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**Framework Document
for
The CGIAR Fund**

DRAFT 5

This document describes the main features of the new CGIAR Fund and the roles, responsibilities, relationships and accountabilities of its components. It is a work-in-progress. It has benefitted from views of CGIAR donors expressed in the London Donor Meeting, the outcome of discussions at ExCo 16, advice provided by the Advisory Group for the Fund, and comments made by World Bank experts on trust fund design. It will be modified based on the feedback received during the upcoming e-consultations (October 20-22, 2009) before being submitted to ExCo17 for further discussion.

**CGIAR Secretariat
Washington, D.C.**

16 October 2009

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44	A. Introduction
45	
46	B. The CGIAR Fund
47	
48	1. Description
49	1.a Funding “Windows”
50	1.b General Guidelines
51	1.c Fund Allocation Process--A Preliminary Description
52	1.d Entities and Events Associated with the Fund
53	
54	2. Funders Forum
55	
56	3. Fund Council
57	
58	4. Fund Office
59	
60	5. Trustee
61	
62	6. Independent Science and Partnership Council
63	
64	C. Responsibilities of CGIAR Donors
65	
66	D. Responsibilities of CGIAR Centers
67	
68	
69	Annex
70	
71	Figure 1. CGIAR Trust Fund Management Flow Chart
72	
73	Figure 2. Funding and Information Flows – All Donors
74	
75	Table 1. CGIAR Program Cycle Steps and Roles of Principal Actors
76	
77	Table 2. Proposed Composition of the Inaugural Fund Council
78	

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A. Introduction

The CGIAR approved extensive reforms in 2008, introducing a new organizational architecture and governance model. The unitary oversight model of the old CGIAR is being replaced by two separate but mutually reinforcing pillars, one on operations (the Consortium of CGIAR Centers) and the other on financing (a new CGIAR Fund), with several new mechanisms forming a bridge between the two pillars. This two-pillar structure provides a clear separation between the “doers” and the “funders.”

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The Consortium of CGIAR Centers is a new legal entity being established by the international Centers that are part of the CGIAR to facilitate collective action and provision of common services. *The CGIAR Fund* is a new multi-donor, multi-year funding mechanism set up to provide strategic financing to support priority agricultural research areas. These two pillars are joined through four *bridging mechanisms*:

1. *Strategy and Results Framework* (SRF) setting common goals (in terms of development impacts), strategic objectives and results (in terms of outputs and outcomes) to be jointly achieved by the Fund, the Consortium and bilateral funders to the Centers within a certain time frame;
2. *Performance Agreements for Mega-Programs* between the Fund and the Consortium—for operationalizing the agreed SRF;
3. *A Monitoring and Evaluation (M&E) Framework*—for institutional learning and promoting accountability.
4. *Independent Science and Partnership Council* (ISPC)—for enhancing and promoting the quality, relevance and impact of science and science partnerships in the CGIAR.

B. The CGIAR Fund

1. Description

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The CGIAR Fund (the Fund) will finance Mega-Programs under the SRF for implementation by the Centers and their partner institutions implementing the Programs. It is intended to facilitate harmonization of donor support by providing a single entry point for financing through three designated funding “windows”.

1.a Funding “Windows”

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Donors contributing to the Fund (Fund Donors) may designate use of their funds in one of three ways in the following order of preference to support coordination and harmonization:

1. *Window 1*: To the entire CGIAR program portfolio, (i.e., *unrestricted funding*—);

- 124 2. *Window 2*: To one or more of the Mega-Programs that are part of the agreed
125 program portfolio (*program funding*); and,
126
127 3. *Window 3*: To one or more Centers (*institutional funding* for activities under the
128 SRF).
129

130 Under the new funding model the counterpart of the Fund on the “doer” side is the
131 Consortium—not the individual Centers. Thus, all funds would be channeled from the
132 Fund to the Consortium through appropriate agreements. In the case of Mega-Programs,
133 this would be in the form of program performance agreements, with performance criteria
134 based on the approved program proposal. In the case of institutional support, only a
135 “light” agreement would be needed, requiring that the funds are to be used subject to
136 agreed common standards and for support to activities under the SRF.
137

138 *Window 1* funds would be allocated by the Fund Council, primarily to Mega-Programs.
139 The Fund Council would also consider proposals from the Consortium for support to
140 other critical activities or to institutions that are vital for successful implementation of the
141 SRF.
142

143 *Window 3* is a transitional window and is expected to be phased out in 2012. During the
144 transition period Centers and donors are expected to shift t their operations and processes
145 from an institutional to a programmatic approach. This shift is a key feature of the new
146 CGIAR intended to promote a results management approach in the implementing of
147 international agricultural research.. Once the full portfolio of Mega-Programs is ready
148 for financing, the CGIAR Fund would have only two “windows.” Thus, there is a *sunset*
149 *clause* for Window 3.
150

151 The existing Multi-Donor Trust Fund (MDTF) managed by the World Bank would also
152 be terminated in 2012, leaving only the Fund as the collective financing facility for the
153 CGIAR.
154

155 **1.b General Guidelines**

156

157 Fund donors, by participating in the Fund, agree that:

- 158
- 159 1. They would adhere to the principles laid out in the CGIAR Declaration as adopted
160 at the 2009 Business Meeting;
 - 161 2. The Fund is an instrument for harmonizing their approach to funding international
162 agricultural research through the CGIAR;
 - 163 3. They are financing the approved CGIAR SRF through one or more of the three
164 funding windows until 2012 and preferably through the unrestricted funding
165 window thereafter;
 - 166 4. If they were to provide bilateral funding these should be for activities within the
167 agreed SRF;
 - 168 5. They will rely on the judgment of the Fund Council, as the decision making body
169 of the Fund, for collective decisions on behalf of all Fund Donors, including

- 170 allocation decisions on unrestricted funds (Window 1), following review of
171 funding requests from the Consortium;
- 172 6. All outflows from the Fund to the Consortium would be based on proposals
173 received, negotiated and approved by the Fund Council;
- 174 7. The World Bank, as Trustee, would serve as the agent of the Fund Council in
175 effectuating program performance agreements between the Fund and the
176 Consortium;
- 177 8. Fund donors contributing to window 2 agree that, in the event their preferred
178 program(s) appear to be overfunded based on initial funding indications, the Fund
179 Council would advise them to channel part of their resources to under-funded
180 programs;
- 181 9. They will rely on the independent evaluation and performance monitoring
182 mechanisms established by the Fund Council and the Consortium and refrain
183 from conducting additional, duplicative evaluations of Mega-Programs or
184 Centers;
- 185 10. A levy will be charged on all Fund contributions to finance the approved
186 operating budgets of the Fund Office, ISPC and any other business expenditures
187 associated with the Fund Council and the Funders Forum, in addition to the trust
188 fund administration fee charged by the World Bank;
- 189 11. Rights and remedies regarding fiduciary and programmatic responsibility are as
190 negotiated with the Consortium and reside with the Fund Council, as a collective,
191 on behalf of all Fund Donors.

192 193 **1.c Fund Allocation Process--A Preliminary Description**

194
195 **Context.** There are four possible sources of financing for a specific Mega-Program:

- 196 ➤ *Source 1: Unrestricted funds* (Window 1) allocated by the Fund Council to
197 that Mega-Program
- 198 ➤ *Source 2: Program funds* (Window 2) designated for that Mega-Program
- 199 ➤ *Source 3: Institutional funds* (Window 3) designated by individual Fund
200 Donors for a Center, part of which the Center could allocate to that Mega-
201 Program
- 202 ➤ *Source 4: Bilateral funds* (resources provided outside the Fund framework)
203 for financing a project or activity that is part of that Mega-Program.
204

205 Because of the complexities involved in balancing supply and demand for funds, the fund
206 allocation process needs to be *iterative* rather than *linear*. Program design and financing
207 need to be adjusted and fine tuned in an iterative manner in order to arrive at a portfolio
208 of programs that has sufficient funding.
209

210 **Program Review and Approval.** The responsibility for approving individual Mega-
211 Program proposals rests with the Fund Council, which is responsible for setting the
212 program criteria. The Consortium is required to follow these criteria in the preparation
213 and submission of each Mega_program proposal to the Council.
214

215 In addition to the *program content*, each Mega-Program proposal will include a *financing*
216 *plan*. The Fund Council reviews first the program content the proposal, with advice from
217 ISPC and other experts (as needed). If a proposal does not pass the program criteria
218 established by the Fund Council, it is rejected. The Consortium has the right to submit a
219 revised proposal.

220

221 The Fund Council, therefore, reviews financing plans of only the Mega-Program
222 proposals that pass the program content criteria. This review is done across proposals
223 that have passed the program content criteria and involves dialogue with Fund Donors
224 interested in funding these Mega-Programs. The Fund Council informs the Consortium
225 of the any mismatch between the financing plans proposed by the Consortium and
226 available window 1 funds. Mega-Programs that have no mismatches in financing are
227 approved by the Fund Council and proceed to preparation of performance agreements.

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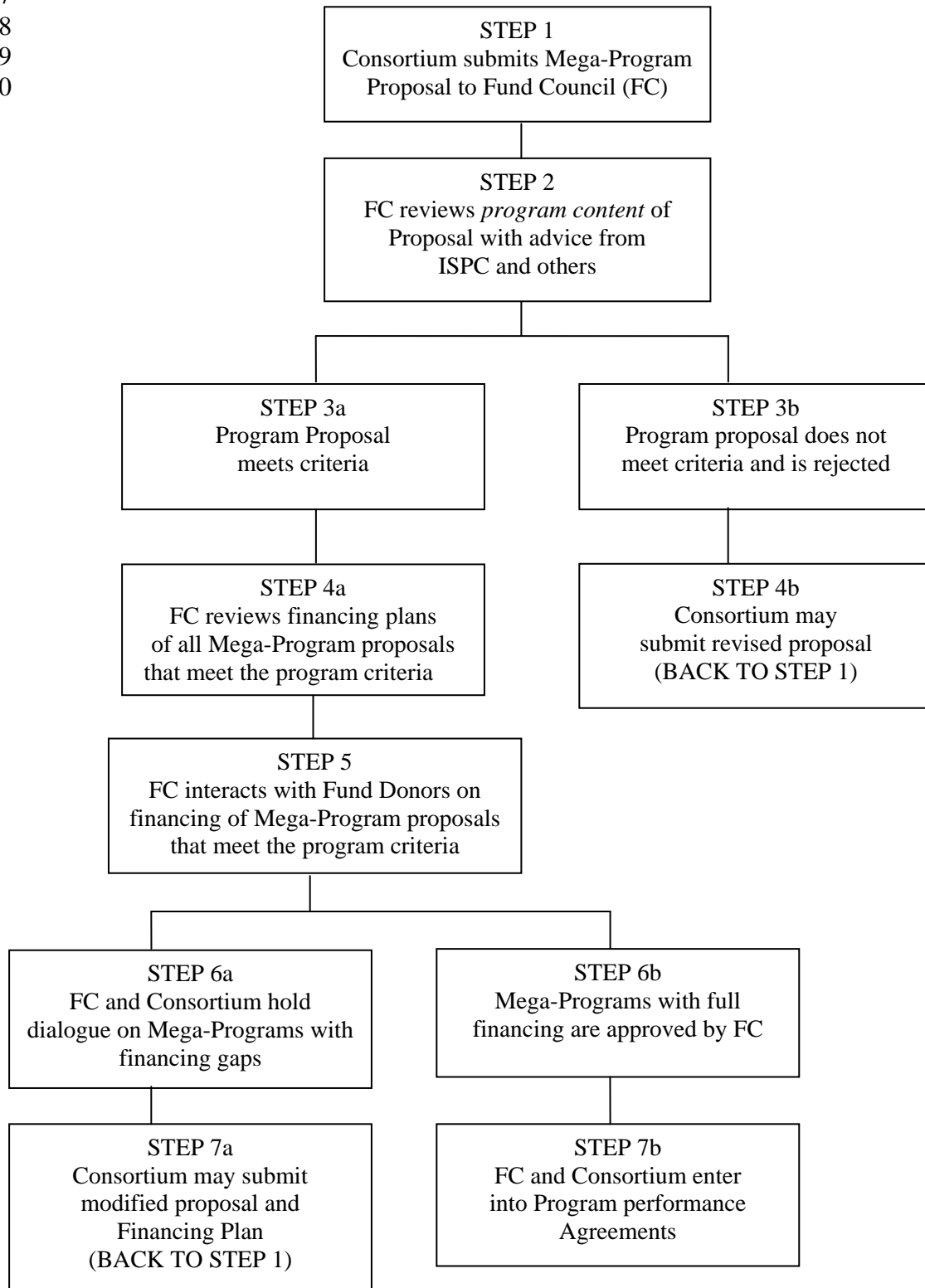
229 Where there are mismatches, the Consortium and the Fund Council discuss how these
230 could be addressed. The Consortium has the opportunity to propose a modified proposal
231 and matching financing plan that could be fully funded. The Council reviews the
232 modified proposal and financing plan and takes a decision to approve or reject the
233 proposal.

234

235 The following flow chart illustrates the envisaged process.

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241 **1.d Entities and Events Associated with the Fund**

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243 The CGIAR’s new governance structure includes new entities and events. Principal
244 among these are the following:

- 245 • Funders Forum
- 246 • Fund Council
- 247 • Fund Office
- 248 • Trustee
- 249 • Independent Science and Partnership Council (ISPC)
- 250 • Consortium
- 251 • Centers

252

253 Annex Figures 1 and 2 illustrate the relationships among these entities in terms of
254 agreements and flows of funding and information.

255

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2. Funders Forum

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259 ***Objectives and Functions***

260

261 Funders Forum is a biennial event providing a platform through which the participants:

- 262 • discuss and exchange views about the CGIAR;
- 263 • endorse the SRF proposed by the Consortium every six years;
- 264 • provide feedback to the Consortium and the Fund Council on the implementation
265 of the Framework based on progress reports received from them and on the mid-
266 term reviews of the SRF conducted after the first three years of implementation;
- 267 • review shortfalls or imbalances in resources available for Mega-Programs--so
268 that individual donors could consider adjusting their allocations; and,
- 269 • agree on a shared approach to cost recovery for services provided to all donors.

270

271 ***Participants***

272

273 All countries and organizations that are Fund Donors, members of the Fund Council or
274 countries hosting the headquarters of a CGIAR Center or the Consortium are
275 automatically invited to participate in the Funders Forum. In addition, participation in
276 the Forum is open to all bilateral donors making a minimum financial contribution of
277 US\$ 500,000 in the prior calendar year to support implementation of the SRF.

278

279 The Chair of the Forum, in consultation with donor participants, will identify and invite
280 representatives of CGIAR’s internal and external stakeholders that are not members of
281 the Fund Council to participate in the Forum

282

283 ***Meetings***

284

285 The Forum will be convened every two years, synchronized with the biennial meeting of
286 GCARD in such a way as to ensure feed-in of GCARD recommendations to the Forum.

287 In addition, in the off-years CGIAR donors would be invited to have dialogue with the
288 Consortium in an event that is closely linked with a meeting of the Fund Council,
289 according to a format agreed by the Consortium and the Fund Council.

290
291 The inaugural meeting of the Forum will be chaired by the Chair of the Fund Council.
292 The Fund Council will propose options for chairmanship of subsequent meetings for
293 discussion and decision at the inaugural Forum.

294
295 The Chair provides leadership to the deliberations of the Forum, interacts with the Fund
296 Council, the Consortium and Funder Forum participants, and provides guidance to the
297 Fund Office on Forum matters, such as the follow-up of Forum recommendations on the
298 SRF.

299
300 Support to the Forum and its Chair is provided by the Fund Office.

301

302

303 **3. Fund Council**

304

305 ***Objectives and Functions***

306

307 The Fund Council is the Fund's decision-making body, representing the Fund Donors. As
308 such, it acts in their best interest. This includes ascertaining that the Consortium has in
309 place effective accounting and control systems and processes to ensure that funds
310 transferred to the Consortium are used for their intended purpose.

311

312 The Council has the following specific responsibilities¹:

313

314 Oversight:

315 1. Serving as the locus of oversight in the CGIAR for the partnership's governance and
316 institutional health.

317 2. Providing oversight on the use of the Fund's resources².

318

319 Mega-Program and Institutional Support:

320 3. Setting criteria, standards, formats and processes for funding Mega-Program
321 proposals from the Consortium.

322 4. Reaching a results-based program performance agreement with the Consortium on
323 each Mega-Program³, on the basis of advice from the ISPC on Mega-Program

¹ Annex Table 1 illustrates the new *program cycle* in the CGIAR, including the roles and responsibilities of various actors.

² On fiduciary matters there is a *chain of responsibility*:

- a. the Fund Council carries responsibility for the decisions it makes on the use of Fund resources;
- b. the Trustee carries fiduciary responsibility on the funds until they are transferred to the Consortium;
- c. the Consortium has full fiduciary responsibility for the use of the funds allocated by the Fund Council.

³ The Fund Council and the Consortium would have an umbrella agreement defining mutual roles, responsibilities and accountabilities in funding, implementing, monitoring and evaluation of individual

324 proposals received and subsequent revisions, if any, of the proposal based on the
325 reaction of the Fund Council.

326

327 Resource Mobilization and Allocation:

328 5. Developing and implementing a resource mobilization strategy for the Fund, in close
329 cooperation with the Consortium, so as to provide adequate and predictable funding
330 for Mega-Programs.

331 6. Allocating window 1 funds.

332 7. Reconciling funding requirements and availability for individual Mega-Programs in
333 the program portfolio, in consultation with relevant donors and based on information
334 provided by the Consortium.

335

336 Monitoring and Evaluation:

337 8. Appraising the performance of the Consortium in meeting its obligations as defined in
338 performance agreements, relying on accurate, comprehensive, timely and harmonized
339 information provided by the Consortium, and taking corrective action (such as
340 withholding funds or seeking amendment to Mega-Program performance
341 agreements.)

342 9. Commissioning periodic independent external evaluations of Mega-Programs (and
343 cross-cutting themes) as deemed appropriate, to provide independent validation of the
344 findings of the self-evaluations commissioned by the Consortium.

345 10. Self-monitoring the efficacy of its fund allocation mechanism.

346 11. Monitoring the performance of ISPC and the Fund Office.

347

348 Governance:

349 12. Appointing the Chair of the Fund Council and proposing arrangements for the Chair
350 of the Funders Forum.

351 13. Appointing the Chair and members of the ISPC.

352 14. Leading an international competitive process to identify the Director of the Fund
353 Office for the World Bank to appoint, and, when needed, suggesting a replacement
354 for the Director.

355 15. Providing conflict of interest guidance for the Fund, Fund Office and Fund Council.

356 16. Approving the Fund Office work program and budget.

357

358 Reporting:

359 17. Informing Fund Donors on the utilization of their funds and the achieved results,
360 informing the Funders Forum on the implementation of the SRF and imbalances in
361 funding Mega-Programs, based on data provided by the Consortium.

362 18. Reporting to Fund Donors on future funding prospects.

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367 ***Membership***

Mega-Programs. This agreement would also cover standard provisions that would apply to individual Mega-Program agreements.

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The Fund Council is a representative body, composed of donor members and stakeholder members. *Eligibility* for Fund Council membership is as follows:

- *Group 1—Part 1 countries:* Average annual contribution to the CGIAR Fund over the previous two calendar years of at least USD 5.0 million⁴.
- *Group 2—International organizations and foundations:* Average annual contribution to the CGIAR Fund over the previous two calendar years of at least USD 1.0 million.
- *Group 3—Part 2 countries and regional financial institutions serving developing countries:* Average annual contribution to the CGIAR Fund over the previous two calendar years of at least USD 0.5 million.
- *Group 4--External stakeholders reflecting beneficiary and partner perspectives:* GFAR and Regional Forums of agricultural research constituted by countries in each developing country region.

The Council will have 14 *rotating* and a number of *non-rotating members*, not counting the Chair. Non-rotating members will be comprised of Fund Donors whose contributions are above a threshold, as described below. Thus, Fund Donors would gain Council membership by one of two ways:

- a) *On a rotation basis, by being selected through a constituency.* Fourteen Council seats will be allocated to 10 constituencies identified below, reflecting an equal split between potential members in Groups 1 and 2, above, and members in Groups 3 and 4. Each constituency would select its representative and identify an order of rotation among eligible candidates. If one or more members of a constituency qualify for non-rotating seats in the Council, the membership quota for that constituency would be reduced by that number, provided there is at least one rotational seat left in the constituency to provide opportunity to the remaining members of the constituency to serve in the Council⁵.

Constituencies for Groups 3 and 4 (total=7):

Sub-Saharan Africa	2
Asia	2
Central and West Asia and North Africa	1
Latin America and the Caribbean	1
External Stakeholders	1

Constituencies for Groups 1 and 2 (total=7):

⁴ Until the CGIAR Fund becomes operational eligibility thresholds will be based on total contributions made to CGIAR Centers, support units and business processes.
⁵ In case the quota for the constituency drops to zero or a negative number after subtracting from the quota the number of donors qualifying for non-rotating seats, and if there are one or more non-rotating members remaining in the constituency, the quota for the constituency would be increased to 1 (one) to provide opportunity for the remaining donors to be represented in the Council.

408	Asia-Pacific	1
409	North America	1
410	Europe	3
411	International Organizations	1
412	Foundations	1

413

414 The three regional financial institutions (Asian Development Bank, African
415 Development Bank and Inter-American Development Bank) will be grouped with
416 their respective developing country constituency.

417

418 b) *Due to the size and composition of their contribution to the CGIAR:* These
419 Council members will be identified based on specific thresholds identified for (a)
420 Groups 1 and 2; and (b) Group 3, above, based on their average annual total
421 contributions to the CGIAR Fund over the previous two calendar years. For the
422 inaugural Fund Council, the thresholds will be:

- 423 i. Fund Donors in Groups 1 and 2 with at least US\$20.0 million total annual
424 contributions, of which at least 10m is unrestricted; and
- 425 ii. Fund Donors in Groups 3 and 4 with at least US\$2.0 m total annual
426 contributions, of which at least \$1.0 million is unrestricted.

427

428 Table 2 in the Annex illustrates eligibility for Fund Council rotating membership using
429 the above criteria and quotas, based on average annual contributions to CGIAR
430 institutions during 2007 and 2008. The table also shows the Fund Donors that would
431 qualify as *non-rotating members* at the above threshold level. This scenario results in a
432 Council with 16 members (plus the Chair), with 9 members from Groups 1 and 2 and 7
433 members from Groups 3 and 4.

434

435 The term of membership in the Council is two calendar years for all members. Once the
436 Fund becomes operational, Fund Donor definitions and threshold levels for non-rotating
437 membership will be based on *actual contributions to the CGIAR Fund*. These levels
438 would be decided by the inaugural Fund Council and would apply to the composition of
439 the Council that will succeed the inaugural Fund Council in 2012.

440

441 ***Chair and Executive Secretary***

442

443 The Fund Council Chair will be nominated by the World Bank President from among the
444 Vice-Presidents of the World Bank, after informal consultation with the Fund Donors.
445 The Chair leads the conduct of the Fund Council's business, chairs the Fund Council
446 meetings, represents the CGIAR Fund in external forums and supervises the Fund Office
447 on behalf of the Council.

448

449 The Director of the CGIAR Fund Office serves as the Executive Secretary of the Fund
450 Council. The Executive Secretary assists the Chair in the conduct of Council business
451 and represents the Council in external forums. The Chair, Executive Secretary and the
452 Fund Council are supported by the staff of the Fund Office.

453

454 ***Meetings***

455

456 The Fund Council meets face-to-face twice a year. Additional meetings can be held as
457 necessary. Meetings are preferably hosted by a Fund Donor or Center, as designated by
458 the Fund Council Chair. The Fund Council may also conduct business electronically
459 between meetings. All meetings of the Fund Council are open to any Fund Donor as
460 *observer*.

461

462 Representatives of other external stakeholders (such as GFAR, regional forums on
463 agricultural research that are not represented in the Council as members, private sector
464 and civil society institutions) and internal stakeholders (such as the Chief Executive
465 Officer of the Consortium, Chair of the Consortium Board, Chair of ISPC, a
466 representative of the Trustee⁶, and prospective donors to the CGIAR Fund) may be
467 invited to participate in a Council meeting as *observers*. Invitations to observers would be
468 made by the Council's Executive Secretary, based on the meeting agenda and in
469 consultation with the Council.

470

471 The Fund Council will determine its own internal rules and procedures, including rules
472 for managing potential conflicts of interest. It has the option to convene Executive
473 Sessions. These will remain open to any Fund Donor meeting the eligibility threshold
474 level.

475

476 ***Decision-making***

477

478 Decision by the Fund Council will be made by consensus⁷ of its members. The Chair
479 articulates the consensus view. A Council member dissenting with the consensus view
480 articulated by the Chair may state an objection by attaching a statement or note to the
481 decision. If consensus is not possible, then the proposed decision will be postponed or
482 withdrawn.

483

484 Whenever a decision must be taken by the Council that cannot be postponed until the
485 subsequent Council meeting, and no special meeting is called, the Chair may seek to have
486 the decision taken on an electronic "no-objection basis." The Fund Office will keep track
487 of the decisions taken on a no-objection basis.

488

489 The Council will make its decision processes transparent, through timely and accurate
490 reporting to all Fund Donors, and periodic governance audits of the Fund Council. It will
491 provide clear instructions to Trustee regarding funding allocations and agreements with
492 the Consortium on Mega-Programs.

493

494

4. Fund Office

495

496 ***Objectives and Functions***

⁶ Meaning, an officer of the World Bank responsible for Trust Fund operations.

⁷ Consensus implies the closest possible convergence of views among members on the matter under discussion and does not necessarily imply unanimity.

497

498 The CGIAR Fund Office is the support unit of the Funders Forum, Fund Council and the
499 respective Chair. Fiduciary responsibility for the Fund resides with the Fund Council.
500 The Fund Office does not have fiduciary, monitoring or oversight role regarding the use
501 of Fund funds.

502

503 The Fund Office has responsibilities in the following four areas:

504

505 1) Support to Fund Council. The Fund Office assists the Council and its Chair in the
506 conduct of the Council's business; follows-up Council decisions. Examples:

507

a. Managing relations with Fund Donors;

508

b. Drafting background notes and papers as requested by the Fund Council;

509

c. Setting-up and maintaining data bases;

510

d. Developing draft Fund Council procedures and guidelines; assisting in
511 formulation of performance agreements;

512

e. Analyzing financial aspects of mega-program proposals as input to Council
513 decisions;

514

f. Preparing compliance reports based on monitoring data submitted by the
515 Consortium;

516

g. Implementing targeted resource mobilization activities.

517

518 2) Support to Funders Forum. The Fund Office assists the Chair of the Funders Forum
519 in organizing the Forum; follows-up the outcomes of the Forum.

520

521 3) Liaison with the Trustee, Consortium and ISPC. The Fund Office assists the Fund
522 Council in maintaining its business relations and dialogue with the Trustee,
523 Consortium and ISPC on day-to-day operational matters.

524

525 4) Meeting Support and Communications:

526

a. Organizes and backstops the regular meetings of the Funders Forum and the Fund
527 Council;

528

b. Coordinates the Forum's and the Council's nomination and election processes
529 (such as for ISPC);

530

c. Coordinates communications on behalf of the Fund and its Chair;

531

d. Maintains the Fund's archives and manages its information activities.

532

533 ***Staffing and Budget***

534

535 The Fund Office is led by a Director who also serves as Executive Secretary of the Fund
536 Council. The Director is identified through an international recruitment effort led by the
537 Fund Council for appointment by the World Bank and is supported by a team of high-
538 level professional staff with expertise in the areas of responsibility of the Office.

539

540 The Fund Office is located in the World Bank headquarters and its staff are employed by
541 the World Bank. The work program and operating budget of the Fund Office is subject to
542 approval by the Fund Council and is financed through the CGIAR Fund.

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The Fund Office operates under World Bank policies.

5. Trustee

The World Bank will serve as the *trustee* of the CGIAR Fund, under its trust fund policies. The Fund Donors would enter into Trust Fund Administration Agreements with the World Bank with common provisions for all donors.

The World Bank, as *trustee*, will provide the following limited trustee functions:

- a) it will hold in trust the funds transferred by Fund Donors under Trust Fund Administration Agreements;
- b) it will serve as an agent of the Fund Council in disbursing Fund resources to the Consortium based on specific instructions from the Fund Council and through Fund Transfer Agreements between the World Bank and the Consortium;
- c) it would provide regular reports on its Trustee activities to the Fund Council, Fund Donors and the Consortium.
- d) it would not be responsible for supervising use of funds nor any other form of supervision.

6. Independent Science and Partnership Council

ISPC is a critical advisory component of the Fund. It is an independent standing panel appointed by the Fund Council whose primary responsibility is to enhance and promote the quality, relevance and impact of science and science partnerships in the CGIAR. ISPC reports to the Fund Council and advises the Funders Forum. It informs the Fund and the Consortium of its analyses and recommendations. The Consortium may seek advice from ISPC in areas that do not create a conflict of interest for either party.

[ISPC’s detailed terms-of-reference will be included here upon completion work by the Transition Management Team.]

C. Responsibilities of CGIAR Donors

In accordance with the provisions of the Paris Declaration on Aid Effectiveness, the CGIAR encourages all CGIAR donors to harmonize their decisions and contributions to be aligned to the CGIAR SRF. The CGIAR Fund is being established in order to facilitate the maximum channeling of funds required to finance the portfolio of programs required to achieve the CGIAR’s strategic objectives. To that end, all Fund Donors should observe the Guiding Principles of the CGIAR Fund (listed earlier in this document.)

588 Donors providing institutional funding through the CGIAR Fund should take measures to
589 shift their funding to one of the other two windows (1 and 2) before the institutional
590 funding window is closed in 2012.

591

592 All Donors should refrain from conducting separate reviews of the Mega-Programs and
593 individual centers when the standard monitoring and evaluation processes of the Fund
594 and the Consortium satisfy these needs.

595

596

597

D. Responsibilities of CGIAR Centers

598

599 Centers that receive financing from the Fund through the Consortium should:

600

- inform the Consortium of any non-Fund financing and affirm that the activity
601 being funded constitutes an integral part of the CGIAR's SRF;
- certify that the funding covers the full economic costs of the activity.

602

603

604

605 The sharing of this information is necessary because, as part of the CGIAR's program
606 portfolio is financed through bilateral funding by donors, the Fund Council would not be
607 able to allocate funding to Mega-Programs from the CGIAR Fund without information
608 about the amounts of bilateral funds being channeled to each Mega-Program.

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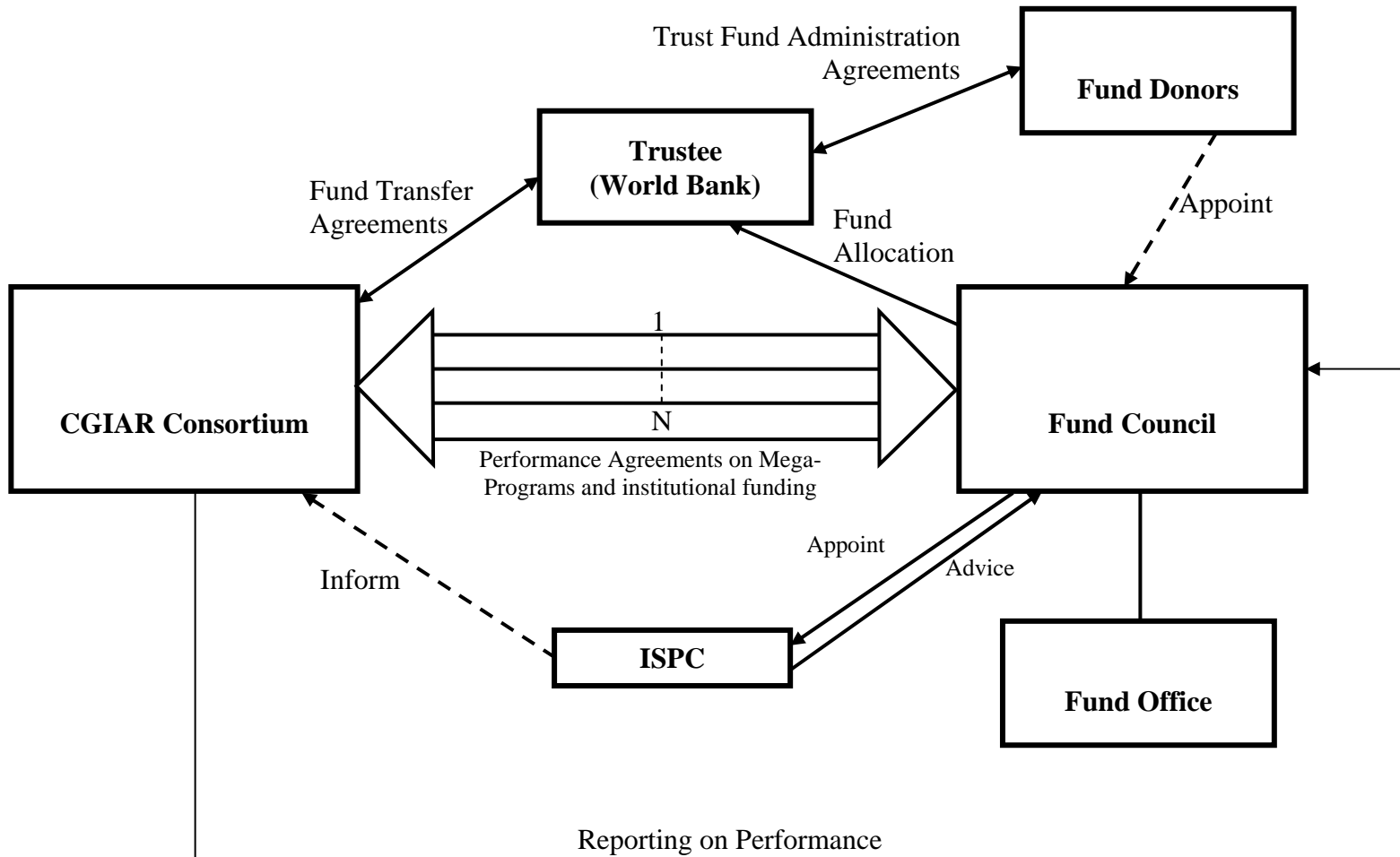
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Figure 1. CGIAR Trust Fund Flow Chart



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Figure 2. Funding and Information Flows – Mega-Programs

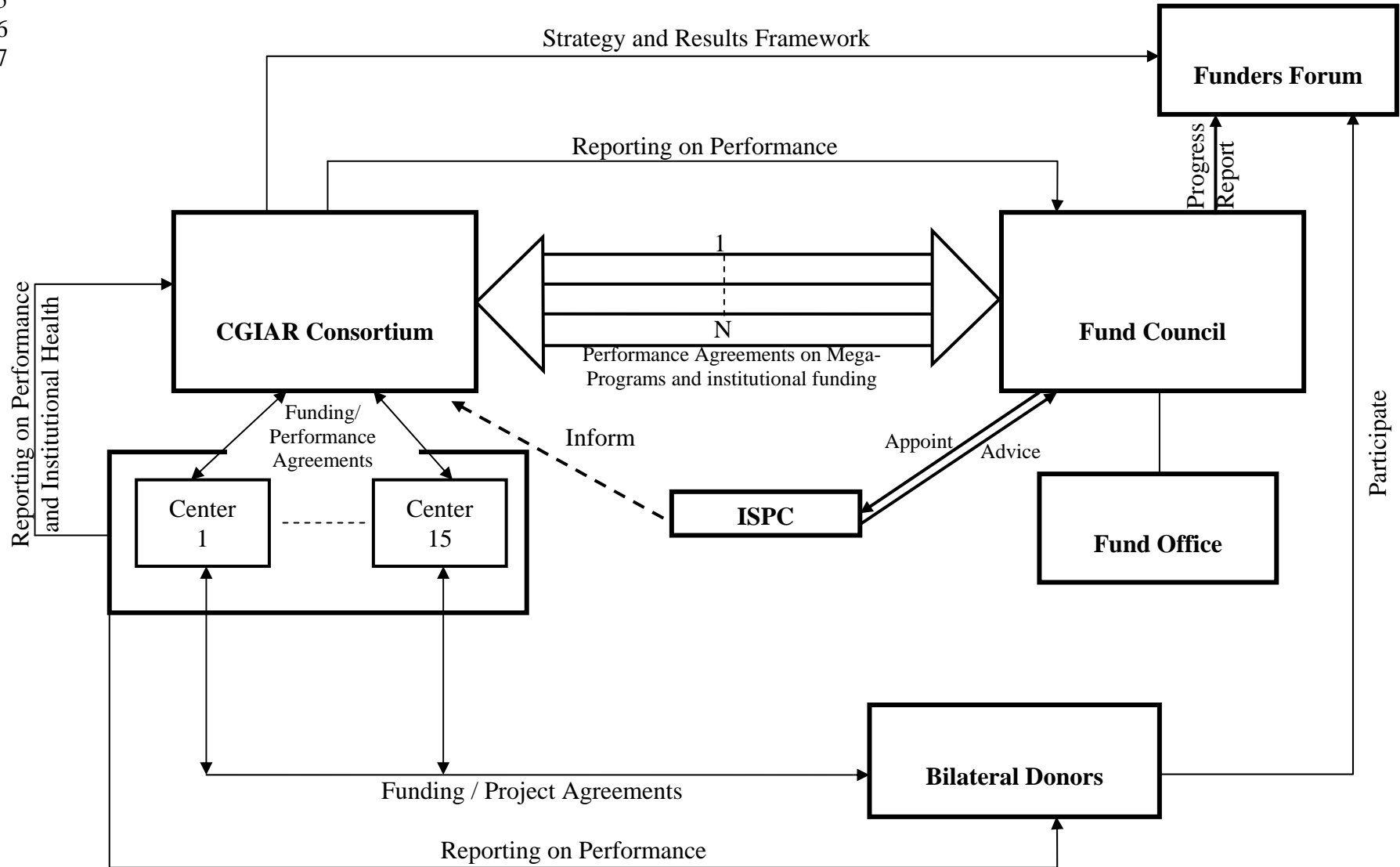


Table 1. CGIAR Program Cycle Steps and Roles of Principal Actors

	Consortium	Centers/Partners	Indep. Science and Partnership Council	Funders Forum	Fund Council
Step 1. Develop Strategy and Results Framework and Mega-Program Portfolio	Lead development	Collaborate in development	Provide advice during development	Endorse Strategy and Results Framework	Collaborate in development
Step 2. Develop Individual Mega-Program Proposals	- Develop proposal - Negotiate contract	Collaborate in proposal development	Review proposals and make recommendations to Fund Council	Receive progress reports	- Seek peer review if necessary - Mobilize resources - Decide on each proposal
Step 3. Implement Agreed Programs	- Contract with Centers & partners - Coordinate prog. implementation using results-based management	Manage contracted programs and program components	Inform the Consortium and provide advice to the Fund Council as necessary		Receive progress reports
Step 4. Monitor Achievement of Agreed targets	- Monitor progress by Centers and partners - Take corrective action (as needed)	Self monitor progress	Provide advice to Consortium and support to the Fund Council	Receive progress reports	- Monitor progress by Consortium (using agreed result indicators) - Take corrective action (as needed) - Inform Donors
Step 5. Evaluate Program (every five years)	Peer or self-evaluation as necessary	Peer or self-evaluation as necessary	Provide advice based on evaluations commissioned by Fund Council	Receive progress reports	- Commission external peer reviews - Take follow-up action

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Table 2. Proposed Composition of the Inaugural Fund Council
(Based on 2007 + 2008 contributions)

<u>Non-Rotating Members</u>			
<u>Groups 1 and 2:</u> (Threshold: USD 20.0m (of which \$10.0m unrestricted))		World Bank United Kingdom Canada United States	
<u>Groups 3 and 4:</u> (Threshold: USD 2.0 m (of which \$1.0m unrestricted))		India	
<u>Rotating Members</u>			
Region	Eligible Fund Council Candidates	Number of Seats	Comments
<u>Groups 3 and 4</u>			
Sub-Saharan Africa	Nigeria, Kenya, South Africa, AfDB	2	
Asia	India, China, ADB	1	Quota reduced by 1 because of India
Central and West Asia and North Africa	Pakistan, Syria, Turkey, Iran, Arab Fund	1	
Latin America and the Caribbean	Mexico, Colombia, Brazil, Peru, IDB	1	
External Stakeholders	FARA, APAARI, FORAGRO, AARINENA, CACAARI, GFAR	1	
<u>Groups 1 and 2</u>			
Asia/Pacific	Japan, Australia	1	
North America	United States, Canada	0	Quota reduced to 0 because of US and Canada
Europe	United Kingdom, European Commission, Switzerland, Germany, Norway, Netherlands, Sweden, Belgium, Ireland, Italy, France	2	Quota reduced by 1 because of UK
International Organizations	WB, IFAD, UNEP, FAO	1	Quota increased by 1 because of WB
Foundations	IDRC, Rockefeller Fdn.	1	
TOTAL		16	

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Note:
- Council membership based on total contributions
- Non-rotating seats based on unrestricted contributions