomes rests with the board. *Special attention needs to be given by the board to the projects financed by restricted funding* because departure from center strategy is most likely in this area.

Centers need lead time to implement this recommendation; forthcoming EPMRs will capture progress on the implementation of this recommendation. These are being followed up and will be reported in due course.

Boards that discussed and acted on any significant deviations from previously announced targets and strategic goals for 2006 as defined in the MTP

√Fully Africa Rice	√ Fully IITA	√ Fully IWMI	√ Fully ICRAF	√ Partially CIAT	NO DEVIATION									
					Bioversity	CIFOR	CIMMYT	CIP	ICARDA	ICRISAT	IFPRI	ILRI	IRRI	WorldFish

Source: PMS database

Recommendation 30 A Center board should seek and ensure that it receives from management all the information the board needs for performing its guidance and oversight responsibilities – for it alone has ultimate accountability for all aspects of center performance.

Boards with approved schedules for CCER on program matters

√ Africa Rice	√ Bioversity	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ ILRI	√ IRRI	√ ICRAF	√ WorldFish	X CIAT	X IITA	X IWMI
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Source: PMS database

Boards that monitored actions taken in response to CCERs and EPMRs

√ Africa Rice	√ Bioversity	√ CIAT	√ CIP	√ ICARDA	√ IFPRI	√ IRRI	√ WorldFish	EPMRs ONLY					CCERs ONLY	
								CIFOR	CIMMYT	ILRI	IWMI	ICRAF	ICRISAT	IITA

Source: PMS database

Recommendation 31 Boards should promote greater openness and transparency with respect to the governance of the centers. *Annual reports of the centers should publish performance indicators, both outcome and process related, so as to enable all stakeholders to understand and assess the impact of their programs. Major board decisions and quarterly updates of center's financial accounts should be published on center websites.*

Centers that publish performance indicators, both outcome and process related, in annual reports

√ CIP	√ ICRISAT	√ IWMI	√ CIFOR	√ IITA	UNDER CONSIDERATION		X Bioversity	X CIAT	X CIMMYT	X ICARDA	X IFPRI	X IRRI	X ICRAF	X WorldFish
					AFRICA RICE	ILRI								

Source: PMS database

Centers with board meeting minutes (concerning non-confidential agenda items) available on its website

√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ IWMI	√ ICRAF	X Africa Rice	X CIP	X ICARDA	X ICRISAT	X IFPRI	X IITA	X ILRI	X IRRI	X WorldFish
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Source: PMS database

Centers with financial performance available on its website

√ Africa Rice	√ Bioversity	√ CIAT	√ CIFOR	√ CIMMYT	√ CIP	√ ICARDA	√ ICRISAT	√ IFPRI	√ IITA	√ ILRI	√ IRRI	√ IWMI	√ ICRAF	√ WorldFish
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Source: PMS database

COMMENTS ON REFERENCE GUIDES

Recommendation 32 The Panel has noted several policies and practices described in the “Board Reference Guides” that need updating or modification in light of the evolving best practices in board governance. Particularly important are roles and responsibilities of the board, accountability, and transparency. It is recommended that the *Guides are revised under the guidance of the Committee of Board Chairs and the CGIAR Secretariat* to serve as useful reference documents for all concerned.

The CGIAR’s “Board Reference Guides” was updated in 2007 and renamed “CGIAR Guidelines on Center Governance.” It takes into Account changes in the CGIAR and recent developments in corporate and nonprofit governance. The “Guidelines is a joint initiative of the Alliance Board and the CGIAR Secretariat and is available online at http://www.cgiar.org/pdf/2007_cg_guidelines_center_governance.pdf

**NOTE ON FINANCIAL OVERSIGHT RECOMMENDATION IN
THE REPORT OF THE STRIPE REVIEW OF CORPORATE GOVERNANCE OF THE CGIAR CENTERS**

Recommendation

"For improved financial oversight, besides supporting the other suggestions already contemplated by various boards, the Panel recommends that as part of the effort to strengthen the financial oversight function of the board, the chair of the audit committee should keep close contact with the CGIAR unit on internal audit so that the adoption of best practices and system improvements is facilitated.

In addition, the annual meeting of external auditors with both the audit committee and the full board should be a standard practice. Paid consulting services by the current external auditor should be prohibited."

Assessment of Implementation

Internal Audit

The CGIAR Internal Auditing Unit (IAU) is formally engaged, as an internal audit service provider, by 14 of the 15 Centers. In some cases IAU is the exclusive provider of services, in others it provides such services jointly with Center-hired internal auditors or (in one case, IWMI), a local audit firm. IAU presents plans and reports to the Audit Committee meetings of those Centers (physically attending as many as possible). There is typically discussion of best practices and system improvements in the context of the results of the internal audit work and the Good Practice Notes (GPNs) published by the IAU. IAU actively interacts with the audit committee chairs in relation to these meetings and on occasion in between if certain issues come up.

The other Center (IITA) does not presently engage the IAU on an ongoing basis. Although communication with the Center is not regular or formalized, IAU maintains an ongoing relationship with the IITA Internal Audit Unit. That Unit participates in the CGIAR IA discussion network coordinated by the IAU, and they participate in the periodic (every 2-3 years) professional development weeks organized by the IAU. These two initiatives are another channel for the IAU to convey best practice information to the Centers. In addition, senior IAU staff (either the Director or Associate Director) visit IITA at least annually to exchange information.

IAU GPNs are another vehicle for conveying information to Audit Committees and managements of the Centers on, among other things, good practice on financial and other oversight. In the oversight category, IAU has issued GPNs on Audit Committee Terms of Reference, Audit Committee evaluation, selection and evaluation of performance of external auditors, enterprise risk management, Board-Center reporting and delegations, and employee whistleblowing systems. Others are in preparation.

External Audit

The usual practice for all the Centers is for the external auditors to meet with the Audit Committee only. It is standard practice in all cases for the external auditors to present their audit report to that Committee, and to have a closed session with the Committee. In almost all cases this is done by physical attendance, but where the Board is meeting outside Headquarters it may also be done telephonically. It is not standard practice in any Center for the external auditor to also meet with the full Board.

All Centers are adhering to the practice of not engaging their external auditor in paid consulting services.