

CGIAR Guidelines on Center Governance

**Roles, Responsibilities and
Accountability of Center Boards**



FOREWORD

The international agricultural research Centers supported by the Consultative Group on International Agricultural Research (CGIAR) are autonomous institutions, each governed by a separate Board of Trustees. The legal status of each Center is defined by its statutes, including agreements with countries hosting its headquarters and field offices. These agreements accord the Centers privileges and immunities typically provided to United Nations or other international organizations.

Although each Center has a different mandate and legal status, the Centers share many common features in terms of governance. These commonalities date back to the origins of the Centers when the older Centers, founded by the Ford and Rockefeller foundations, served as models to the ones later established by or brought into the CGIAR. Over the years, the CGIAR's Committee of Board Chairs (now transformed into the Board of the Alliance of CGIAR Centers), the former CGIAR Oversight Committee, and the current CGIAR Executive Council have been instrumental in sharing information and promoting best practice among the Center Boards.

The idea of developing a set of common guidelines for Center Boards emerged from the Second Review of the CGIAR in 1981 and the felt need expressed by Trustees and CGIAR Members. The first such guidelines were prepared in 1984 by Lowell Hardin, working with an advisory panel. Their purpose was to provide guidance to new and old Trustees by defining the roles, responsibilities and relationships of the Boards in the CGIAR System. The CGIAR discussed and endorsed the guidelines at its annual general meeting in 1984, with the recommendation that they be updated from time to time.

The first comprehensive update was made in 1996 at the urging of the CGIAR Oversight Committee and the Committee of Board Chairs, taking into account changes in the CGIAR and new principles and practices in nonprofit governance. The CGIAR discussed and endorsed the guidelines at its mid-term meeting held that year in Jakarta, Indonesia.

Like its predecessor, the current update takes into account changes in the CGIAR and recent developments in corporate and nonprofit governance. The update was initiated by the Alliance Board and the CGIAR Secretariat following the completion of an external review of corporate governance of CGIAR Centers. It was prepared by Selcuk Ozgediz with advice from two external experts, Lili-Ann Foster and Maureen Robinson. Jim Godfrey, Simon Best and Francisco Reifschneider provided guidance on behalf of the Alliance Board and the CGIAR.

As the guidelines are intended to be a living document, we welcome comments and suggestions for consideration in its next update.

Francisco Reifschneider
CGIAR Director

Jim Godfrey
Chair, Alliance Board

TABLE OF CONTENTS

I.	INTRODUCTION	1
	A. The CGIAR System	1
	B. The CGIAR Centers	2
	C. CGIAR Center Boards	2
II.	PRINCIPLES OF CORPORATE GOVERNANCE IN THE CGIAR	3
	A. Focus on Purpose and Outcomes	4
	B. Ensure Accountability	4
	C. Understand Stakeholder Perspectives	4
	D. Ensure Transparency and Timely Disclosure	5
	E. Commit to Effective Governance	5
III.	ROLES OF CENTER BOARDS	6
	A. Legal Role	6
	B. Functional Role	6
	C. Symbolic Role	7
IV.	BASIC RESPONSIBILITIES OF THE BOARD	7
	A. Determine the Center’s Mission and Strategy	8
	B. Ensure Strong, Continuous Leadership of the Center	9
	C. Set and Reinforce Ethical Standards, Values and Policies	10
	D. Provide Active Oversight of Programs	11
	E. Provide Active Oversight of Finances	11
	F. Manage the Performance and Relationships of the Board	12
V.	BOARD COMPOSITION AND STRUCTURE	13
	A. Board Composition	13
	B. Board Diversity and Balance	14
	C. Board Skills and Characteristics	15
	D. Board Term Limits	16
	E. Board Meetings	16
	F. Standing Committees	17
	G. Ad Hoc Committees	18
VI.	RELATIONSHIP BETWEEN THE BOARD AND THE DIRECTOR GENERAL	18
	A. Role of the Director General	19
	B. Basic Duties of the Director General	19
VII.	ROLE OF THE BOARD CHAIR	20
VIII.	RELATIONSHIPS BETWEEN THE BOARD AND EXTERNAL CONSTITUENCIES	21
	A. With CGIAR Members and Partner Governments	21
	B. With the CGIAR System	21
IX.	BASIC RESPONSIBILITIES OF INDIVIDUAL BOARD MEMBERS	23
	A. Legal Accountability and Liability	23
	B. General Accountability	24
	ANNEX: Self-Assessment Checklist for CGIAR Boards and Board Members	26
	REFERENCE SOURCES ON GOVERNANCE	29

INTRODUCTION

The CGIAR System, Its Centers and Center Boards

- The CGIAR supports a network of 15 international agricultural research Centers that harness the best in science to sustain biodiversity, produce more and better food, reduce poverty, promote sustainable natural resource management, and improve public policies and institutional innovation
- Each Center is a nonprofit organization and autonomous as a legal entity
- Each Center operates under the authority of a legally constituted Board.

A. The CGIAR System

The Consultative Group on International Agricultural Research (CGIAR) is a strategic partnership of over 60 public and private sector Members that supports a network of 15 international agricultural research Centers. The CGIAR was established in 1971, and its mission is to achieve sustainable food security and reduce poverty in developing countries through scientific research and research-related activities in the fields of agriculture, livestock, forestry, fisheries, policy enhancement and natural resource management.

The Centers supported by Members of the CGIAR and other interested donors conduct research that generates global and regional public goods to benefit the poor in developing countries by increasing incomes and improving livelihoods in ways consistent with protecting the environment and biodiversity. The Centers constitute the core of the CGIAR. As part of a larger system, each has a mission that complements those of other Centers. Thus, the achievement of the CGIAR goal depends on the work done by the Centers collectively.

In addition to the Centers and the Members that support them, the CGIAR System includes additional key components: the Science Council, which advises the CGIAR on scientific and program matters; partner organizations, which work closely with the Centers; the Executive Council, which facilitates the work of the CGIAR; and the System Office, which provides support to all components of the System.

The CGIAR System is committed to harnessing the best in science — from traditional knowledge to cutting-edge developments in the sciences. It does this by focusing its research on five priority areas:

- sustaining biodiversity
- producing more and better food at lower cost through genetic improvement
- reducing rural poverty through agricultural diversification

- promoting poverty alleviation and the sustainable management of water, land and forest resources and
- improving public policies and facilitating institutional innovation.

B. The CGIAR Centers

The international agricultural research Centers supported by the CGIAR are part of a global agricultural research system. The combined efforts of the CGIAR Centers and their partners in advanced research institutes and national agricultural research systems have brought many benefits:

- Food productivity in developing countries has increased. For example, yields of all cereals in India increased by 146 percent from 1961 to 2000.
- Food production globally, and in particular in developing countries, has increased, thereby contributing to better nutrition, increased farm income and lower food prices. For every dollar invested in the CGIAR, \$9 worth of additional food has been produced in the developing world.
- More than 75,000 scientists in developing countries have been trained in agricultural research.
- Better food distribution systems, more rational public policies, the improved use and management of natural resources, and stronger national agricultural research institutions have emerged in developing countries.

Each Center is a nonprofit organization and autonomous as a legal entity. Some were established by the Members of the CGIAR, and others existed as independent institutes before being invited to join the CGIAR. The Centers collectively formed the Alliance of CGIAR Centers to facilitate cooperation and the pooling of resources whenever and wherever needed and to contribute more effectively and efficiently to the mission of the CGIAR.

C. CGIAR Center Boards

Each Center operates under the authority of a legally constituted Board, charged with overall responsibility for the work of the Center. A Board member's primary accountability and responsibilities are determined by his or her fiduciary duty to ensure the best interests of the Center. However, Board members must also be mindful of the interests of a much wider range of key stakeholders, in particular the Members of the CGIAR, who provide strategic guidance and a significant proportion of the Centers' funding, and the world's poor smallholders, whose unmet needs are the paramount driver of the CGIAR System and all its components.

The Centers and their Boards operate in an increasingly complex environment. Rapid advances in science and technology, the increasingly important role that the private sector plays in agricultural research, the changing dynamic of economic relations between industrialized and developing countries, improvements in the capacity of developing-country institutions to conduct research, and the increasingly uncertain

scene regarding overseas development assistance, among other factors, demand constant vigilance by Boards to ensure that their Centers and the System remain relevant and effective. In addition, new demands for greater accountability and transparency that have been made globally on corporate and nonprofit boards alike require that Boards pay increasing close attention to the way they govern the institutes.

These guidelines spell out the expectations of the CGIAR community regarding how Center Boards can best meet their basic responsibilities and assure CGIAR Members and others of the accountability of the Centers and their work. Although this outline cannot encompass the full range of issues faced by individual Center Boards, given the programmatic and structural diversity of the Centers, it does offer a pragmatic underpinning for successful Board operation in the CGIAR System. Other CGIAR papers offer more detail on specific operational matters (see References).

II. PRINCIPLES OF CORPORATE GOVERNANCE IN THE CGIAR

Principles of Corporate Governance in the CGIAR

- Focus on purpose and outcomes
- Ensure accountability
- Understand stakeholder perspectives
- Ensure transparency and timely disclosure
- Commit to effective governance.

Good governance requires adherence to principles that have proven to be effective under diverse organizational circumstances. Internationally accepted good governance standards exist for the corporate world (e.g., the Organisation for Economic Co-operation and Development [OECD] Principles of Corporate Governance), but the situation is different for nonprofit organizations. Although there are some national or more local standards that have been developed in a few countries, there is no counterpart of the OECD principles for international nonprofit organizations.

The principles listed below have been developed taking into account the CGIAR Charter, standards proposed for nonprofit organizations in a variety of countries, and relevant aspects of international corporate governance principles. They provide guidance on what constitutes good governance and also serve as a measure of Board effectiveness across the CGIAR System.

A. Focus on Purpose and Outcomes

Boards should ensure that their Center's purpose and intended outcomes for the poor in developing countries are clear, that they contribute to the CGIAR goal, and effectively guide the Center's operations. Being autonomous, Centers have a great deal of flexibility in managing their affairs. They should be mindful that the success of the System depends on effective action by them, individually and collectively.

B. Ensure Accountability

In the first instance, Boards must exercise a fiduciary duty to ensure the Center's best interests and are accountable for its actions and performance. When taking action, Board members must be mindful of the interests of a wide range of key external and internal stakeholders including (1) the poor in developing countries, for whose benefit the CGIAR undertakes research; (2) the Members of the CGIAR, who provide strategic guidance and a significant proportion of the Centers' funding; and (3) national agricultural research systems in developing countries (Centers' key partners regarding many of their research products and services); (4) other institutions with which Centers collaborate, in particular their sister Centers in the CGIAR System; and (5) staff of the Center.

The CGIAR system is committed to implementing global best practices in corporate governance to ensure that Centers are accountable to their stakeholders. The primary corporate governance mechanisms reinforcing accountability in the CGIAR System are: Center Annual Reports, external financial audits, external program and management reviews (EPMRs) and annual review of Center medium-term plans. In addition, the CGIAR has an annual comparative performance measurement system which allows the stakeholders to compare the performance of each Center against a range of key measures on a like by like basis. Informed by these mechanisms, CGIAR Members, in their capacity as the primary source of funding for the System, make their own decisions about their future support to specific Centers.

In addition, the CGIAR System holds an Annual General Meeting (AGM) that brings together key stakeholders of the Centers with Center Board Chairs and Directors General. The overall performance and future priorities of the System and the individual Centers are reviewed at the AGM. The Consultative Group's decisions vis-à-vis individual Centers are conveyed to the respective Boards as recommendations for action.

C. Understand Stakeholder Perspectives

Board members should ensure that the perspectives of their key stakeholders are well understood by the Center and the Board and encourage close interaction with key stakeholders through various means. While it is impracticable to have all stakeholders formally represented on Center Boards, the Boards should ensure, through effective communication and other means, that the perspectives held by

key stakeholders are valued and understood. Stakeholders, including staff and their representative bodies, should be able to freely communicate their concerns to the Board without compromising their rights.

D. Ensure Transparency and Timely Disclosure

Boards should ensure that timely and accurate disclosure is made on all material matters regarding the Center, including its financial situation, performance, governance, and how decisions are taken. Disclosure should include, but not be limited to, material information on

- the Center's mission and objectives
- results from operations, including outputs, outcomes and impact
- financial results and key financial indicators
- remuneration policy for members of the Board and key executives
- information about Board members, including their qualifications
- foreseeable risks and the system in place for monitoring and managing risk and
- the Center's major partnerships.

An annual audit should be conducted by an independent, competent and qualified auditor to provide external and objective assurance to the Board and stakeholders that financial statements fairly represent the financial position and performance of the Center in all material respects. Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.

E. Commit to Effective Governance

CGIAR Boards should promote values for the whole Center and demonstrate good governance through their own behavior. They should provide stewardship and strategic guidance to the Center, effectively monitor management, and ensure accountability to stakeholders.

Boards should embrace high ethical standards and exercise objective independent judgment on corporate affairs. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interests of their Center and the CGIAR. They should commit to mobilizing the best talent available, whether the recruitment is done by the Board (such as for the director general [DG]) or by management (using human resource policies approved by the Board).

To fulfill their responsibilities, Board members should secure access to accurate, relevant and timely information.

III. ROLES OF CENTER BOARDS

Roles of Center Boards

- Legal: Ensure the best interests of the Center and its stakeholders
- Functional: Participate in setting policy, delegate responsibility to Center management, and evaluate and oversee performance
- Symbolic: Assure stakeholders and secure their goodwill.

Boards of nonprofit organizations play a number of crucial roles: legal, functional and symbolic. Center Boards operate in a similar context and need to appreciate the complexity and importance of their role in contributing to the success of the Centers and the CGIAR System.

A. Legal Role

The establishment of a Board is generally required either by law or by an organization's founding charter, constitution and/or headquarters agreement. At a minimum, a governing body must be created and maintained to sustain an organization's legal legitimacy. As legal bodies, Boards are charged with specific legal responsibilities (as spelled out in their charter, constitution and/or headquarters agreement) and are legally accountable for carrying them out. Board members' primary legal and/or fiduciary responsibilities are to ensure the best interests of their Center. However, they should also take careful account of the interests and expectations of their wider stakeholders including the

- Center's beneficiaries
- Center's external stakeholders, including CGIAR Members
- host country
- the CGIAR System (the Group and its committees and Secretariat)
- the staff of the Center and
- the public at large.

While there will always be a degree of conflict among these areas of broad accountability, Board members must use their own judgment when acting in particular circumstances to determine the Center's best interests. It is the responsibility of each Board member to speak out on issues that he or she believes the Center should address.

B. Functional Role

Boards are charged with functional responsibilities that require their involvement in policymaking, the delegation of certain tasks to management, and ongoing evaluation and oversight. Boards therefore need among their members people with experience, expertise and willingness to work. In addition, a structure is needed that enables the

Board to discharge its responsibilities through access to information and regular meetings, both face-to-face and virtual.

C. Symbolic Role

Boards also function in a symbolic role — one that is hard to measure but critical to the credibility of nonprofit organizations and their work. Through a variety of means, primarily its composition and reputation for objectivity and seriousness, a Board conveys important assurances to the wider community of stakeholders, partners, beneficiaries and others that the work of the organization is sound. The goodwill of external stakeholders and the reputation of an organization rest with both the Board and the staff.

Boards that serve international agricultural research Centers must function effectively in each of these dimensions. It is the role of a Center Board to ensure organizational continuity, provide a degree of policymaking to ensure that programs advance the mission of the Center, and oversee the implementation and administration of these policies in the context of the CGIAR to guarantee effectiveness and accountability to CGIAR Members and others.

Successful Center Board operation requires the participation of competent Board members who recognize their responsibilities, are adequately informed, do their homework, and work as a team under effective leadership. Center Boards must be composed of individuals with appropriate scientific, managerial, and/or policy expertise who make their influence and knowledge available to the Centers. To maintain organizational integrity and guarantee that the actions of the Board are in the best interests of the Center, Board members need to understand their collective and individual responsibility to avoid conflicts of interest. In the CGIAR, Board members serve in their individual capacities and not as representatives of particular organizations or agencies, and the policies of each Board should reinforce this principle.

IV. BASIC RESPONSIBILITIES OF THE BOARD

Basic Responsibilities of the Board

- Determine the Center's mission and strategy
- Ensure strong, continuous leadership and oversight of Center management
- Set and reinforce ethical standards, values and policies
- Provide active oversight of programs
- Provide active oversight of finances
- Manage the performance and relationships of the Board.

Although the mandates of the international agricultural research Centers are diverse, the responsibilities outlined in this section have broad applicability to the work of all Center Boards and should be viewed as the basis for good Board practice. They are also relevant to the work of CGIAR-supported programs, such as Challenge Programs and their governance.

The Board is the highest decision-making body at a Center. It has the authority and responsibility to carry out the duties spelled out in its charter. The chief executive officer, or DG, heads the management and serves at the Board's pleasure. That none of the Board members spends as much time on the affairs of the Center as the DG lessens neither the authority nor the responsibility of the Board to serve as the top decision-maker of the Center. As a past CGIAR chair remarked 20 years ago: "The responsibility of [the Boards] is considerable because much of the Board is not nominated by anybody else, but by the Board members themselves. So, for all practical purposes, you have self-perpetuating Boards. And if these self-perpetuating Boards don't rise up to the challenge of the management of our Centers, then clearly, either the concepts will have to change, or our Centers will be weakened substantially." In fact, failure by a Board places significant responsibility on the CGIAR Membership as they are the ultimate authority that must act to preserve the integrity of the System.

Therefore the expectations from Boards are high. To meet the challenge, Boards must fulfill a number of key responsibilities, as detailed below.

A. Determine the Center's Mission and Strategy

Determine the Center's Mission and Strategy

- Establish the Center's mission
- Review, approve and guide the Center's strategy
- Review, approve and guide major institute-wide plans, including performance targets.

Establish the Center's mission. Do this in the context of CGIAR goals and division of responsibilities among CGIAR institutions.

Review, approve and guide the Center's strategy. Assess that strategy regularly and monitor closely the results that are achieved. The Board's role is to provide guidance and constructive rigor to the formulation of strategy (leaving the details to be worked out by management), assess its continuing relevance and effectiveness, and initiate changes as needed.

Review, approve and guide major institute-wide plans, including performance targets. Operational plans, such as the 3-year medium-term plans, are developed by

management under the guidance of the Board and approved by the Board before they are submitted for review by the CGIAR.

B. Ensure Strong, Continuous Leadership of the Center

Ensure Strong, Continuous Leadership of the Center

- Develop and update a succession plan for senior management
- Recruit and select the best individual to lead the Center
- Establish executive remuneration that retains the director general, rewards his or her performance, and is competitive, fair and prudent
- Clarify the boundary between the responsibilities of the Board and those of management
- Provide oversight of Center management, especially the performance of the director general.

Develop and update a succession plan for senior management. To ensure that the Center has a strong management team at all times, the Board should periodically review the succession plan for the DG. The Board should also assure that succession plans for the next level of management are a priority for the DG.

Recruit and select the best individual to lead the Center and provide him or her with clear terms of reference. Hiring and, when necessary, dismissing the DG are among the most important responsibilities of a Board. While the Board provides leadership in a governance sense, executive leadership rests with the DG and his or her team. Most DG searches are conducted internationally to assure the broadest possible pool of talent for recruitment. Although Boards may conduct DG recruitment through an *ad hoc* committee of the Board, often with help from external recruitment experts, the choice of the DG should always be made by the full Board.

Establish executive remuneration that retains the DG, rewards his or her performance, and is competitive, fair and prudent. To reach a balanced judgment when establishing a level of compensation that serves the long-term interests of the Center, most Boards commission or make use of comparative compensation studies covering, among other institutions, sister Centers in the CGIAR.

Clarify the boundary between the responsibilities of the Board and those of management. The terms of reference of the DG should be clear about the limits of management's authority (e.g., on expenditures, agreements with other institutions, representation, communication, etc.). As a general rule, the Board is responsible for all decisions of material consequence for the Center, even if the ideas originated from management.

Provide oversight of Center management, especially the performance of the DG. Assess the performance of the DG annually against agreed objectives and provide feedback as necessary. Board-management relationships are healthy when fostered by a clear understanding of each other's responsibilities. Annual performance planning and review helps achieve such clarity. The Boards of most corporations, public and private, develop an agreement with their chief executive officer about performance targets for the year and use that as a benchmark for performance discussions throughout the year and for assessing performance at the end of the year. Some, including several Centers in the CGIAR, use wider feedback on DG performance (such as through 360 degree or multi-source feedback instruments), which provide broader insights into performance. If the DG is not performing well, the Board has the responsibility to ensure that the Center is not deprived of effective leadership. Assessing the performance of the DG is one of the most important functions of a Board and one in which the entire Board should participate.

C. Set and Reinforce Ethical Standards, Values and Policies

Set and Reinforce Ethical Standards, Values and Policies

- Serve as an example
- Ensure that the Center has in place policies needed for effective performance
- Ensure that risks to the Center are identified and strategies developed to manage them
- Ensure that the existing policies are enforced.

Serve as an example. Through its practices and actions, the Board sets ethical standards and values for the entire organization. The manner in which the Board abides by certain principles, such as the governance principles noted above, and guides the Center's operations sets the tone for management and staff. By serving as an ambassador and an advocate of the Center, each Board member sets an example for the rest of the institution.

Ensure that the Center has in place policies needed for effective performance. The Board's stewardship of the Center should be at the level of strategy and institutional policy. It should ensure that the necessary policies exist and that their content is consistent with the Center's espoused principles, ethical standards and values. Typical Center policies cover, among other things, intellectual property, conflict of interest, grievance handling, human resource (including gender and diversity) issues, and communication and external relations.

Ensure that risks to the Center are identified and strategies developed to manage them. The Board must regularly review the risks to which the Center is subject and take action to mitigate them. These include not only financial risks, but also risks

stemming from physical causes (e.g., natural disasters) and legal circumstances (e.g., lawsuits and intellectual property protection matters), as well as the risks to the reputation of the Center and the CGIAR System. The Board should institute a whistle-blowing policy that enables confidential reporting of misconduct and risks to the Center.

Ensure that the existing policies are enforced. Through internal audit and other means (such as performance indicators, staff survey results, etc.) the Board should ensure that the Center's policies are communicated and implemented as intended.

D. Provide Active Oversight of Programs

Provide Active Oversight of Programs

- Establish systems and processes to monitor the Center's programmatic health and performance
- Maintain the Board's focus at the level of strategy and policy.

Establish systems and processes to monitor the Center's programmatic health and performance. Performance monitoring is a key responsibility of all Boards. Because Centers are scientific research institutions, the most important determinant of a Centers' performance is how successfully its programs achieve its mission. The Board needs objective indicators of program success to be able to assess performance and determine follow-up action, if required. Boards can better fulfill this function if they have a comprehensive oversight plan that includes reporting on selected performance indicators, participate in internal program reviews, commission external reviews, and hold Board meetings that are well organized and supported.

Maintain the Board's focus at the level of strategy and policy. The Board must exercise its oversight activities at the most effective and appropriate level and avoid the temptation to micromanage the Center's work. To maintain its focus at the level of strategy and policy, the Board should assure that both Board composition and Board structure support this broader focus and minimize narrow or parochial perspectives.

E. Provide Active Oversight of Finances

Provide Active Oversight of Finances

- Ensure the integrity of the Center's accounting and financial reporting systems
- Review and approve financial plans and monitor financial performance
- Oversee major capital expenditures, acquisitions and divestitures
- Review financial results and take appropriate action.

Ensure the integrity of the Center’s accounting and financial reporting systems.

The Board needs to ensure that appropriate systems of control are in place, in particular systems for risk management, financial and operational control, and compliance with the law and relevant standards. It also needs to ensure the existence of a high-quality independent audit mechanism.

Review and approve financial plans and monitor financial performance.

The Board should review budgets and resource mobilization plans. It should also request regular reporting by management on selected financial indicators.

Oversee major capital expenditures, acquisitions and divestitures.

The financial monitoring responsibility of the Board is not limited to the normal activities of the Center. To undertake a major expenditure is a strategic decision, requiring full involvement by the Board. To avoid micromanagement, the Board could delegate spending authority to management below an agreed level.

Review financial results and take appropriate action.

While Boards should take financial decisions throughout the year, year-end financial results provide an opportunity to take stock and agree on any adjustments in strategy. The goal is to ensure that the Center’s resources are used appropriately to further the missions of the Center and the CGIAR.

F. Manage the Performance and Relationships of the Board

Manage the Performance and Relationships of the Board

- Ensure effective Board leadership
- Ensure effective Board practice
- Manage the Board’s relations with stakeholders.

Ensure effective Board leadership. The Board should make certain that its members are competent and knowledgeable and have a mix of skills and experience to provide independent judgment and credible and effective oversight of all aspects of the Center’s work. This requires, among other things,

- a formal and transparent Board member search, nomination and election process
- developing the capability of Board members as needed through induction, training and ongoing support, and evaluating their performance as individuals and as a group
- striking a balance in the membership of the Board between continuity and renewal
- monitoring and managing potential conflicts interest and
- ensuring that each and every Board member acts in the best interests of the Center and not as the representative of any group or organization, regardless of how that person was nominated, elected or selected to become a Board member.

Ensure effective Board practice. The Board should monitor the effectiveness of the Center’s governance practices and make changes as needed to align the Center’s governance system with current best practices. This requires, among other things,

- efficient division of responsibility among Board members (e.g., committee structure and the roles of the chair and other officers of the Board)
- clear agendas and effective Board and committee meetings (including virtual meetings)
- accurate, relevant and timely information presented in a way that enables good decision-making and
- regular self-assessments of Board performance with consequent changes in Board practice based on the results.

Manage the Board’s relations with stakeholders. The Board should ensure that there is regular and effective communication with key stakeholders and that these stakeholders have the opportunity to participate in the Center’s planning and decision-making. It should promote openness, transparency and responsiveness. In addition, the Board should represent the Center effectively within the CGIAR regarding, but not limited to, matters of governance.

V. BOARD COMPOSITION AND STRUCTURE

Board Composition and Structure

- The three categories of Board membership are member-at-large, CGIAR nominee and *ex officio* member
- Board membership should be diverse in terms of national origin, gender, age, experience and expertise
- Board members should serve no more than two consecutive 3-year terms
- Boards should meet face-to-face at least twice a year
- Standing and *ad hoc* committees ensure focused attention to critical Board duties.

A. Board Composition

Over 50 nationalities are represented on the Boards of the CGIAR Centers, and about half of all Board members are from developing countries. Although the size of each Board varies, the Boards consist of three types of members: those nominated by the Board itself (members-at-large), those nominated by the CGIAR, and *ex officio* members (individuals occupying certain positions such as DG and host-country representatives).

Members-at-large. These are nominated by the Board itself through its nominating committee. The nominating committee may seek assistance from the CGIAR Secretariat and others in identifying candidates. Employees of CGIAR Member agencies with line responsibility for CGIAR funding decisions should not serve as members of Center Boards.

CGIAR nominees. These are trustees who have been explicitly nominated to the Board by the CGIAR. At least two positions on each Center's Board are reserved for CGIAR nominees. The number of CGIAR nominees and the process used to identify and appoint them are spelled out in each Center's charter and the CGIAR-approved guidelines on the nomination of these members. There is always close consultation between the CGIAR, through its Executive Council and the CGIAR Secretariat, and the Center's Board in identifying CGIAR nominees. The objectives of the CGIAR nomination process are to

- provide greater opportunity for the donors and stakeholders to identify potential Board candidates and participate directly in Center governance
- reinforce corporate CGIAR System perspectives to each Board
- promote greater alignment between CGIAR and Center goals and priorities
- maintain and improve the System's ability to capture geographically diverse representation in governance
- strengthen the Boards' expertise in the area of business management and corporate governance and
- ensure that key donor and client interests are considered in a Board's policymaking.

The designation of certain trustees as CGIAR nominees or appointees is also important for some Centers' efforts to establish and maintain their status as international organizations. A uniform set of criteria is used by the CGIAR and the Boards to identify CGIAR nominees. These nominees are briefed by the CGIAR but do not report back to it. Like the other members of the Board, they serve in their personal capacities.

***Ex officio* members.** These include the DG and host-country representatives nominated by the government of the country or countries in which the Center operates. Most host-country representatives serve on the Board by virtue of the office they hold, but others are nominated by the host country in their individual capacity as experts. *Ex officio* members and host-country representatives do not normally serve as Board chair or actively participate in the nominating committee. In addition, the DG is excluded from membership on the audit committee to avoid the appearance of a conflict of interest and may, for the same reason, find it advisable at times to limit his or her participation in certain other Board business.

B. Board Diversity and Balance

To maintain a sufficiently broad perspective in policymaking, Center Boards should strive for diversity and balance in their composition. Above all, given the Boards' focus on strategic matters, a requisite for Board membership should be strategic (or big-

picture) thinking and experience. As Board members from developing countries can bring understanding of the cultural, sociopolitical and institutional settings and needs to which CGIAR research is directed, about half of the members should be drawn from these countries, including the host country. The rest should be individuals drawn from industrialized countries, who can bring complementary strategic perspectives.

In addition, given the dynamic economic and scientific context of their work, Centers need to maintain a lively range of age groups and perspectives on the Board. Gender is an important aspect of diversity, and Boards should actively recruit female members to ensure balance in composition. Other diversity considerations include previous Board or governance experience, financial literacy, and experience in civil society organizations or the private sector.

C. Board Skills and Characteristics

CGIAR Center Boards are composed of a mix of professions, nationalities and experience. Within the constraints imposed by Center by-laws, membership must be carefully structured to maintain balance among science, management, international development and CGIAR experience. All Board members should be able to contribute effectively to the discussion of strategic issues, including issues of corporate strategy, governance and finance.

Familiarity with the scientific business of the Center. Each Board should have as members individuals who will be able to guide the Center in terms of its science and program strategy. There is less need on the Board for narrow scientific expertise. Individuals with such expertise can better serve on advisory committees than on Boards charged with broad governance functions.

Financial management and corporate governance expertise. Every Board should have at least one, and preferably two, members who have professional qualification in financial management.¹ Also desirable is to have at least one individual who has both previous Board experience and professional expertise in corporate, non-profit or public governance.² The need for financial expertise on the Board, and especially on its audit committee, has been stressed by recently enacted legislation and regulations on corporate accountability in North America and Europe (e.g., the Sarbanes-Oxley Act in the United States and the Higgs Report in the United Kingdom).

¹ As defined in the CGIAR Performance Measurement system, “professional qualification in financial management” means that a Board member should have (1) a recognized professional qualification in finance (preferably CPA, CA or equivalent), and (2) have substantive experience in directly managing significant financial matters in the public or private sector.

² As defined in the CGIAR Performance Measurement system, “professional expertise in corporate, nonprofit or public governance” means that a Board member should either (1) have a recognized professional qualification in corporate, nonprofit/public governance, or (2) have undergone a major special training in corporate/nonprofit/public governance, or (3) have substantial experience in directly leading an institution in the public or private sector.

International innovation system knowledge and experience. Center Boards should include members with experience and knowledge of the international innovation systems and the role of the CGIAR, including perspectives of major stakeholders (such as national agricultural research institutions, CGIAR Members and civil society organizations). Each Board should include at least two members with knowledge of the governance and management aspects of the international system and the CGIAR. These members are instrumental in promoting greater alignment between Center and System priorities.

D. Board Term Limits

Term limits enable a Board to renew its membership and build a Board responsive to the needs of the Center. Without term limits, the process of retiring Board members can become needlessly personal and political.

Members-at-large and CGIAR-nominated members should serve no more than two consecutive terms. Exceptions to the term limit, whether for the Board chair or other Board members, should occur only in extraordinary circumstances — and not for exceptional performance — and should be in the best interests of the Center.

The normal term for members-at-large and CGIAR-nominated members is 3 years. Reappointment to a second term on the Board or reelection to office should not be automatic. The performance of the individual while on the Board should be considered before renewing his or her term, as should the need to achieve and maintain an appropriate membership mix in terms of expertise, experience, nationality, age and gender.

While there is no rule against recruiting an individual finishing his or her term on one CGIAR Center Board for appointment to another, from the standpoint of the System, the practice restricts the infusion of new blood into the CGIAR and perpetuates the notion that the CGIAR is an old boys' club. When making member appointments, Boards are encouraged to view the appointment not just as an appointment to that Center's Board but also as an appointment to the System. Similarly, departing Board members may continue their association with the CGIAR by serving the System in other capacities.

E. Board Meetings

Meetings are arenas for governance. As such, their content, frequency and conduct are important ingredients of a Board's effectiveness. Meetings should be well planned in the context of the annual objectives of the Board. The conduct of Board business should be well orchestrated between the committees and the full Board. Meetings should be sufficiently frequent to enable the Board to discharge its responsibilities effectively. Most Center Boards find it necessary to hold at least two face-to-face meetings per year. Boards should also make maximum use of virtual meeting opportunities offered by new information and communications technologies, holding

additional meetings in virtual mode (smaller boards make this easier). Additional face-to-face meetings may be necessary as circumstances warrant — for example, in a year with an external review or an unexpected crisis at the Center.

F. Standing Committees

To ensure that sufficient attention is given to critical Board duties, a Center Board establishes standing and *ad hoc* committees. The most common committees are nominating, program, audit and executive. Other standing committees, focusing on activities such as governance, compensation, planning and resource development, may also be established depending on the circumstances of individual Centers.

The **nominating committee** is responsible for providing the full Board with recommendations on new members-at-large, reappointments, the desired attributes of CGIAR-nominated members, and nominations for Board chair. It may also be charged with responsibility to monitor overall Board performance and the performance of individual Board members, in which case the committee can be called the governance committee. Because its role is crucial to the Board's effectiveness, the nominating committee must be composed of experienced and respected members of the Board. The DG should not be a member of the nominating committee, but the committee should seek his or her counsel on prospective members.

The **program committee** advises the Board on all aspects of the Center's research and research-related programs, focusing on formulating strategies and program plans and monitoring performance and impact. If needed, instead of having a separate standing committee to oversee programs, the Board can seek advice on program matters from a program advisory committee external to the Center, appointed by and reporting to the Board. This enables the Board to focus more of its own attention on broader strategic matters. The key is to ensure that the Board provides broad strategic guidance and oversight but does not micromanage the scientific activities of the Center. Naming the whole Board to serve on the program committee, as a reflection of its focus on Center strategy, can blur the distinction between the whole Board and its committees; the preferred alternative may be not to have a program committee.

The **audit committee** helps the Board ensure accountability with respect to financial and management practices. The audit committee is not a finance committee; it is concerned with the integrity of financial statements, the Center's internal financial control system, and the internal and external audit function. By contrast, finance activities take a forward look at budgets, financial planning and funding prospects — all functions that lie best within the purview of a separate finance committee or, if there is none, the executive committee.

The audit committee has become all the more important following the financial scandals observed worldwide in recent years. It is a cornerstone of corporate accountability and governance, so care must be taken to assure its independence

and objectivity. The DG should not be a member of the audit committee. The appointment of external auditors should be done by the full Board upon recommendations from the audit committee.

The **executive committee** typically has three major responsibilities: (1) to act on behalf of the Board between meetings of the full Board, as the need arises; (2) to handle on behalf of the Board sensitive matters that are best kept within a smaller group; and (3) to act as a finance committee of the Board if there is no separate finance committee. When the executive committee serves as the finance committee, it monitors income and expenditures and recommends annual budget proposals to the full Board.

The existence of an executive committee can create the appearance of a two-tiered Board, with the members of the executive committee seen as being “those in the know.” This can contribute to diminished participation on the part of other members. To prevent this, the executive committee must ensure that it does not usurp the authority of the full Board. The Board chair carries a major responsibility to avoid such an occurrence.

To ensure sufficient performance review and adequate membership rotation, each standing committee should be elected annually. All committees of the Board should have formal written terms of reference that are approved and periodically reviewed by the Board. These statements should be included in a Board handbook.

G. Ad Hoc Committees

From time to time, the Board may create *ad hoc* committees to handle important matters of a one-off or transitory nature. A prime example is a search committee for a new DG.

VI. RELATIONSHIP BETWEEN THE BOARD AND THE DIRECTOR GENERAL

Relationship Between the Board and the Director General

- The relationship between the director general and the Board should be based on balance, trust, mutual respect and clarity
- The director general facilitates communication between the Center and the Board
- It is the job of the director general, not of the Board, to manage the Center
- The director general is both an *ex officio* member of the Board and its chief servant and must use his or her discretion when taking part in Board activities.

A. Role of the Director General

The DG and the Board comprise the leadership of the Center. As such, a strong need exists that the relationship between the DG and the Board be based on balance, trust, mutual respect and clarity.

The DG plays a significant role in the effectiveness of a Center Board. He or she has access to information of value to the Board and the responsibility to provide complete and comprehensible information to the Board in a strategic and timely way. The DG also facilitates communication between the Center and the Board between meetings and helps Board committees to perform their functions. He or she is a strong player in the CGIAR System and is expected to span boundaries with other Centers, Members and partners.

As the Center's chief executive, the DG is both an *ex officio* member of the Board and its chief servant. As a Board member, the DG is legitimately entitled to vote on Board matters as specified in the Center's charter but must use his or her discretion when taking part in Board activities. For example, it is inappropriate for the DG to serve on the audit committee or any *ad hoc* committee set up to identify his or her successor. It is also inappropriate for the DG to be a member of the nominating committee, but he or she should be consulted by it. Centers differ in their policies regarding the DG's involvement in Board activities. A working rule is for the DG to abstain from voting if the action could be perceived as a conflict of interest (for example, regarding Board discussion of the DG's performance).

B. Basic Duties of the Director General

It is the job of the DG, not of the Board, to manage the Center. In doing so, the DG implements Center policy by

- proposing a Center vision and strategy for discussion and approval by the Board
- building and maintaining an effective management team
- managing the program in line with the agreed strategy, including operational planning, organization, coordinating activities and evaluation
- ensuring that a good fit exists between the overall CGIAR strategy and the Center's programs
- managing finances, including financial planning and budgeting, resource allocation, monitoring and auditing
- raising funds and mobilizing resources
- managing all possible risks to the institution
- managing human resources, such as setting salary scales and benefits, conducting performance appraisals, and hiring professional and support staff (with due respect to diversity goals)
- managing corporate communication and information, including public awareness activities, and effectively using information and communication technologies

- administering other operational procedures, including procurement, and maintaining the physical plant and stores and
- maintaining partnerships and external relations with the host country and other governments, CGIAR Centers and institutions.

VII. ROLE OF THE BOARD CHAIR

Role of the Board Chair

- Establish the right culture
- Manage Board meetings
- Establish an effective Board structure and process
- Act as a spokesperson for the Center
- Maintain a healthy relationship with the director general.

The Board chair provides leadership to the Board and is responsible for its conduct and productivity. The chair's key responsibilities include the following:

Establish the right culture. The chair

- encourages productive and respectful relationships among Board members and between Board and management
- ensures the establishment and respect of rules governing functions (e.g., codes of conduct and values) and
- ensures that the Board has a process to evaluate its own performance.

Manage Board meetings. The chair

- conducts participative, efficient Board meetings by encouraging creative debate and constructive dissent and facilitating consensus and sound decision-making
- helps to focus the Board's attention on the policy and governance needs of the Center by shaping appropriate agendas for Board meetings and ensuring that Board members have the information they need to fulfill their oversight responsibilities and
- provides in-camera time (without management) for the Board.

Establish an effective Board structure and process. The chair ensures

- the establishment of appropriate Board committees with clear terms of reference
- that the whole Board is kept informed of what transpires in Board committees and
- that major policy and/or strategy decisions are brought back to the whole Board for ratification.

Act as a spokesperson for the Center. The chair

- acts as an ambassador vis-à-vis stakeholders, including CGIAR Members, civil society and private sector institutions
- contributes, as a member of the Alliance Board, to decision-making on inter-Center issues and
- participates in other System committees and task forces and works closely with the CGIAR Secretariat and Science Council.

Maintain a healthy relationship with the DG. The chair

- develops a positive relationship with the DG, acting as advisor, sounding board and occasionally challenger to the DG, while ensuring that the DG feels confident in bringing issues and challenges to the chair and/or the Board as appropriate, and
- maintains close interaction with the DG between Board meetings.

VIII. RELATIONSHIPS BETWEEN THE BOARD AND EXTERNAL CONSTITUENCIES

Relationships Between the Board and External Constituencies

- Responsibility for relations with CGIAR Members and partner governments lies with the director general, who should rely on the Board chair and members as appropriate
- Center Boards fit into a clearly defined governance structure within the CGIAR System, with the Board chair sitting on the Alliance Board
- One of the Board's responsibilities is to ensure that opportunities are taken to receive advice from the CGIAR Science Council and Secretariat and that the advice is seriously considered.

A. With CGIAR Members and Partner Governments

As a practical matter, the primary responsibility for planned formal relations with CGIAR Members, governments and other partners should lie with the DG. He or she knows the past history and current situation, the personalities involved, the rules that apply, and the Center's requirements. As appropriate, the DG should rely on the Board chair and other Board members in this activity and, in particular, seek assistance from members of host countries regarding relations with their governments.

B. With the CGIAR System

Centers have relationships with other CGIAR Centers and partner institutions of the North and South, and with the CGIAR and its committees and Secretariat.

Within the community of Centers and partner institutions, the Board's role is to ensure that the DG follows a policy of appropriate liaison, facilitation, cooperation and coordination in relation to CGIAR-wide programs and collaborative research. At the Board level, cooperation can be fostered by active participation in the Alliance of CGIAR Centers and maintaining cordial relations with nongovernmental and private organizations of both the North and South. As appropriate, representatives from other Center Boards may be included in Board meetings and field visits or in program committee meetings.

Center Boards also fit into a clearly defined governance structure within the CGIAR System. While primarily responsible for their respective Centers, Boards are also required to contribute to the management and development of the CGIAR System. The Alliance, and in particular its Board, which is made up of the chairs of the Center Boards, can contribute significantly to further improving corporate governance in the CGIAR, developing and implementing overall CGIAR strategy, and reflecting on other System-wide interests and concerns.

In the CGIAR System, the performance of the DG is assessed by the Board, whose performance is reviewed in turn by the CGIAR through its external reviews, performance measurement system, and regular oversight provided by the Executive Council with assistance from the CGIAR Secretariat.

The Science Council and the CGIAR Secretariat use two types of mechanisms to provide advice to the CGIAR on Board and Center performance:

- continuous monitoring carried out through the review of Center medium-term plans and financing proposals, annual performance indicators, Center annual reports and other documentation, as well as through the attendance of observers at Board meetings, and
- periodic peer review via external program and management reviews, which are partly based on Center-commissioned external reviews, and through which the CGIAR offers advice to Center Boards and management.

One of the Board's responsibilities is to ensure that these opportunities to receive advice are taken and that the advice is seriously considered. As an autonomous body, the Board is not required to accept the proffered advice, but in rejecting it the Board must be sure that it has sound reasons to do so and that it has taken into account the possible consequences to itself, the Center and the CGIAR System.

IX. BASIC RESPONSIBILITIES OF INDIVIDUAL BOARD MEMBERS

Basic Responsibilities of Individual Board Members

- In performing his or her work as a Board member, a member should
- be diligent in attending to Board business
 - prepare well for Board discussions, either virtual or face-to-face
 - be willing to learn
 - budget the time needed to handle Board business
 - attend meetings regularly
 - participate actively in meetings while exercising care not to dominate
 - bring balance and objectivity
 - support the decisions taken by the Board
 - follow through with the required actions between meetings
 - serve as an ambassador and advocate for the Center
 - avoid conflicts of interest, declare potential conflicts ahead of meetings, and recuse himself or herself from Board debates and decisions on matters for which he or she has a conflict and
 - contribute to a collegial and productive business culture.

For Boards to be effective, each member — without exception — must maintain high ethical standards, take responsibilities seriously, and make a commitment to further the mission of the Center and contribute diligently to the work of the Board. In ensuring that the Board achieves its purpose and fulfills its responsibilities, individual members should be guided by the overall duties of the Board described above. Each Board member has a fiduciary duty to deal fairly, openly and in good faith with the Center.

A. Legal Accountability and Liability

The CGIAR operates under the cosponsorship of the Food and Agriculture Organization of the United Nations, United Nations Development Programme, World Bank, (the original Cosponsors since 1971) and International Fund for Agricultural Development (which became a Cosponsor in 2001). The Cosponsors provide the CGIAR with continuity and strengthen the international character of the CGIAR System. The international umbrella provided by the Cosponsors imparts to the Centers and their staff an added element of stability in carrying out their operations and relationships.

A Board member may be legally accountable under the laws and statutes governing the Center's incorporation and may also have to comply with the international agreement establishing the Center and the host-country agreement under which it operates. The laws and statutes of incorporation vary from Center to Center, and each Board should receive legal advice about the provisions that apply to its members.³

In practice, because research performance is difficult to judge in any clear-cut way, and because most Board members are not residents of the country of incorporation, litigation addressing these issues is not common. Poor performance by a Board or major troubles at a Center, however, can have significant repercussions on the Center's standing and on the goodwill of external stakeholders toward the Center and the CGIAR System. Thus, Board members should recognize their accountability and fulfill the responsibilities they agreed to assume when they became Board members of a CGIAR Center.

B. General Accountability

Each member of a CGIAR Center Board acts in his or her individual capacity, not as a representative of any constituency or outside entity, be it a country, region, professional discipline or other entity through which his or her membership is derived. Members bring to the Board particular knowledge and perspectives that are relevant to the Board; the nominating committee has put its faith in the individual members' capacity to serve well as Board members, not as representatives acting under instruction. Without this distinction, Board independence and autonomy would be compromised and artificial divisions would arise.

While these standards may be obvious to members-at-large and CGIAR-nominated members, they are less clear-cut to some regional and host-country members, especially to those designated in the by-laws as *ex officio* members. Host-country members are frequently regarded by their governments as their representatives on the Board. These members have generally served their Boards well, and their status with their governments has been very important to the operation of the Centers. From the Board's perspective, however, while these members are expected to inform the Board of their government's views and concerns, they serve as individuals, not as directed representatives. Like all members of the Board, they have accountability to the Board, while recognizing that, if their government is unhappy with their performance, it may have the right to replace them.

³ In the USA, three duties (or responsibilities) are the basis for much state law, which is the level at which nonprofits incorporate: care (stewardship), loyalty (avoidance of self-dealing and conflicts of interest), and obedience (adherence to regulatory and statutory requirements). These duties are generally recognized as standards of fiduciary responsibility, and failure to perform them can result in liability to the board of directors or to individual members.

Board members are expected to be diligent and scrupulous international servants who, by their wise and prudent actions, endeavor to advance the legitimate interests and wellbeing of the groups and individuals that the Centers and the CGIAR System serve. They are expected to be well prepared, willing to participate actively, and able to articulate and defend decisions. Center Boards composed of such members greatly strengthen the ability of Centers and the CGIAR to reach their goals of achieving sustainable food security, alleviating poverty in developing countries and protecting the environment.

ANNEX

Sample Self-Assessment Checklist for CGIAR Boards and Board Members

As a Center Board in the Consultative Group on International Agricultural Research (CGIAR), do we satisfy the necessary conditions?

1. Do we focus our attention on the Center's purpose and outcomes?
 - ✓ Are we clear about how the Center's activities and outputs contribute to the goals of the Center and the CGIAR?
2. Have we made clear to whom the Center is accountable and for what? Do we reinforce these accountabilities with our actions?
 - ✓ As a Board, do we have a clear policy for regularly sharing with stakeholders data (both programmatic and financial) on the Center's performance?
3. Do we understand our stakeholders' perspectives and keep these in mind when conducting our business?
 - ✓ Is our Board composed of individuals who are familiar with the perspectives of our key stakeholders?
 - ✓ Do we ensure that the Center proactively seeks the views of our key stakeholders?
4. Do we ensure that timely and accurate disclosure is made on all material matters regarding the Center?
 - ✓ Are our policies, activities, agreements and Board decisions publicly available?
5. Do we uphold high ethical standards, and are we committed to effective governance?
 - ✓ Do we have a code of conduct as a Board?

As a CGIAR Center Board, do we fulfill our responsibilities?

1. Have we ensured that the Center has a clear mission and strategy?
 - ✓ Is our mission consistent with the CGIAR goals and division of responsibilities among CGIAR institutions?
 - ✓ Do we have clear performance targets for implementing the Center's strategy?
 - ✓ Do we actively guide the preparation of medium-term plans?
2. Do we ensure strong, continuous leadership for the Center?
 - ✓ Do we have a clear succession plan for senior management?
 - ✓ Have we made the boundaries between the Board and management sufficiently clear?
 - ✓ Do we annually assess the director general's performance against agreed objectives?

3. Through our practices and actions, are we setting high ethical standards and values for the Center?
 - ✓ Does the Center have in place up-to-date policies that guide its operations regarding, for example, human resources, gender and diversity, intellectual property, conflict of interest, communication, partnerships, etc.?
 - ✓ Do we regularly review the risks the Center faces and take action to mitigate them?
 - ✓ Do we have a policy to protect whistle-blowers?

4. Do we provide effective oversight of the Center's program performance, focusing in particular on strategic and policy issues?
 - ✓ Is there an objective performance management system that the Board can use for oversight?
 - ✓ Does the Board regularly commission Center-commissioned external reviews?
 - ✓ Does the Board spend most of its time discussing strategic and policy issues?

5. Do we provide active and effective oversight of the Center's finances?
 - ✓ Do we have a high-quality, independent external audit mechanism?
 - ✓ Is the financial reporting system providing to the Board the information it needs for effective oversight?

6. Do we, as a Board, function as an effective body?
 - ✓ Do we have the right mix of skills and experience on the Board?
 - ✓ Are the members of the Board truly independent?
 - ✓ As a Board, do we assess our performance annually and take action based on results?
 - ✓ As a Board, do we have a clear plan for communicating with stakeholders?

As a Board member, do I do my part?

1. Am I diligent in attending to Board business?
 - ✓ Do I contribute to developing agendas for Board meetings?

2. Do I prepare well for Board discussions, whether virtual or face-to-face?
 - ✓ Do I read all the Board documents before the meetings?

3. Am I willing to learn?
 - ✓ Do I have a solid understanding of the Center's mission, goals and strategy?

4. Am I able to devote the time needed for handling Board business?
 - ✓ Am I a contributor or a "passenger" on this Board?

5. Do I attend Board meetings regularly?
 - ✓ Do I ever miss two meetings in a row?

6. Do I participate actively in meetings while exercising care not to dominate?
 - ✓ When I speak, am I mindful of the time I am taking from my Board colleagues' contributions?
7. Do I bring balance and objectivity?
 - ✓ In Board discussions, do I truly speak my mind?
8. Do I support the decisions taken by the Board?
 - ✓ Do I criticize a Board decision if I was in the minority regarding that decision?
9. Do I follow through with the required actions between meetings?
 - ✓ Have I ever been negligent in completing the tasks assigned to me by the Board?
10. Do I serve as an ambassador and advocate for the Center?
 - ✓ Have I represented the Center at external forums?
 - ✓ Have I contributed to raising funds for the Center?
11. Do I avoid conflicts of interest?
 - ✓ Do I declare potential conflicts ahead of meetings and recuse myself from Board debates and decisions on matters for which I am conflicted?
12. Do I contribute to a collegial and productive business culture in the Board?
 - ✓ Do I contribute to building consensus in the Board, especially on controversial issues?

REFERENCE SOURCES ON GOVERNANCE

Published Sources

Allen, Nancy, and Vicki Wilde. 2003. Monitoring and Evaluating Diversity Goals and Achievements — Guidelines and Tools for the CGIAR Boards of Trustees (CGIAR Gender & Diversity Program Working Paper #41). Washington, DC.

Australian Stock Exchange. 2003. Principles of Good Corporate Governance and Best Practice Recommendations. Sydney.

Bangladesh Enterprise Institute. 2004. The Code of Corporate Governance for Bangladesh. Dhaka.

Bowen, William G. 1994. Inside the Boardroom: Governance by Directors and Trustees. Hoboken, NJ: John Wiley & Sons.

Carter, Colin B., and Jay W. Lorsch. 2003. Back to the Drawing Board: Designing Corporate Boards for a Complex World. Cambridge, MA: Harvard Business School Press.

Carver, John. 2006. Boards That Make a Difference, 3rd edition. Hoboken, NJ: Jossey-Bass.

CGIAR Secretariat. 2006. Report of the Stripe Review of Corporate Governance of CGIAR Centers. Washington, DC.

———. 2004. The Charter of the CGIAR System. Washington, DC.

———. 1997. The Role, Responsibilities and Accountability of Center Boards of Trustees (reference guidelines for CGIAR international agricultural research Centers and their Boards of Trustees, No. 1). Washington, DC.

———. 1984. Report on Roles, Relationships and Responsibilities of Trustees of International Agricultural Research Centers (Hardin Report). Washington, DC.

Chait, Richard, et al. 2004. Governance as Leadership: Reframing the Work of Nonprofit Boards. Hoboken, NJ: John Wiley & Sons.

Conger, Jay Alden, David L. Finegold and Edward E. Lawler III. 2001. Corporate Boards: New Strategies for Adding Value at the Top. Hoboken, NJ: Jossey-Bass.

Eadie, Doug. 2001. Extraordinary Board Leadership: The Seven Keys to High-Impact Governance. Sudbury, MA: Jones and Bartlett Publishers.

German Panel on Corporate Governance. 2000. Code of Best Practice for German Corporate Governance. Frankfurt.

Higgs, Derek. 2003. Review of the Role and Effectiveness of Non-Executive Directors. London: Department of Trade and Industry.

Houle, Cyril O., and Alan Shrader. 1997. Governing Boards: Their Nature and Nurture. Hoboken, NJ: Jossey-Bass.

Independent Commission for Good Governance in Public Services. 2004. The Good Governance Standard for Public Services. London: Office for Public Management, Ltd., and The Chartered Institute of Public Finance and Accountancy.

Institute of Directors in Southern Africa. 2002. King Report on Corporate Governance for South Africa. Parktown.

Joint Committee on Corporate Governance. 2001. Final Report: Beyond Compliance: Building a Governance Culture. Toronto: Canadian Institute of Chartered Accountants, Canadian Venture Exchange, and Toronto Stock Exchange.

National Council for Voluntary Organizations. 2005. Good Governance: A Code for the Voluntary and Community Sector. London: National Hub of Expertise in Governance.

New Zealand Securities Commission. 2004. Corporate Governance in New Zealand: Principles and Guidelines. Wellington.

New York Stock Exchange and National Association of Securities Dealers. 1999. Report and Recommendations of the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees. New York: NYSE and NASD.

Organisation for Economic Co-operation and Development. 2004. OECD Principles of Corporate Governance. Paris: OECD Publication Service.

———. 2005. OECD Guidelines on Corporate Governance of State-owned Enterprises. Paris: OECD Publication Service

Pointer, Dennis Dale, and James E. Orlikoff. 2002. The High-Performance Board: Principles of Nonprofit Organization Governance. Hoboken, NJ: Jossey-Bass.

Robinson, Maureen K. 2001. Nonprofit Boards That Work: The End of One-Size-Fits-All Governance. Hoboken, NJ: John Wiley & Sons.

Salmon, Walter J., et al. 1999. Harvard Business Review on Corporate Governance (collection of articles from Harvard Business Review). Cambridge, MA: Harvard Business School Press.

Vienot, Marc, et al. 1999. Recommendations of the Committee on Corporate Governance. Paris: Association Francaise des Entreprises Privees and Mouvement des Entreprises de France.

Ward, Ralph D. 1996. 21st Century Corporate Board. Hoboken, NJ: Jossey-Bass.

Web-based Information

American Institute of Certified Public Accountants, which has been serving the accounting profession since 1887, provides on its website a useful overview of the Sarbanes-Oxley Act of 2002, which is regarded as the most far-reaching legislation impacting on how publicly traded organizations are governed: www.aicpa.org/info/sarbanes_oxley_summary.htm.

Board Café provides useful information for nonprofit organization Board members, presented in capsule form, at www.compasspoint.org/boardcafe/index.php

BoardSource, formerly the National Center for Nonprofit Boards (NCNB), has a useful compilation of commonly asked questions on Board governance and responses to them. The first set of guidelines for CGIAR Boards was developed based on materials from NCNB: www.boardsource.org/Knowledge.asp?ID=3. The following publications available through BoardSource may be of interest:

- Berger, Steven. 2003. Understanding Nonprofit Financial Statements, 2nd Edition.
- Dietel, William M., and Linda R. Dietel. 2001. The Board Chair Handbook.
- Flynn, Outi. 2004. Meet Smarter: A Guide to Better Nonprofit Board Meetings.
- Yankey, John A., and Amy McClellan. 2003. The Nonprofit Board's Role in Planning and Evaluation.
- Light, Mark. 2004. Executive Committee.
- Lakey, Berit M., et al. 2004. Governance Committee.
- Kurtz, Daniel L., and Sarah E. Paul. 2006. Managing Conflicts of Interest: A Primer for Nonprofit Boards.
- Lang, Andrew S. 2003. Financial Responsibilities of Nonprofit Boards, Revised Edition.
- Hopkins, Bruce R. 2003. Legal Responsibilities of Nonprofit Boards.

CGIAR posts financial guidelines, prepared by the CGIAR finance professionals and covering financial management, accounting policies, audit policies, preparation of medium-term and financing plans, indirect cost allocation, and procurement of goods and services, at www.cgiar.org/publications/finguide/index.html.

CGIAR Internal Audit Unit posts good practice notes covering, among other topics, risk management, board audit committee charters, internal audit charters and selection criteria for external auditors, at www.cgiar.org/who/structure/system/audit/whatwedo.html.

Corporate Governance provides useful insights on governance issues and a listing of current publications and book reviews at www.corpgov.net/inside/inside.html.

Institute of Corporate Directors, Canada, is recognized as one of the leading governance resources in Canada: www.idc.ca.

International Corporate Governance Network is a network of institutional investors, shareholder advocates and corporate governance experts that seeks to bridge the gap between corporate management and shareholders: www.icgn.org.

National Association of Corporate Directors, founded in 1977, is a leading educational, publishing and consulting organization on board leadership and provides a valuable forum on matters of policy and practice at www.nacdonline.org.

Robert's Rules of Order provides an updated electronic version of the well-known procedural guide for meetings, including general insights that can be useful to chairs and directors, at www.rulesonline.com

Toolkit for Boards provides useful corporate governance links, especially on governance methods and applications, at www.mapnp.org/library/boards/boards.htm.



CGIAR Secretariat

A Unit of the CGIAR System Office
1818 H Street, NW
Washington, DC 20433
USA

t: 1 202 473 8951 f: 1 202 473 8110

e: cgiar@cgiar.org

March 2007