
Joint Agreement

between

the International Plant Genetic Resources Institute,
(operating under the name of Bioversity International)

on behalf of

the Consortium of International Agricultural Research Centers,

and

the Fund Council of the CGIAR Fund (TF 069018),

represented by

the International Bank for Reconstruction and Development

Dated April 15, 2011

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Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

This Joint Agreement is entered into between the International Plant Genetic Resources Institute (operating under the name of Bioversity International, hereafter referred to as “Bioversity”), on behalf of the Consortium, and the Fund Council of the CGIAR Fund, represented by the World Bank (together, the “Parties”). Capitalized terms not defined in this Joint Agreement are defined in the Glossary (the current version of which is attached as Schedule 1 for informational purposes), as approved by the Fund Council on November 2, 2010 and the Consortium on December 16, 2010, as may be amended from time to time.

WHEREAS, following an internal change process leading to the integrated reform proposal approved at the CGIAR meeting held in Maputo in 2008, the CGIAR began to implement extensive reforms that introduced a new organizational architecture and governance model;

WHEREAS, at the CGIAR business meeting held on December 8, 2009, the CGIAR expressed its aspirations for enhanced cooperation and effectiveness by approving the Joint Declaration;

WHEREAS, the Consortium is a contractual joint venture set up among the 15 International Agricultural Research Centers supported by the Consultative Group on International Agricultural Research under the Agreement establishing the Consortium of International Agricultural Research Centers signed on April 29, 2010 and governed by the rules of the Constitution annexed to that agreement;

WHEREAS, pending its formal establishment as an international organization and until it is ready to carry out its business in its own name (the “Interim Period”), the Consortium shall draw on the legal personality of Bioversity, a Center which has its international headquarters in Maccaresse, Italy and an office in Montpellier, France, and which is authorized to enter into agreements and contract obligations on behalf of the Consortium under a Memorandum of Understanding between Bioversity and the Consortium Board on behalf of the Consortium dated February 23, 2011 (the “Bioversity MOU”);

WHEREAS, on April 7, 2011, the Funders Forum endorsed the SRF, to be implemented by the Consortium and the Centers;

WHEREAS, on November 2, 2010, the Fund Council approved the Governance Framework (the current version of which is attached as Schedule 2 for informational purposes), setting forth the governance terms for the CGIAR Fund;

WHEREAS, on October 28, 2010, the CGIAR Fund was established;

WHEREAS, on November 2, 2010, the Fund Council adopted the CGIAR Principles, which set forth the principles of the CGIAR (the current version of which is attached as Schedule 3 for informational purposes, subject to amendment from time to time), and the Consortium adopted the CGIAR Principles on December 16, 2010;

WHEREAS, on November 2, 2010, the Fund Council approved the form of Contribution Agreement, the current version of which is attached as Schedule 4 for informational purposes;

WHEREAS, the Parties wish to set out in this Joint Agreement certain terms and conditions that will govern the submission and approval of CRP proposals and the implementation and use of funds in resulting CRPs, including, with respect to the Consortium and Centers, the treatment of System Costs; and

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

WHEREAS this Joint Agreement contains in Annex 1 and Annex 2 the forms of Consortium Performance Agreement and Payment Request, respectively, as may be amended through this Joint Agreement from time to time.

NOW THEREFORE, the Parties agree as follows:

A. *Roles and Responsibilities*

1. General

1.1. As set forth in the CGIAR Principles, the Parties shall advance the objectives of the CGIAR.

1.2. The Consortium and the Fund Council shall, for each CGIAR Research Program (or CRP), enter into a Consortium Performance Agreement (or CPA) setting out the specific terms applicable to that CRP, which complies with the terms of the Contribution Agreements or Arrangements, the Governance Framework and this Joint Agreement. The Consortium and the Lead Center shall, for each CRP, enter into a Program Implementation Agreement (or PIA) setting out the specific terms applicable to that CRP that complies with the terms of the Contribution Agreements or Arrangements, the Governance Framework, this Joint Agreement and the governing CPA.

1.3. The Consortium, in consultation with the Centers as appropriate, and the Fund Council shall cooperate to develop and jointly agree on the Common Operational Framework.

2. Role of the Consortium

2.1. The Consortium's Constitution (as may be amended from time to time, upon reasonable advance notice to the Fund Council and an opportunity to provide input) sets out the specific terms governing the internal organization of the Consortium. The roles and responsibilities of the Consortium are as set out in the Constitution and this Joint Agreement.

2.2. The Consortium shall, within the first year of its operation, initiate the necessary steps to establish the Consortium as an autonomous international organization under international law, with full international legal personality, enjoying such legal capacity as may be necessary for the exercise of its functions and powers, and the fulfillment of its purposes. The Consortium has begun its efforts to obtain international organization status and shall use its best efforts to complete this process as soon as possible.

2.3. The Consortium shall have full fiduciary responsibility for the use of any Window 1 and Window 2 Funds allocated to the Consortium by the Fund Council and transferred to the Consortium or a Lead Center, as the case may be, for such purposes. The Consortium shall have no responsibility to the Fund Council to supervise or monitor use of Window 3 Funds, and Fund Donors shall have no specific rights of recourse with respect to Window 3 Funds under this Joint Agreement, except as specifically provided herein with references to funds from the CGIAR Fund or Window 3 Funds.

2.3.1 For the purposes of this Joint Agreement, the term "Window 1 and Window 2 Funds" shall mean funds distributed at the request of the Consortium from the CGIAR Fund through Windows 1 and 2, respectively, and shall not include funds

distributed through Window 3 (as such Windows are described in Section 5 of the Governance Framework).

2.4. The Consortium shall have responsibility for (i) confirming that Window 1 and Window 2 Funds were used for intended purposes; (ii) implementing, monitoring, supervising, evaluating, and providing quality assurance and performance reporting for activities funded by Window 1 and Window 2 Funds; (iii) providing Fund Donors (through the Fund Council) with financial, progress, results and impact reporting for activities funded by Window 1 and Window 2 Funds; and (iv) any misuse or misprocurement with respect to Window 1 and Window 2 Funds, including the recovery of any Window 1 and Window 2 Funds not used for their intended purposes.

2.5. The Consortium shall, for each CRP for which it has entered into a CPA, enter into a PIA with such CGIAR Research Program's Lead Center, which shall be consistent with the Contribution Agreements or Arrangements, the Governance Framework, this Joint Agreement and the applicable CPA. In each PIA, the Consortium shall require that all relevant terms and obligations set forth in this Joint Agreement and the relevant CPA apply to Lead Centers and, as applicable, shall require the Lead Center to do the same with respect to any Program Participant with which such Lead Center enters into agreements under a CRP.

2.6. The Consortium shall carry on its own, and shall require the Centers to carry on their own operations in accordance with sound administrative, technical, financial, economic, environmental and social standards and practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers.

2.7. The Consortium shall operate, and shall require each Lead Center to operate, CRPs in accordance with the Contribution Agreements or Arrangements, the Governance Framework, this Joint Agreement and any other applicable Fund Use Agreements to which the Consortium is a party. The Consortium shall also require each Lead Center to cause any other Program Participants, through appropriate Subagreements, to operate in accordance with the relevant terms and obligations of this Joint Agreement, any other applicable Fund Use Agreements to which the Consortium is a party and the governing PIA.

2.8. The Consortium shall promptly report to the Fund Council any occurrence of which the Consortium becomes aware whereby any Window 1 or Window 2 Funds are used for purposes other than as provided in this Joint Agreement and any other applicable Fund Use Agreements to which the Consortium is a party.

2.9. The Consortium agrees to make Payment Requests only in accordance with the terms of the Contribution Agreements or Arrangements and the relevant Fund Use Agreements to which the Consortium is a party, including those portions reflecting Fund Council approvals, and shall make no Payment Request on behalf of a Center or Partner without having a governing Program Implementation Agreement in place with the Lead Center of the CRP concerned.

3. Role of the Fund Council

3.1. The Fund Council is the CGIAR Fund's decision-making body, representing all Fund Donors. The roles and responsibilities of the Fund Council shall be as set out in Section 7 of the Governance Framework and this Joint Agreement.

3.2. The Governance Framework may be amended either by consensus of the Fund Council on the basis of proposed amendment text that was properly tabled for decision at a Fund

Council meeting or electronically by affirmative written consent of each Fund Council Member, a decision by no objection not being sufficient. The Consortium Observer is expected to facilitate consultation and coordination with respect to Consortium interests pertaining to Governance Framework amendments. Any amendment to the Governance Framework that imposes duties or obligations on, or infringes on the rights of, the Consortium or the Centers will not be effective or carried out as to the Consortium or the Centers, and shall not override any provision or an agreement entered into by the Consortium or the Fund Council or the Trustee, if the Consortium Observer objects to such amendment at or before the time it is considered by the Fund Council (following a two-week period for Consortium review of such amendment, including by the Consortium Observer, unless waived by the Consortium). However, the Consortium's objection to amendments required by a Fund Donor's statutory, regulatory or policy environment may affect funding from the CGIAR Fund.

4. Role of the Fund Office

4.1. The Fund Office shall have the roles and responsibilities set forth in Section B.2 of Annex 2 to the Contribution Agreements and Arrangements, attached in current form to the Form of Contribution Agreement at Schedule 4 to this Joint Agreement.

5. Role of the Trustee

5.1. The Trustee shall have the roles and responsibilities set forth in Section B.3 of Annex 2 to the Contribution Agreements and Arrangements.

5.2. The Fund Council and the Consortium acknowledge and agree that neither the Trustee nor the Fund Office, nor any part of the World Bank, has responsibility under the Contribution Agreements or Arrangements or otherwise for (i) confirming the use of funds from the CGIAR Fund (including Window 3 Funds); (ii) implementing, monitoring, supervising, evaluating, or providing quality assurance for activities funded by the CGIAR Fund; (iii) providing Fund Donors with financial, progress, results or impact reporting for activities funded by the CGIAR Fund; or (iv) any misuse or misprocurement by any entity other than the World Bank with respect to funds from the CGIAR Fund (including Window 3 Funds). The Consortium further acknowledges and agrees that the Trustee shall disburse funds requested by the Consortium for implementation of activities under the SRF on the basis of documented approvals by the Fund Council and proper Payment Requests from the Consortium in accordance with the Contribution Agreements or Arrangements, the Governance Framework, this Joint Agreement, the relevant CPA and any other relevant Fund Use Agreements, without requiring pre- or post-disbursement review by the Trustee of any CRP Proposals or other funding requests from the Consortium or any activities implemented thereunder. The Trustee shall have no responsibility for reviewing the appropriateness of any decision by the Fund Council or Payment Request from the Consortium and shall at all times be entitled to rely thereon.

5.3. Notwithstanding any other statement herein, any requirement or obligation on the part of the Trustee to disburse Window 1 and Window 2 Funds under this Joint Agreement or elsewhere shall at all times be qualified by and subject to the availability of funds in the CGIAR Fund that are not otherwise allocated.

6. Role of the Centers

6.1. As set forth in the Joint Declaration, the CGIAR Principles, the Constitution, PIAs and Subagreements, the Centers shall work to advance the objectives of CGIAR.

B. System Costs

7. General Principles

7.1. System Costs shall be funded as set forth in the System Cost Financing approved by the Fund Council and the Consortium as part of the Common Operational Framework. System Costs shall be collected by each Center with respect to all Bilateral Funding received by such Center for implementation of the SRF and shall be received by the Trustee from funding received from the CGIAR Fund under agreements or arrangements entered into after the Effective Date (as defined below) and from any new funding under existing agreements or arrangements.

7.2. Pursuant to the Contribution Agreements and Arrangements, the Trustee shall withhold System Costs from Contributions to Windows 1, 2 or 3 of the CGIAR Fund. Under their respective Contribution Agreements or Arrangements, Fund Donors agree that any agreements or arrangements they enter into for the provision of Bilateral Funding shall take into account the obligation of the Consortium and the Centers to provide the CSP for such funding to the Trustee.

7.3. Under each Program Implementation Agreement, the Consortium shall require the Lead Center concerned to accept Bilateral Funding for the implementation of the SRF under agreements or arrangements entered into after the Effective Date or additional funding after the Effective Date under existing agreements or arrangements only when the CSP for such funding is provided for in such Bilateral Funding agreements or arrangements or is otherwise to be paid by the Lead Center from operating or unrestricted funds. In addition, the Consortium shall also cause such Lead Center to require, through appropriate Subagreements, any Center to accept Bilateral Funding for the implementation of the SRF only under such conditions.

C. Funding Indications

8. Funding Preferences

8.1. As set forth in Section B.1 of Annex 2 to the Contribution Agreements and Arrangements, Fund Donors may designate use of the funds they contribute to the CGIAR Fund in the context of three funding Windows: Window 1 (“Window 1 Funds”), Window 2 (“Window 2 Funds”) and Window 3 (“Window 3 Funds”).

8.2. As set forth in more detail in Section B.1 of Annex 2 to the Contribution Agreements and Arrangements, and as may be amended from time to time under the terms thereof, the following is a general description for information purposes of the deposit of funds to, and the allocation of funds through, Windows 1, 2 and 3:

8.2.1 Window 1 – Funds deposited into Window 1 shall consist of (a) any funds designated to Window 1 by Fund Donors, (b) refunds from recipients, including the Trustee and Fund Office, regardless of the Window from which the funds were originally received, (c) any investment income generated by funds held in the CGIAR Fund, (d) the CSP amounts from Windows 2 and 3 and the Provisional Account, and (e) the Bilateral Portion of System Costs. Window 1 funds may be allocated by the Fund Council to CRPs, in consultation with the Consortium, and to System Costs.

8.2.2 Window 2 – Funds deposited into Window 2 shall consist of funds directed by Fund Donors to specific CRPs proposed by the Consortium and approved by the Fund Council as eligible to receive Window 2 subaccount funding.

8.2.3 Window 3 – Funds deposited into Window 3 shall consist of funds directed by Fund Donors to individual Centers, provided such funds are used to implement aspects of the SRF and provided further that such funds are used in accordance with the Common Operational Framework.

8.3. Neither the Fund Council or World Bank, nor the Consortium, shall have fiduciary or programmatic responsibility for Window 3 Funds, except as specifically provided herein with references to funds from the CGIAR Fund or Window 3 Funds. Fund Donors shall have no specific rights of recourse under this Joint Agreement regarding the use of Window 3 Funds, except that in the event a Center fails to use Window 3 Funds for implementation of the SRF or in accordance with the Common Operational Framework, (i) the Consortium may take whatever corrective actions it considers appropriate and within its purview; and (ii) the Trustee, in its discretion or as instructed by Fund Council decisions, may withhold further disbursements from the CGIAR Fund to that Center. In the event questions of interpretation regarding the use of Window 3 Funds arise, (i) decisions about what constitutes activities for implementing the SRF shall be made by the Consortium in consultation with the Fund Council, and (ii) decisions about compliance with the Common Operational Framework shall be made jointly by the Consortium and the Fund Council. Nothing in this Joint Agreement shall preclude Fund Donors from entering into side agreements with individual Centers for use of Window 3 Funds financed by such Donors' Contributions.

D. Use of Funds

9. Intellectual Property

9.1. The Fund Council requires that, in the context of SRF-related activities, intellectual assets (which, for purposes of this Joint Agreement, shall include associated intellectual property rights) be managed in a way that maximizes their global accessibility and ensures that they lead to the broadest possible impact on the poor, especially farmers in developing countries, consistent with the strategic objectives of the CGIAR.

9.2. For this purpose, the Consortium, in consultation with the Centers and Fund Council, shall develop a set of principles regarding the acquisition, management and release of intellectual assets within the context of SRF, which shall be included as a chapter in the Common Operational Framework, with the goal of submission of such a chapter for approval by the Fund Council and Consortium by September 30, 2011.

9.3. To the extent appropriate, each CRP proposal shall contain specific provisions regarding the management of the intellectual assets likely to result from the activities carried out under the CRP, which shall be consistent with the set of principles referred to above, unless otherwise proposed by the Consortium and approved by the Fund Council.

10. Additional Restrictions on Use of Funds

10.1. The Consortium shall, and shall ensure that the Centers and any Partners use Window 1 and Window 2 Funds with due regard to economy and efficiency and uphold the highest

standards of integrity in the administration of Window 1 and Window 2 Funds, including the prevention of fraud and corruption.

10.2. Investment income generated by any funds from the CGIAR Fund (including Window 3 Funds, unless otherwise specified in agreements relating to Window 3 Funds) shall be used for the same purposes applicable to such funds under the governing Fund Use Agreements or returned to the Trustee for deposit as Window 1 Funds if not needed for such purposes.

10.3. A Center or Partner may use Window 1 and Window 2 Funds to retroactively pay for expenditures under a CRP that were incurred within the six months prior to Fund Council approval of such CRP, unless otherwise specified in such CRP or the governing Fund Use Agreements.

10.4. The Consortium agrees, and shall cause the Centers and any Partners to agree, that Window 1 and Window 2 Funds shall not be used for payments for which corrupt, fraudulent, collusive, obstructive or coercive practices were engaged in by representatives of the Consortium, Centers or Partners.

10.5. Recognizing the obligations of countries that are members of the United Nations under various United Nations Security Council resolutions to take measures to prevent financing of terrorists, the Consortium agrees, and shall cause the Centers and any Partners to agree, to undertake to use reasonable efforts, consistent with their governing arrangements and policies, including those pertaining to combating financing for terrorists, to ensure that all Window 1 and Window 2 Funds are used for their intended purposes and are not diverted to individuals or entities associated with terrorism, as identified in accordance with relevant United Nations Security Council resolutions. The governing Fund Use Agreements, Program Implementation Agreements and Subagreements for such Window 1 and Window 2 Funds shall each include a provision that any recipient of Window 1 and Window 2 Funds thereunder shall (i) not use such Window 1 and Window 2 Funds for the purpose of any payment to persons or entities, or for the import of goods, if such payment or import, to the recipient's knowledge or belief, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, including under United Nations Security Council Resolution 1373 and related resolutions, and (ii) include a corresponding provision in any Subagreements that the recipient enters into with entities to which the recipient makes such Window 1 and Window 2 Funds available.

10.6. The Consortium shall confirm, and shall cause the Centers and any Partners to confirm, that, given the activities to be funded by the CGIAR Fund, each recipient does not believe that Window 1 and Window 2 Funds disbursed in support of such activities would be diverted in support of drug trafficking.

10.7. None of the Fund Donors, the Trustee or the Fund Office shall be responsible for the activities of any person or third party engaged by the Consortium, any Center or any Partners with use of funds from the CGIAR Fund (including Window 3 Funds) or as a result of the Contribution Agreements or Arrangements, this Joint Agreement, any Fund Use Agreement, Program Implementation Agreement or Subagreement; nor will the Fund Donors, the Trustee or Fund Office be liable for any costs incurred by such recipients in terminating the engagement of any such person.

10.8. The Consortium agrees, and shall cause the Centers and any Partners to agree, to use their best efforts, to the extent allowed by applicable agreements, such as those signed with host governments, and other applicable laws, to ensure that the use of funds from the CGIAR Fund

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(including Window 3 Funds) will be free from any taxation or fees imposed under local laws. Fund Donors that are sovereign states shall, to the extent relevant and feasible, seek to assist the Consortium, the Centers and any Partners in strengthening and adjusting any such applicable agreements to which such Fund Donors are a party.

10.9. None of the Fund Council, any individual Fund Donor, the Trustee or the Fund Office shall be obligated to reimburse the Consortium, the Centers or any Partners for costs incurred in excess of the total amount committed in the Contribution Agreements or Arrangements and the governing Fund Use Agreement. The Consortium or such Centers or Partners shall not be obligated to continue performance under such agreements or the related PIAs or Subagreements, or otherwise to incur costs in excess of the amounts committed under such Fund Use Agreements, unless and until further funds from the CGIAR Fund have been allocated through amendments specifying the new committed amounts.

10.10. The Consortium, the Centers and any Partners may use Window 1 and Window 2 Funds for costs incurred that are reasonable, allocable, and allowable, where the following meanings apply:

- (1) "Reasonable" means those costs that do not exceed those that would ordinarily be incurred by a prudent person in the conduct of normal business.
- (2) "Allocable" means those costs that are necessary to the approved CRP proposal.
- (3) "Allowable" means those costs that are reasonable and allocable, and that conform to any limitations set forth in the approved CRP proposal.

The existing CGIAR Cost Allocation Guidelines (No. 5), which clarify overhead costs that may be considered allowable, apply as part of this Joint Agreement unless and until replaced by the relevant section expected to form part of a chapter of the Common Operational Framework upon approvals by the Fund Council and the Consortium.

10.11. The Consortium, the Centers and any Partners shall maintain books, records, documents, and other evidence in accordance with their respective usual accounting procedures to sufficiently substantiate the use of Window 1 and Window 2 Funds.

10.12. The Consortium agrees, and shall cause the Centers and any Partners to agree, to carry out all regulated research activities under high standards (set with reference to internationally accepted practices and to be described in the Common Operational Framework) and in accordance with applicable laws and regulations. The Consortium agrees to indemnify the Fund Council for any damages arising from such activities financed by Window 1 and Window 2 Funds. In the event any amounts are received by the Fund Council under such indemnification, the Fund Council shall determine the allocation or distribution of such amounts.

10.13. The Consortium agrees, and shall cause the Centers and any Partners to agree, to provide appropriate attribution for all Fund Donors for any CRP that is funded with Window 1 or Window 2 Funds.

10.14. The Consortium agrees, and shall cause the Centers and any Partners to agree, not to discriminate against persons with disabilities in the implementation of activities financed by Window 1 and Window 2 Funds, and to make every effort to respect the principles of the UN Convention on the Rights of Persons with Disabilities in performing such activities. To that end,

and to the extent this goal can be accomplished within the scope of the objectives of a given CRP, each of the Consortium, Centers and any Partners involved in an activity financed by Window 1 and Window 2 Funds should demonstrate a comprehensive and consistent approach for including men, women and children with disabilities consistent with such principles: (1) respect for inherent dignity, individual autonomy including the freedom to make one's own choices, and independence of persons; (2) non-discrimination; (3) full and effective participation and inclusion in society; (4) respect for difference and acceptance of persons with disabilities as part of human diversity and humanity; (5) equality of opportunity; (6) accessibility; (7) equality between men and women; and (8) respect for the evolving capacities of children with disabilities. The full text of the UN Convention on the Rights of Persons with Disabilities can be found at the following website: <http://www.un.org/disabilities/documents/convention/convoptprot-e.pdf>.

11. Procurement

11.1. In the event that the Consortium, Centers or any Partners employ consultants or procure services or goods with Window 1 and Window 2 Funds, the employment and supervision of such consultants and the procurement of such services or goods shall be the responsibility of each entity employing or contracting with such consultants or carrying out such procurement and shall be conducted in accordance with the existing CGIAR Procurement of Goods, Works and Services Guidelines (No. 6), which apply as part of this Joint Agreement, unless and until replaced by the relevant section expected to form part of a chapter of the Common Operational Framework upon approvals by the Fund Council and Consortium.

E. CGIAR Research Program Proposals

12. Development of CGIAR Research Program Proposals

12.1. All research activities financed by Window 1 and Window 2 Funds shall be in accordance with a CRP proposal, approved by the Fund Council, that describes the research activities that would be conducted as part of such CRP, including the activities to be conducted with such Window 1 and Window 2 Funds.

12.2. The Consortium shall work in collaboration with the Centers to develop each CRP proposal, and the Consortium shall submit it to the Fund Council for review and approval or denial. If the Fund Council does not approve the CRP proposal and provides comments on such CRP proposal, the Centers and the Consortium may, in their discretion, revise such CRP proposal based on such suggestions, and the Consortium may resubmit it to the Fund Council for review.

12.3. In submitting a CRP proposal to the Fund Council for approval, the Consortium is understood to agree that such CRP proposal is within the scope of the SRF and that, following Fund Council approval, the ensuing CRP will be within the scope of the SRF for purposes of implementation. In approving a CRP proposal, the Fund Council is understood to agree that such CRP proposal is within the scope of the SRF.

12.4. Each CRP proposal submitted by the Consortium to the Fund Council for approval shall have a Lead Center. Implementation of each CRP that has been proposed by the Consortium and approved by the Fund Council as eligible to receive Window 2 subaccount funding is expected to involve two or more Centers and their Partners, with relevant management arrangements to be described in the CRP proposal.

12.5. The Fund Council and the Consortium acknowledge and support the CGIAR policy of full cost recovery from all sources of financing for implementation of the SRF. The Consortium shall cause Centers to accept Bilateral Funds for implementation of the SRF only at full cost recovery.

13. Budget of CRP Proposals

13.1. The Consortium, using its then-best estimates, shall include with each CRP proposal a total Core Budget, setting forth the activities to be conducted, the costs of each such activity, and the reasonably anticipated funding expected to be received from (i) Window 1 and Window 2 (i.e. the Fund Council-Allocated Component) and (ii) Window 3 and Bilateral Funders (i.e. the Window 3 and Bilateral Component) during the proposed life of the CRP.

13.2. Additionally, the Consortium may also include in each CRP proposal the activities that would be conducted, and the costs of each such activity, if additional, then-unanticipated Window 3 or Bilateral Funding financial resources become available during the proposed life of the CRP (i.e. the Expanded Funding Component). (The Fund Council-Allocated Component, the Window 3 and Bilateral Component and the Expanded Funding Component shall each be a Component and together constitute the Total Budget for the CRP.)

13.3. As part of the Fund Council's approval of a CRP proposal submitted by the Consortium, the Fund Council shall approve the Total Budget and each Component thereof proposed by the Consortium.

13.4. Thereafter, on at least an annual basis approximately six months before the start of the following calendar year, the Consortium shall submit to the Fund Council, for informational purposes, an annual financing plan for each previously approved CRP setting forth:

13.4.1 The activities to be conducted in the following calendar year as part of such CRP using reasonably anticipated funding expected to be received in such year; and

13.4.2 Whether such funding is expected to be received from (i) Window 1 and Window 2 or (ii) Window 3 and Bilateral Funders.

13.5. If (i) the Consortium, in an annual financing plan, estimates that the Window 3 and Bilateral Funds expected to be received in such year, when combined with all prior Window 3 and Bilateral Funds received as part of the CRP, will exceed the Window 3 and Bilateral Component for such CRP approved by the Fund Council and (ii) the revised Window 3 and Bilateral Component, when combined with the Fund Council-Allocated Component previously approved by the Fund Council, does not exceed the Total Budget previously approved by the Fund Council, then (x) no downward adjustments shall be made to the Fund Council-Allocated Component and (y) the revised Window 3 and Bilateral Component set forth in such annual financing plan shall become effective as to the CRP.

13.6. If the revised Window 3 and Bilateral Component, when combined with the Fund Council-Allocated Component previously approved by the Fund Council, exceeds the Total Budget previously approved by the Fund Council, the Consortium may request Fund Council approval of an amendment to the CRP adjusting the Total Budget to take into account such increase in the Window 3 and Bilateral Component. If such a request is not made or is not approved, a downward adjustment shall be made to the Fund Council-Allocated Component to keep the combined Components within the Total Budget previously approved by the Fund Council.

13.7. For the avoidance of doubt, the Consortium must request Fund Council approval of an amendment to any previously approved CRP increasing the Fund Council-Allocated Component or the Total Budget for such CRP, and such requested increase shall not be effective as to the CRP unless and until approved by the Fund Council.

14. Approval of CRP Proposals

14.1. At the time a CRP proposal is being considered for approval, the following information is expected to be available for review by the Fund Council, any interested Fund Donor and the Consortium:

14.1.1 from the Consortium, specific identification, to the extent possible, of all funds from all funding sources expected to finance the CRP proposal, which will be divided into a Fund Council-Allocated Component and a Window 3 and Bilateral Component, and may also include an Expanded Funding Component;

14.1.2 from the Fund Office, information about prospects for future contributions to the CGIAR Fund and future amounts committed or indicated through Contribution Agreements and Arrangements;

14.1.3 from the Trustee, cash balances in the CGIAR Fund; and

14.1.4 from the ISPC, advice and comment on the CRP proposal.

14.2. In order to be funded by the CGIAR Fund, a CRP proposal requires the approval of the Fund Council.

14.3. At any time, the Fund Council may commission expert reviews of any CRP proposal presented for approval. In doing so, the Fund Council shall seek to balance its interest in receiving advice with the goal of limiting administrative burdens on the Consortium and the Centers and duplication of reviews.

14.4. If a CRP proposal is approved by the Fund Council and, thereby, becomes a CRP, the Fund Council may allocate, in consultation with the Consortium, Window 1 Funds, and, if such CRP is eligible for Window 2 subaccount funding, Fund Donors may designate contributions to such CRP through Window 2. The Fund Council may decide on the approval of a CRP proposal and on the combination of Window 1 and Window 2 Funds allocated to it at different times.

14.5. Except as otherwise approved by the Fund Council with respect to a specific CRP, the Consortium must request Fund Council approval of an amendment to a CRP, for any proposed change of any budget line item of such CRP's Total Budget by more than (i) 10 % or (ii) US\$500,000, whichever is lower, or any material changes in such CRP.

15. Agreements to Implement CRPs

15.1. Except as otherwise approved by the Fund Council, each CRP that is approved by the Fund Council and funded by the CGIAR Fund shall be subject to the following agreements governing the implementation and funding of such CRP:

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- 15.1.1 the Contribution Agreements or Arrangements;
- 15.1.2 the Governance Framework;
- 15.1.3 this Joint Agreement;
- 15.1.4 a CPA between the Fund Council and the Consortium (a form of which is attached as Annex 1);
- 15.1.5 a PIA between the Consortium and the Lead Center; and
- 15.1.6 as required, a Subagreement between the Lead Center and each Center or any Program Participant participating in such CRP.

F. CRP Operations

16. Disbursement Steps

16.1. After a CRP proposal has been approved by the Fund Council, the following steps shall occur prior to any disbursement of Window 1 and Window 2 Funds by the Trustee:

- (i) The Fund Council and the Consortium shall enter into a CPA with respect to the approved CRP;
- (ii) The Consortium and the relevant Lead Center shall enter into a PIA with respect to the approved CRP;
- (iii) The Consortium shall, as part of its responsibility for the use of the Window 1 and Window 2 Funds, make a Payment Request setting forth a request from the Consortium to the Trustee for disbursement of Window 1 or Window 2 Funds that specifies in each case the Lead Center, the amount to be disbursed and the Operational Currency in which such disbursement should be made, to the extent such currency is available, substantially in the form of the Form of Payment Request attached as Annex 2 or as such Form of Payment Request may be modified as agreed between the Consortium and the Trustee. The Consortium agrees to make Payment Requests only in accordance with the Contribution Agreements or Arrangements, this Joint Agreement, the governing CPA (including the terms of the applicable CRP attached to such CPA) and PIA, any other governing Fund Use Agreement to which the Consortium is a party and, if any Program Participants are engaging in activities to be funded with funds received as a result of the Payment Request, any Subagreement(s); and
- (iv) Following receipt of a proper Payment Request, the Trustee shall disburse the approved Window 1 or Window 2 Funds to the specified Lead Center in accordance with the Payment Request in an Operational Currency, provided that such transfers shall only be made in a single Operational Currency, based on availability of funds in the requested Operational Currency in the CGIAR Fund.

17. Continuing Representations and Undertakings

17.1. Unless otherwise specified in this Joint Agreement or the governing CPA or other Fund Use Agreement to which the Consortium is a party, the Consortium makes, and shall require the Lead Center and, through such Lead Center, any Program Participants participating in the applicable CRP to make, the following representations and undertakings, which shall be deemed to be reaffirmed every time a Payment Request is submitted by the Consortium and Window 1 and Window 2 Funds are accepted by a Lead Center without further confirmation or verification by the Trustee or otherwise:

- (i) The Consortium, including through Bioversity during the Interim Period, has full power, capacity and authority to enter into this Joint Agreement, the relevant CPA and other governing Fund Use Agreements to which the Consortium is a party and the relevant PIA and exercise its rights and carry out its obligations hereunder and thereunder, including with respect to the Centers.
- (ii) Bioversity and each other Center is a legal entity duly authorized to carry out activities in the jurisdiction(s) where it operates. Each Center has a history of financial probity and a record of achievement, and the Consortium or such Center has disclosed to the Trustee and the Fund Donors any significant aspects to the contrary.
- (iii) The Lead Center, as specified in the relevant Payment Request, is subject to a PIA flowing through all appropriate terms from the Joint Agreement and the relevant CPA.
- (iv) The Consortium, Lead Center and Program Participants maintain financial management systems and prepare financial statements in accordance with consistently applied accounting standards, both in a manner adequate to reflect the operations, resources and expenditures related to the activities funded by funds from the CGIAR Fund.
- (v) The Consortium, Lead Center and Program Participants are not aware of information that indicates the need for further scrutiny of the use of Window 1 and Window 2 Funds (including non-frivolous allegations that Window 1 and Window 2 Funds have been used for corrupt, fraudulent, collusive, obstructive or coercive practices). The Consortium shall promptly inform the Trustee and the Fund Council of any conditions that interfere or threaten to interfere with any CRP or with the Consortium's obligations under this Joint Agreement or the governing CPA (including as they flow through to Program Participants).

17.2. The Fund Council and the Consortium acknowledge that Annexes 1, 2 and 3 to the Contribution Agreements and Arrangements may be amended by agreement of the Trustee and a decision of the Fund Council, in its representative capacity for all Fund Donors as provided in Section A.8.2 of Annex 2 to the Contribution Agreements and Arrangements; provided however, that no Fund Donor shall be obligated to make any additional contributions under any such amendment, unless such Fund Donor expressly agrees to do so; provided further that any such amendment does not conflict with World Bank policies and procedures applicable to trust funds; and provided further still that any such amendment that imposes duties or obligations on, or infringes on the rights of, the Consortium or the Centers shall not be effective as to the Consortium or the Centers, and shall not override any provision of an agreement entered into by the Consortium

and the Fund Council or Trustee, if the Consortium Observer objects to such amendment at or before the time it is considered by the Fund Council (following a two-week period for Consortium review of such amendment, including by the Consortium Observer, unless such period is waived by the Consortium).

G. Reporting

18. General

18.1. This Section G shall apply until and except as explicitly modified or superseded by the provisions of a harmonized reporting requirements chapter approved as part of the Common Operational Framework, with the goal of such a chapter being submitted for approval by the Fund Council and the Consortium by September 30, 2011.

19. Financial Reporting

19.1. The Consortium shall maintain, and require that the Lead Center and, through such Lead Center, any Program Participants, maintain books, records, documents and other evidence in accordance with their respective usual accounting procedures to sufficiently substantiate, in a manner reasonably satisfactory to the Fund Council, the use of (i) System Costs allocated to the Consortium and (ii) each CRP (regardless of funding source).

19.2. The Consortium shall prepare and provide to the Fund Council consolidated unaudited financial reports in form and substance reasonably satisfactory to the Fund Council for (i) Systems Costs allocated to the Consortium and (ii) each CRP (regardless of funding source) on an quarterly basis (including in comparison to the respective Fund Council-Allocated Component for each CRP), not later than 60 days after the end of each quarter.

19.3. The Consortium shall prepare and provide to the Fund Council annual financial statements for (i) the Consortium and (ii) each Center that have been audited by independent auditors in accordance with consistently applied international auditing or other auditing standards reasonably acceptable to the Fund Council and that are accompanied by auditors' opinions as soon as available, but not later than six months after the end of the Consortium's fiscal year (ending December 31).

19.4. The Consortium shall prepare and provide to the Fund Council a consolidated annual financial report for the Consortium and the Centers as soon as available, but not later than six months after the end of the Consortium's fiscal year.

19.5. The Fund Council may request that the Consortium have an external audit with respect to any or all Window 1 and Window 2 Funds conducted by an external auditor with the Consortium and a Fund Donor specifically designated by the Fund Council to act on the Fund Council's behalf for this purpose to agree on the scope, terms of reference and payment source of such audit. The costs of any such audit, including the internal costs of the Consortium with respect to such audit, shall be paid as a Systems Cost by the Fund Council from the CGIAR Fund. If a Fund Donor has a statutory, regulatory or policy environment requiring such Fund Donor's ability to request unilaterally that the Consortium have an external audit with respect to Window 1 and/or Window 2 Funds, such Fund Donor may proceed with the terms set forth above in agreeing with the Consortium directly on the most appropriate scope and terms of reference, with the costs of any such audit to be paid by such Fund Donor. The Fund Council shall any such external audits into

account in considering requests from the Consortium to avoid duplicative future audits and reviews.

19.6. The Consortium agrees that the Fund Council and any Fund Donor reserves the right to request separate audited financial statements or reports for activities financed by Window 1 and/or Window 2 Funds; provided that any such requesting Fund Donor(s) have a statutory, regulatory or policy environment requiring such Fund Donor(s)' ability to make a request unilaterally and have first made such a request through the Fund Council. The cost of any such separate audited financial statements or reports, including the internal costs of the Consortium, and any Centers or Partners with respect to such statements or reports, shall be paid by the requesting Fund Council (through the Fund Office budget) or Fund Donor(s), as the case may be.

19.7. The Consortium shall, and shall require the Lead Centers and, through such Lead Centers, any Program Participants, to: (i) retain all records evidencing expenditures of Window 1 and Window 2 Funds for at least three years after the termination of the CRP as part of which such Window 1 and Window 2 Funds were provided; (ii) permit designated representatives of the Fund Council to examine such records; (iii) provide to the Fund Council all such information concerning such records as it may from time to time reasonably request.

20. Activity, Output, Outcome and Impact Reporting

20.1. As further described below, reports shall contain sufficient granularity on the use of Window 1 and Window 2 Funds received under each CRP to enable the Consortium to demonstrate progress on activities funded thereby, with a focus on outputs, outcomes and impacts, highlighting the SRF and impact pathways.

20.2. The Consortium shall provide, in form and substance reasonably satisfactory to the Fund Council, (i) annual reports on the Consortium's operations and (ii) annual reports on each CRP describing the progress, outputs, outcomes and impacts (including relative to targets) of each CRP, including how such CRP is implementing or has implemented the SRF. Reports on the Consortium's operations under (i) shall address outputs, outcomes and impacts in implementing the SRF, the overall use of funds from the CGIAR Fund (including Window 3 Funds), the operational performance of the Centers, significant actions taken by the Consortium with regard to the Centers' operations (including common services provided among Centers), Consortium-level risk analysis and mitigation steps to avoid such risks, and any other activities relevant to the operations of the Consortium or any Center or the performance of any CRP.

20.3. Within six months of the completion of a CRP, the Consortium shall provide a final report regarding such CRP, in a manner reasonably satisfactory to the Fund Council, addressing the outputs, outcomes and impact of such CRP, including its relationship to national programs, disposition of assets, and next steps.

H. Monitoring and Evaluation

21. General

21.1. This Section H shall apply until and except as explicitly modified or superseded by the provisions of one or more chapters addressing monitoring and evaluation approved as part of the Common Operational Framework, with the goal of such chapter(s) being submitted for approval by the Fund Council and the Consortium by September 30, 2011.

22. Monitoring

22.1. The Consortium shall establish a monitoring system that provides a reliable, harmonized system to monitor CRPs and Centers that (i) is reasonably satisfactory to the Fund Council, (ii) serves the goals of the CGIAR reforms, including reducing overall reporting obligations of the Centers, and (iii) is sufficient to provide the reporting required in Section G above. The Consortium shall have the overall responsibility for monitoring research under the SRF and managing the monitoring system.

22.2. The Consortium shall monitor the performance of the Centers, including with respect to each CRP, and any Partners with respect to each CRP. The Fund Council shall monitor the performance of its support units, including the Trustee, Fund Office and ISPC. The Consortium and the Fund Council shall monitor performance of those respective bodies in the following key areas, as relevant: (i) strategic impact, (ii) quality and relevance of programmatic performance, (iii) managerial and governance performance, and (iv) financial and resource mobilization.

23. Evaluation

23.1. The Fund Council and the Consortium each has the right, with respect to aspects under its respective purview, to commission evaluations of programs, management and governance bodies. A chapter (or portion of a chapter) of the Common Operational Framework shall govern any evaluations requested or commissioned by the Fund Council, the Consortium or the Centers, including as to clarifying roles and responsibilities as well as institutional arrangements for these evaluations.

23.2. Evaluations are expected to include at a minimum but not be limited to:

- (i) An independent evaluation of each CRP every four years, unless otherwise agreed upon by the Consortium and Fund Council;
- (ii) An evaluation of the performance of the whole CGIAR system every six years, including the evaluation of the Consortium Board and Consortium Office, the Fund Council and Fund Office, the ISPC and the ISPC Secretariat and the Trustee; this evaluation will be commissioned by a Reference Group constituted for the purpose, in which all relevant parties will be represented; and
- (iii) Regular periodic evaluations of Center governance and management every 4 years.

24. Other

24.1. Unless otherwise specified in this Joint Agreement, the Fund Donors agree to manage their monitoring and evaluation needs and responsibilities with respect to the CGIAR Fund collectively through the Fund Council, including relying on the monitoring and evaluation measures set forth herein for all research under the SRF and refraining from conducting additional, duplicative evaluations.

24.2. If a Fund Donor wishes to request, on an exceptional basis, a review or evaluation of any activities financed by funds from the CGIAR Fund (including Window 3 Funds), and such a request is approved by the Fund Council, a designated representative from each of the Fund Council and the Consortium shall agree on the most appropriate scope and terms of reference of

such review or evaluation. Following agreement on the scope and terms of reference, such designated representative shall arrange for such review or evaluation. The costs of any such review or evaluation, including the internal costs of the Consortium and any Centers or Partners with respect to such review or evaluation, shall be paid by the requesting Fund Donor. In the event such a request is not approved by the Fund Council in a manner satisfactory to the Fund Donor, and the requesting Fund Donor has a statutory, regulatory or policy environment requiring such Fund Donor's ability to make such a request unilaterally, such Fund Donor may proceed with the terms set forth above by agreeing with the Consortium directly on the most appropriate scope and terms of reference, with the costs of any such review or evaluation, including the internal costs of the Consortium and any Centers or Partners with respect to such review or evaluation, to be paid by such Fund Donor.

24.3. The Consortium agrees to work with the Centers and any Partners to engage with stakeholders, align the research agenda with developing countries' priorities, advocate research needs and achievements, monitor outcomes based on agreed indicators, and monitor global trends.

24.4. The Fund Donors agree to work with each other to harmonize and align their respective policies, seek to coordinate and leverage CGIAR research and their respective national programs (in the case of developing country Fund Donors) and their respective bilateral technical assistance programs (in the case of multilateral organizations and developed country Fund Donors).

24.5. The Fund Council may conduct reasonable site visits of Centers and any Partners and reasonably consult with personnel of the Consortium, the Centers or Partners, provided that all associated costs shall be borne by the CGIAR Fund through the Fund Office budget.

I. Remedies; Termination; Dispute Resolution

25. Remedial Measures

25.1. If the Fund Council determines that any aspects of the implementation of the SRF are not progressing efficiently or effectively, or that such activities are failing to reach planned indicators or results, and that corrective action is merited, the Fund Council may inform the Consortium of the Fund Council's view with recommendations for improvement or with a request that the Consortium propose corrective measures designed to address the shortcomings. The Parties may agree to time frames for implementation, procedures for monitoring and any ramifications for such corrective measures, as appropriate.

25.2. Any enforcement of Fund Donor or Fund Council remedies or pursuit of Fund Donor or Fund Council rights or interests with respect to Window 1 and Window 2 Funds shall arise directly between the Fund Council and the Consortium and be undertaken to the extent approved by the Fund Council, without requiring involvement of the Trustee, the World Bank or individual Fund Donors, except as otherwise specified in this Joint Agreement; provided that in the event a Fund Donor wishes to enforce a remedy or pursue a right that is not approved by the Fund Council, and such Fund Donor has a statutory, regulatory or policy environment requiring such Fund Donor's ability to act unilaterally, such Fund Donor may enforce such remedy or pursue such right on its own behalf in accordance with the terms of the governing Fund Use Agreements.

25.3. Subject to Section 25.2, the Consortium acknowledges and agrees that the Fund Donors shall each have the rights accruing to either each Fund Donor or the Fund Council in the CGIAR Principles, this Joint Agreement and all governing Fund Use Agreements to which the Consortium is party with the ability to seek direct recourse against the Consortium at any time for

any enforcement or breach thereof; provided that any such enforcement will require the consensus of the members of the Fund Council for the specific case and will be undertaken by a Fund Donor specifically designated by the Fund Council for that case to act on its behalf for this purpose. The Consortium agrees that the Fund Donors may collectively through the Fund Council seek direct reasonable enforcement or recourse against the Consortium with respect to any unmet or breached obligations, including but not limited to the intended use of Window 1 and Window 2 Funds.

25.4. None of the Fund Council, the Trustee, the Fund Office, or the World Bank in its capacity as signatory on behalf of the Fund Council or any Fund Donor assumes liability for any third party claims for damages arising from activities financed by funds from the CGIAR Fund (including Window 3), except as otherwise provided in this Joint Agreement.

26. Suspension

26.1. The Fund Council shall have the right to instruct the Trustee not to follow any or all Payment Requests from the Consortium or disburse any or all funds thereunder, and the Trustee shall comply with such instructions, in the event (i) the Consortium fails to perform its obligations under this Joint Agreement or any Fund Use Agreement to which the Consortium is a party; (ii) the Consortium or any Center has or appears to have engaged in corrupt, fraudulent, collusive or coercive practices in connection with the use of funds from the CGIAR Fund or used such funds to finance a contract involving such practices, without timely and appropriate action on the part of the Consortium or Center to address such practices when they occurred; (iii) a statement, representation or undertaking by the Consortium under this Joint Agreement or any Fund Use Agreement to which the Consortium is a party was incorrect in a material respect; or (iv) unforeseen or extraordinary circumstances arising or becoming known after the date of this Joint Agreement make it improbable that the Consortium and Centers will implement the SRF or that the Consortium will perform its obligations under this Joint Agreement or any Fund Use Agreement to which the Consortium is a party. Notwithstanding any other terms of this Joint Agreement, the Trustee shall not be obligated to comply with any individual Fund Donor's request to suspend disbursement of any funds from the CGIAR Fund or otherwise suspend disbursement of any funds from the CGIAR Fund related to an individual Fund Donor.

26.2. If the Trustee becomes aware of any reason for concern about the use of funds from the CGIAR Fund (including Window 3 Funds), it may decide to raise such concern with the Fund Council and the Consortium and may suspend any and all disbursements while awaiting instructions from the Fund Council regarding how to proceed.

27. Refunds

27.1. If the Fund Council determines, after consultation with the Consortium, that any Window 1 and Window 2 Funds have been used in a manner inconsistent with the provisions of the Contribution Agreements or Arrangements, this Joint Agreement and a governing Fund Use Agreement to which the Consortium is a party, the Consortium shall, upon notice from the Fund Council, promptly collect such amount from the Centers or any Partners concerned and refund such amount to the Trustee for deposit in Window 1. Such inconsistent use shall include, without limitation: (i) using Window 1 and Window 2 Funds from the CGIAR Fund to pay for unintended purposes; (ii) using such Window 1 and Window 2 Funds to pay for contracts that are inconsistent with required procurement and other procedures; and (iii) engaging in corrupt, fraudulent, collusive or coercive practices in connection with the use of such Window 1 and Window 2 Funds or using such Window 1 and Window 2 Funds to finance a contract involving such practices. Notwithstanding the above, Fund Donors with a statutory, regulatory or policy environment that so

requires and who have so agreed with the Trustee and specified in their respective Contribution Agreements or Contribution Arrangements will be entitled to receive from the CGIAR Fund their *pro rata* share of such refunds.

27.2. At the completion of each CRP, the Consortium shall require the Lead Center for each CRP to promptly refund or otherwise return to the CGIAR Fund any Window 1 and Window 2 Funds that remain unexpended or uncommitted under the applicable Fund Use Agreement to which the Consortium is a party or Program Implementation Agreement.

28. Termination

28.1. In the event the Consortium, after consultation with the Centers, determines that circumstances have arisen which lead it to conclude that it should no longer carry out its duties hereunder, the Consortium shall promptly notify the Fund Council and the Trustee. Thereafter the Consortium shall consult with the Fund Council to determine the subsequent measures to be taken with respect to the CGIAR Fund and the funding of ongoing CRPs as well as the Centers' operations.

28.2. In the event the Fund Council determines that circumstances have arisen which lead it to conclude that it should no longer participate in this Joint Agreement, the Fund Council shall promptly notify the Consortium and the Trustee. Thereafter the Fund Council shall consult with the Consortium to determine the subsequent measures to be taken with respect to the CGIAR Fund; provided that such measures shall be completed within 180 days of the date after the notice was provided, thus enabling the Fund Council's termination at the end of such 180-day period, unless the Fund Council agrees in writing to extend the period or continue its duties.

28.3. In the event the Trustee exercises its right of suspension and/or termination under the Contribution Agreements and Arrangements, the Trustee shall consult with the Fund Council and the Consortium to determine the subsequent measures to be taken with respect to the CGIAR Fund (as provided in the Contribution Agreements and Arrangements), and the Consortium shall accordingly agree to suspend activities under or terminate, as the case may be, this Joint Agreement.

28.4. It is expected that no new Payment Requests will be submitted to the Trustee after October 15, 2018, or such other date as otherwise agreed in the Contribution Agreements and Arrangements. For the avoidance of doubt, the provisions of Section 31 (Continuing Effect) of this Joint Agreement shall apply after such date.

29. Severability

29.1. Any provision or the application of such provision hereof that is invalid, illegal or unenforceable shall be ineffective only to the extent of such invalidity or unenforceability, without affecting in any way the remaining provisions hereof. The Parties shall negotiate in good faith to replace any provision so held to be invalid or unenforceable in order to implement most effectively the transactions contemplated by such provision in accordance with the Parties' original intent.

30. Dispute Resolution

30.1. Except as otherwise specified in this Section I, the Consortium and the Fund Council or the World Bank (in its capacity as Trustee or Fund Office), as the case may be, agree to make every effort to settle amicably any dispute that may arise between or amongst them in

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

connection with this Joint Agreement, any CPA or any other Fund Use Agreement to which the Consortium is a party.

30.2. If the Fund Council and the Consortium cannot resolve a dispute, then the Fund Council and the Consortium together may agree to request that a qualified third-party mediator be appointed. The identity of the mediator shall be mutually agreed upon by the Fund Council and the Consortium. Any resolution reached through mediation would be based on consensus of the Fund Council based on an agenda item properly tabled for decision at a Fund Council meeting and affirmative written consent of any Fund Council Member not present or electronically by affirmative written consent of each Fund Council Member, a decision by no objection not being sufficient, and agreement with the Consortium.

30.3. This Section 30 shall apply until and except as explicitly modified or superseded by the provisions of one or more chapters setting forth common dispute resolution mechanisms approved as part of the Common Operational Framework.

31. Continuing Effect

31.1. Notwithstanding any refund, suspension or termination under Sections 26 through 28, the provisions of this Joint Agreement and each governing CPA that contemplate performance or observance subsequent to any termination or expiration of this Joint Agreement or CPA, as the case may be, shall continue in full force and effect.

32. General

32.1. The offices responsible for coordination of all relevant matters related to the implementation of this Joint Agreement, including providing or being provided any notice, taking any action and executing any documents required or permitted pursuant to this Joint Agreement, are, except as may be notified in writing to the other contacts:

For the Consortium (the "Consortium Contact"):

Chief Executive Officer
Consortium Office of the CGIAR Centers
c/o Agropolis International
Avenue Agropolis
34394 Montpellier cedex 5
FRANCE
Tel: + 33 (0)4 67 04 75 31
Fax: + 33 (0)4 67 04 75 83

For the Trustee (the "Trustee Contact"):

Director
Multilateral Trusteeship and Innovative Financing
The World Bank
1818 H Street, NW
Washington, DC 20433, U.S.A.
Tel: + 1 202 458 0019
Fax: + 1 202 614 0249

For the Fund Council (the "Fund Council Contact")

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

Chair of the CGIAR Fund Council
Vice President, Sustainable Development Network
The World Bank
1818 H Street, NW
Washington, DC 20433, U.S.A.
Tel: + 1 202 458 7405
Fax: + 1 202 522 7122

For the Fund Office (the “Fund Office Contact”):

Executive Secretary, CGIAR Fund Council and
Head, CGIAR Fund Office
The World Bank
1818 H Street, NW
Washington, DC 20433, USA
Tel: +1 202 473 8918
Fax: +1 202 473 8110

32.2. The offices responsible on behalf of each of the Fund Donors for coordination of any relevant matters related to implementation of this Joint Agreement, including providing or being provided any notice, taking any action or executing any documents required and permitted pursuant to this Joint Agreement, are as specified as the “Donor Contact” in the respective Contribution Agreements and Arrangements with the Trustee. The Fund Office agrees to notify (i) each of the then-current Fund Donors in the event the Consortium Contact changes, and (ii) the Consortium Contact in the event any Fund Donor Contact changes or is added to the CGIAR Fund.

32.3. Wherever this Joint Agreement requires the Consortium to provide reports or other regular information to the Fund Council, the Parties agree that this obligation may be fulfilled if the Consortium provides such report or information to the Fund Office with a specific request that it be distributed to the members of the Fund Council.

32.4. Notwithstanding the status of each Fund Donor hereunder as deriving rights and obligations through the Fund Council, with the World Bank as legal signatory on its behalf, the Parties agree that (i) Fund Donor rights and obligations hereunder through the Fund Council shall not be diminished in any way, other than as provided in this Joint Agreement and (ii) the rights and obligations of the World Bank shall not be augmented in any way by virtue of its role as signatory for the Fund Council. To the extent enforced, the rights and obligations of the members of the Fund Council under this Joint Agreement shall be determined by the Fund Council.

32.5. The Consortium is a contractual joint venture set up among the 15 International Agricultural Research Centers supported by the CGIAR under the Agreement establishing the Consortium of International Agricultural Research Centers signed on April 29, 2010 and governed by the rules of the Constitution annexed to that agreement. During the Interim Period, as defined above in the Preamble, Bioversity shall act as the fiscal sponsor for the Consortium and shall have full legal rights and responsibilities for the Consortium.

32.6. The CGIAR Principles, the Contribution Agreements and Arrangements, the Governance Framework, this Joint Agreement, each Fund Use Agreement to which the Consortium is a party and the Common Operational Framework shall comprise the agreement between the Parties relating to the CGIAR Fund. While these documents are consistent with each other, in case of conflict the cover agreement or arrangement (as the case may be) and Annex 2 of the

Contribution Agreements or Arrangements control, it being understood that those cover agreements and arrangements shall not impose requirements on the Consortium or Centers beyond those present in the forms of Contribution Agreement and Contribution Arrangement, as may be amended from time to time in accordance with their terms. In the event of conflict between any CPA and this Joint Agreement, the Joint Agreement shall prevail. The rights and obligations specified in the CGIAR Principles, the Contribution Agreements or Arrangements, the Governance Framework, this Joint Agreement, each Fund Use Agreement and the Common Operational Framework will not be affected or diminished by the law of any country to the contrary.

32.7. Notwithstanding the understandings reached in this Joint Agreement, no provision herein shall be construed as creating a joint venture, a legal partnership or international treaty under UN Article 102 among the Parties.

32.8. No provision of this Joint Agreement is intended to be, or should be construed as, a waiver of any privileges and immunities of any Party or Fund Donor or the World Bank in any capacity, or the officers or employees of any Party or Fund Donor or the World Bank in any capacity, which privileges and immunities are expressly reserved. No delay in exercising, or omission to exercise, any right or remedy under this Joint Agreement shall impair any such right or remedy or be construed to be a waiver thereof.

32.9. The rights and obligations of the Consortium and the Fund Council under this Joint Agreement shall be valid and enforceable in accordance with their terms.

32.10. This Joint Agreement may be amended only by written agreement of the Consortium and the Fund Council, on behalf of all Fund Donors; provided, however, that no Fund Donor shall be obligated to make any additional financial contributions under any such amendments, unless it expressly agrees to do so.

32.11. This Joint Agreement shall enter into effect as of the date of the last duly authorized signature below (the "Effective Date"). The Fund Council shall promptly notify all Fund Donors of the Effective Date.

32.12. Once the Consortium has been established with its own legal personality as an international organization and is ready to conduct operations in its own name, the Consortium may request approval from the Fund Council to transfer the rights and obligations contracted by Bioversity on behalf of the Consortium under this Joint Agreement to such international organization. If approved by the Fund Council, then such rights and obligations shall transfer to such international organization as of the date of such approval or as otherwise specified by the Fund Council, and the Interim Period shall end on that date. Until such date, Bioversity shall have the rights and obligations contracted on behalf of the Consortium under this Joint Agreement, and shall be responsible for any liabilities incurred on behalf of the Consortium under this Joint Agreement, notwithstanding any termination of the Bioversity MOU or this Joint Agreement. As provided in the Bioversity MOU, any such liability of the Consortium or (during the Interim Period) Bioversity shall be paid from the Funds of the Consortium, as such term is defined therein, subject to the consent of the Fund Council, and shared jointly and severally among all Centers concerned for any liabilities that are greater than the available assets held by or on behalf of the Consortium.

32.13. The World Bank may disclose this Joint Agreement and information on the CGIAR Fund in accordance with the World Bank's policy on access to and disclosure of information in effect at the time of such disclosure. The Consortium may disclose this Joint

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

Agreement and information on the CGIAR Fund. By agreeing to these terms, the Consortium and the Fund Council consent to disclosure of this Joint Agreement and information on the CGIAR Fund by the other Party. This provision shall continue in full force and effect following completion of all CGIAR Fund disbursements and any termination of this Joint Agreement or the CGIAR Fund.

32.14. Unless earlier terminated in accordance with the terms of this Joint Agreement, this Joint Agreement shall remain in effect through the closing of the CGIAR Fund or dissolution of the Consortium, or such later date as the Consortium and the Fund Council, on behalf of all Fund Donors, may collectively agree.

32.15. This Joint Agreement may be executed by the Parties in separate counterparts and by each of them separately on a separate counterpart, and each such counterpart, when so executed, shall be an original. Such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, Bioversity, on behalf of the Consortium, and the Fund Council, represented by the World Bank, have caused this Joint Agreement to be signed in their respective names as of the respective dates indicated.

THE FUND COUNCIL,

By the International Bank for Reconstruction and Development,

[Original signed]
Inger Andersen
Vice President
Sustainable Development Network

Date: May 11, 2011

INTERNATIONAL PLANT GENETIC RESOURCES INSTITUTE,
on behalf of the Consortium

[Original signed]
Emile Frison
Director General

Date: May 13, 2011

ANNEXES:

ANNEX 1 Form of Consortium Performance Agreement

ANNEX 2 Form of Payment Request

Schedules (for informational purposes):

Schedule 1 (Glossary)

Schedule 2 (Governance Framework, without attached Schedules)

Schedule 3 (CGIAR Principles)

Schedule 4 (Form of Contribution Agreement, including Annex 2 and Annex 3 thereto)

ANNEX 1 of Joint Agreement

Form of Consortium Performance Agreement

**CONSORTIUM PERFORMANCE AGREEMENT
UNDER THE CGIAR FUND (TF 069018)
FOR [NAME OF CRP PROPOSAL]**

This Consortium Performance Agreement (the “CPA”) is entered into by and between:

- the Fund Council of the CGIAR Fund (the “Fund Council”), represented by the International Bank for Reconstruction and Development (the “World Bank”), and
- the International Plant Genetic Resources Institute (operating under the name of Bioversity International, hereafter referred to as “Bioversity”), on behalf of the Consortium of International Agricultural Research Centers (the “Consortium”)

(the Consortium together with the Fund Council are collectively referred to as the “Parties”).

WHEREAS the Parties are entering into this CPA for the CGIAR Research Program (the “CRP”) entitled _____ [name of CRP] to be financed in whole or in part by the CGIAR Fund (TF No. 069018) (the “CGIAR Fund”);

WHEREAS on October 28, 2010, the CGIAR Fund was established;

WHEREAS donors to the CGIAR Fund (each a “Fund Donor”) and the World Bank as trustee (the “Trustee”) have entered into Contribution Agreements and Contribution Arrangements for the purpose of contributing funds to the CGIAR Fund (the “Contribution Agreements and Arrangements” or the “Contribution Agreements or Arrangements,” as the case may be);

WHEREAS on April 15, 2011 the Parties entered into a Joint Agreement setting out certain terms and conditions governing the submission and approval of CRP proposals, the implementation and use of funds in resulting CRPs, including, with respect to the Consortium and Centers, the treatment of System Costs (the “Joint Agreement”);

WHEREAS, the World Bank is signing this CPA solely in its capacity as signatory for the Fund Council as the Fund Council does not have legal personality, and not in its capacity as Trustee, Fund Office or in any other role, except as otherwise provided herein;

WHEREAS, the Consortium is a contractual joint venture set up among the 15 International Agricultural Research Centers supported by the CGIAR under the Agreement establishing the Consortium of International Agricultural Research Centers signed on April 29, 2010 and governed by the rules of the Constitution annexed to that agreement;

WHEREAS, pending its formal establishment as an international organization and until it is ready to carry out its business in its own name (the “Interim Period”), the Consortium shall draw on the legal personality of Bioversity, a Center which has its international headquarters in Maccaresse, Italy and an office in Montpellier, France, and which is authorized to enter into agreements and contract obligations on behalf of the Consortium under a Memorandum of Understanding between Bioversity and the Consortium Board on behalf of the Consortium dated February 23, 2011 (the “Bioversity MOU”); and

WHEREAS a proposal dated _____, which was submitted by the Consortium to the Fund Council and attached hereto as Exhibit 1) (the “CRP proposal”), was approved by the Fund Council on _____ as recorded in agreed minutes of the Fund Council attached hereto as Exhibit 2 (the “Fund Council Approval”);

NOW THEREFORE, the Parties hereto agree as follows:

1. Based on the Fund Council Approval and as set forth in the CRP proposal, the amount of funds from Window 1 and Window 2 of the CGIAR Fund that may be transferred to the Lead Center as part of this CRP is US\$ _____ (or the equivalent thereof) (the Fund Council-Allocated Component); the Total Budget for this CRP is US\$ _____ (or the equivalent thereof). The Consortium agrees, and shall require the Lead Center for each CRP and, through such Lead Center, any other Centers or Partners participating in such CRP to agree, that this amount and any income earned thereon (“Investment Income”) will be used only for the purposes described in the CRP proposal and will be governed by the terms and conditions of the Joint Agreement, which is incorporated by reference herein, and this CPA.

2. Following the Effective Date (as defined below), the Trustee shall disburse the Window 1 and Window 2 Funds (as defined in the Joint Agreement) to the Lead Center as follows in accordance with a proper Payment Request received by the Trustee from the Consortium prior to each such disbursement, at all times subject to the availability of funds:

[insert timing and amounts or refer to the approved CRP proposal]

It is understood that the Trustee will transfer Window 3 Funds to Centers so designated by Fund Donors in Contribution Agreements and Arrangements pursuant to a W3 Transfer Agreement entered into by the Trustee and each such Center, and that a portion of such Window 3 Funds may constitute a portion of the Window 3 and Bilateral Component, as set out in the attached CRP proposal.

3. Following disbursement by the Trustee, (i) the Consortium shall have full fiduciary responsibility to the Fund Donors and the Fund Council for use of Window 1 and 2 Funds disbursed and the implementation of the CRP in accordance with the terms of the Contribution Agreements or Arrangements, the governing Fund Use Agreements to which the Consortium is a party, including the Joint Agreement, this Consortium Performance Agreement and any relevant W3 Transfer Agreements, and (ii) the World Bank in any capacity will have no responsibility to the Fund Donors, the Fund Council or otherwise for the Consortium’s handling of the funds from the CGIAR Fund or the activities carried out with such funds. The Consortium shall have no responsibility to supervise or monitor use of Window 3 Funds, and Fund Donors shall have no specific rights of recourse with respect to Window 3 Funds under this Consortium Performance Agreement, except that in the event a Center implementing the CRP fails to use Window 3 Funds for implementation of the SRF or in accordance with the Common Operational Framework, (i) the Consortium may take whatever corrective actions it considers appropriate and within its purview; and (ii) the Trustee, in its discretion or as instructed by Fund Council decisions, may withhold further disbursements from the CGIAR Fund to that Center. In the event questions of interpretation regarding the use of Window 3 Funds arise, (i) decisions about what constitutes activities for implementing the SRF shall be made by the Consortium in consultation with the Fund Council, and (ii) decisions about compliance with the Common Operational Framework shall be made jointly by the Consortium and the Fund Council. Nothing in this CPA shall preclude Fund Donors from entering into side agreements with individual Centers for use of Window 3 Funds financed by their Contributions.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

4. The Consortium agrees to exercise its fiduciary duties over the use of Window 1 and Window 2 Funds.

5. The offices responsible for the Consortium, Fund Council, Fund Office and Trustee for coordination of all relevant matters related to the implementation of this CPA, including providing or being provided any notice, taking any action and executing any documents required or permitted pursuant to this CPA, are, except as may be notified in writing to the other Contact:

For the Consortium (the “Consortium Contact”):

Chief Executive Officer
Consortium Office of the CGIAR Centers
c/o Agropolis International
Avenue Agropolis
34394 Montpellier cedex 5
FRANCE
Tel: + 33 (0)4 67 04 75 31
Fax: + 33 (0)4 67 04 75 83

For the Trustee (the “Trustee Contact”):

Director
Multilateral Trusteeship and Innovative Financing
The World Bank
1818 H Street, NW
Washington, DC 20433, U.S.A.
Tel: + 1 202 458 0019
Fax: + 1 202 614 0249

For the Fund Council (the “Fund Council Contact”)

Chair of the CGIAR Fund Council
Vice President, Sustainable Development Network
The World Bank
1818 H Street, NW
Washington, DC 20433, U.S.A.
Tel: + 1 202 458 7405
Fax: + 1 202 522 7122

For the Fund Office (the “Fund Office Contact”):

Executive Secretary, CGIAR Fund Council and
Head, CGIAR Fund Office
The World Bank
1818 H Street, NW
Washington, DC 20433, USA
Tel: +1 202 473 8918
Fax: +1 202 473 8110

6. The offices responsible for each of the Fund Donors for coordination of any relevant matters related to implementation of this CPA, including providing or being provided any notice, taking any action or executing any documents required and permitted pursuant to this CPA, are as specified as the “Donor Contact” in the respective Contribution Agreements or Arrangements with

the Trustee. The Fund Office agrees to notify (i) each of the then-current Fund Donors in the event the Consortium Contact changes, and (ii) the Consortium Contact in the event any Donor Contact changes or is added to the CGIAR Fund.

7. The Fund Council and the Consortium will be responsible only for performing their respective functions specifically set forth in the Joint Agreement and this CPA and will not be subject to any other duties or responsibilities, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Consortium Performance Agreement will be considered a waiver of any privileges or immunities of the Fund Council, the Fund Donors, the World Bank, the Consortium or Bioversity under their respective Articles of Agreement or equivalent documents and any applicable law, all of which are expressly reserved.

8. The Consortium consents to the disclosure of this CPA and related information in accordance with the World Bank's policy on disclosure of information. This provision will continue in full force and effect following completion of all CGIAR Fund disbursements and termination of the Contribution Agreement or Arrangement.

9. This Consortium Performance Agreement may be terminated by either the Fund Council or the Consortium upon 180 days prior written notice. Additionally, in the event the Trustee exercises its right of suspension and/or termination under the Contribution Agreements and Arrangements, the Trustee shall consult with the Fund Council and the Consortium to determine the subsequent measures to be taken with respect to the CGIAR Fund (as provided in the Contribution Agreements and Arrangements), and the Consortium shall accordingly agree to suspend activities under or terminate, as the case may be, this CPA. In the event of any such termination, unless the Fund Council and the Consortium agree on another course of action, (i) any agreement entered into prior to the termination between the Consortium and any consultants and/or other third parties will remain in effect and be unaffected by the termination, and (ii) the Consortium will be entitled to continue to request disbursement of amounts from the Fund Council-Allocated Component in respect of such agreements to the extent contemplated in the Fund Council-Allocated Component and necessary to fulfill the Consortium's obligations thereunder as if this CPA had not been terminated. The Consortium shall cause all other amounts from the Fund Council-Allocated Component remaining with the Lead Center or other Centers or Partners participating in the CRP after such termination, along with Investment Income thereon, to be returned to the Trustee for deposit into the CGIAR Fund (or returned to the Fund Donors *pro rata* to their respective contributions to the CGIAR Fund if the CGIAR Fund has been closed).

10. Except with respect to clauses that by their nature are meant to survive, this CPA shall terminate upon the completion of the CRP.

11. This CPA may be amended only by written statement between the Fund Council and the Consortium. In the event of conflict between this CPA and the Joint Agreement, the Joint Agreement shall prevail.

12. This Consortium Performance Agreement will come into operation on the date of the last duly authorized signature provided below (the "Effective Date").

13. Once the Consortium has been established with its own legal personality as an international organization and is ready to conduct operations in its own name, the Consortium may request approval from the Fund Council to transfer the rights and obligations contracted by Bioversity on behalf of the Consortium under this CPA to such international organization. If approved by the

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

Fund Council, then such rights and obligations shall transfer to such international organization as of the date of such approval or as otherwise specified by the Fund Council, and the Interim Period shall end on that date. Until such date, Bioversity shall have the rights and obligations contracted on behalf of the Consortium under this CPA, and shall be responsible for any liabilities incurred on behalf of the Consortium under this CPA, notwithstanding any termination of the Bioversity MOU or any termination under Section 9 above. As provided in the Bioversity MOU, any such liability of the Consortium or (during the Interim Period) Bioversity shall be paid from the Funds of the Consortium, as such term is defined therein, subject to the consent of the Fund Council, and shared jointly and severally among all Centers concerned for any liabilities that are greater than the assets held by or on behalf of the Consortium.

THE FUND COUNCIL,
By the International Bank for Reconstruction and Development,

Inger Andersen
Vice President, Sustainable Development Network

Date _____

THE INTERNATIONAL PLANT GENETIC RESOURCES INSTITUTE,
on behalf of the Consortium

Emile Frison
Director General

Date _____

EXHIBIT 1

[insert the CRP (ie the approved CRP proposal)]

EXHIBIT 2

[insert the FC approval minutes]

ANNEX 2 of Joint Agreement

FORM OF PAYMENT REQUEST

[CONSORTIUM LETTERHEAD]

Form of Funds Transfer Instruction in respect of a CGIAR Research Program, to be provided by the Consortium to the Trustee

[insert date]

Reference Number: [•]

To: Trustee

Multilateral Trusteeship and Innovative Financing
The World Bank
1818 H Street, NW
Washington, DC 20433, U.S.A.
Tel: + 1 202 458 0019
Fax: + 1 202 614 0249
Email: mtotruster@worldbank.org

Re: Payment request issued under the Joint Agreement between the Fund Council and the Consortium dated April 15, 2011

Dear Trustee,

Please arrange the transfer of the amount below from the CGIAR Fund TF069018 as a disbursement in respect of the approved CRP and the governing Consortium Performance Agreement and a governing Program Implementation Agreement, identified below, to the recipient below.

CGIAR Research Program (“CRP”) details

CRP Name: [•]

CRP Acronym: [•]

Total Amount of Fund Council-Allocated Component: [•]

Total Amount of Fund Council-Allocated Component Previously Transferred from the Fund: [•]

Governing Consortium Performance Agreement dated: [insert date]

Governing Program Implementation Agreement dated [insert date]

Recipient (“R”) details

R Name: [•]

R Address: [•]

R Contact/Representative: [•]

R Fax Number: [•]

R Telephone Number: [•]

R Email Address: [•]

Disbursement to be paid now

Amount: *[insert in words and figures both amount and currency type]*

Beneficiary: [•]

Bank account name: [•]

Bank account number: [•]

Beneficiary's bank: [•]

Bank address: [•]

Bank SWIFT code: [•]

Bank code: [•]

Routing instructions: [•]

We are duly authorized to issue this notice to you. We acknowledge that the Trustee may accept, without any further investigation, verification or enquiry, and on its face, all details contained in this notice in accordance with Clauses 16.1.(iii) and 17.1 of the Joint Agreement and Fund Council approvals.

We hereby represent that this request is in accordance with all relevant Fund Council decisions, in particular CRP approvals, and governing agreements.

THE INTERNATIONAL PLANT GENETIC RESOURCES INSTITUTE,
on behalf of the Consortium

Yours sincerely,

Authorised Signatory

Name (printed): [•]

Authorised Signatory

Name (printed): [•]

SCHEDULE 1 of Joint Agreement

GLOSSARY

(for informational purposes only)

Version approved by the Fund Council on April 5, 2011, pending Consortium Board approval

“Bilateral Funders” means funders of the CGIAR that provide their funding directly to the Centers.

“Bilateral Funding” or “Bilateral Funds” means funding that flows directly from Bilateral Funders to Centers.

“Bilateral Portion of System Costs” means the Bilateral Funders’ portion of the System Costs.

“Centers” means the international agricultural and natural resources research centers that are members of the Consortium; and each a “Center”.

“CGIAR” means the global scientific research-for-development partnership consisting of the Consortium, Centers, CGIAR Funders, Partners and other CGIAR Participants to implement the SRF based on the goals expressed in the CGIAR Principles and the aspirations expressed in the Joint Declaration.

“CGIAR Doers” means the Consortium and Program Participants.

“CGIAR Financial Guidelines Series” means the chapters of the historically agreed CGIAR Financial Guidelines Series that have been approved by the Consortium and the Fund Council as part of the Common Operational Framework.

“CGIAR Fund” means the multi-donor trust fund, TF 069018, administered by the World Bank, as Trustee, and governed by the Fund Council.

“CGIAR Funders” means all Fund Donors and all Bilateral Funders.

“CGIAR Participants” means all CGIAR Doers and CGIAR Funders.

“CGIAR Principles” means the CGIAR Principles adopted by the Fund Council and the Consortium.

“CGIAR Research Program” or “CRP” means a research or other program for coordinated implementation of the SRF by the Centers and other CGIAR Doers submitted by the Consortium that has been approved by the Fund Council, most of which are expected to be proposed by the Consortium and approved by the Fund Council as eligible to receive Window 2 subaccount funding (formerly MPs).

“CGIAR System Cost Financing” means the operational details pertaining to equitable distribution of all System Costs among all CGIAR Funders approved by the Fund Council and the Consortium as part of the Common Operational Framework, reflecting the decision of the Funders Forum on July 15, 2010.

“Common Operational Framework” or “COF” means the common framework agreed between the Fund Council and the Consortium on common processes, which may include reporting, CRP

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selection criteria, CRP proposal preparation guidelines, financial guidelines, monitoring, evaluation, conflict of interest, intellectual property, communications plan, resource mobilization plan, System Cost modalities and other operational aspects that apply to all funding and implementation aspects of the SRF (including CRPs), regardless of funding source or implementing entity.

“Consortium” means the consortium of the Centers, managed by the Consortium Board, established on April 29, 2010 to manage and implement the SRF (including CRPs), including as the Consortium is initially operated under a memorandum of understanding with one of the Centers.

“Consortium Board” means the Board of the Consortium as defined by the Constitution.

“Consortium Observer” means the Chair and/or CEO of the Consortium, who are invited to participate in Fund Council meetings in accordance with the Rules of Procedure.

“Consortium Performance Agreement” or “CPA” means each agreement between the Consortium and the Fund Council consisting of specific results-based terms applicable to a particular CRP, including principally the relevant CRP proposal approved by the Fund Council and incorporating the terms of the Joint Agreement, and together the “Consortium Performance Agreements”.

“Constitution” means the primary governing document of the Consortium as adopted by the Centers on April 29, 2010, establishing the Consortium and setting forth the relationship between the Consortium and the Centers.

“Contribution” means, with respect to each Contribution Agreement or Contribution Arrangement, as the case may be, the total amount of funds expressed as the respective Fund Donor’s contribution to the CGIAR Fund in paragraph 1 of such Contribution Agreement or Contribution Arrangement, as such amount of funds may be supplemented through amendments or written modifications to such Contribution Agreement or Contribution Arrangement from time to time; and together from all Fund Donors, the “Contributions”.

“Contribution Agreement” or “Contribution Arrangement” means the agreement or arrangement, as the case may be, entered into between the Trustee and a Fund Donor in respect of the Fund Donor’s contribution to the CGIAR Fund; and together for all Fund Donors, the “Contribution Agreements and Arrangements” or “Contribution Agreements or Arrangements,” as the case may be.

“Core Budget” means, with respect to the activities to be conducted as part of a CRP, the costs of each such activity and the reasonably anticipated funding expected to be received for such activities from (i) the Fund Council-Allocated Component and (ii) the Window 3 and Bilateral Component during the life of such CRP.

“CSF” means the cost-sharing formula set by the Funders Forum designed to cover System Costs through equitable apportionment across all CGIAR Funders.

“CSP” means the annual cost-sharing percentage determined by the Fund Office on the basis of the CSF, which will be charged to all funds contributed to Window 2, Window 3 and the Provisional Account and all Bilateral Funding as a proportional reimbursement to Window 1, from which all System Costs are paid.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

“Expanded Funding Component” means the activities that would be conducted as part of a CRP, and the costs of each such activity, if additional Window 3 or Bilateral Funding financial resources that were unanticipated when the Consortium submitted a proposal for such CRP to the Fund Council later become available during the life of the CRP.

“Fund Council” means the CGIAR Fund’s decision making body representing all Fund Donors.

“Fund Council-Allocated Component” means the portion of the Total Budget appearing in each CRP proposal and CRP to be funded with Window 1 Funds and Window 2 Funds.

“Fund Council Members” means the representatives of the specific entities designated to participate in Fund Council meetings by the respective constituencies of Fund Donors, in addition to certain representatives designated to participate in Fund Council meetings from other specified CGIAR stakeholders.

“Fund Donor” means any entity that contributes to the CGIAR Fund through a Contribution Agreement or Contribution Arrangement, either directly or indirectly, and together for all Contributions the “Fund Donors”.

“Fund Donor Share” means, with respect to each Fund Donor, an interest in the CGIAR Fund in an amount equal to the aggregate of the respective Fund Donor’s shares of the respective Fund Donor’s designations as credited by the Trustee, as further specified in the Contribution Agreements and Arrangements.

“Fund Office” means the support unit of the Funders Forum, the Fund Council, and their respective Chairs.

“Fund Use Agreements” means any agreements entered into between the Consortium or the Centers, on the one hand, and the World Bank, whether in the World Bank’s capacity as Trustee or on behalf of the Fund Council, on the other hand, for the receipt of funds from the CGIAR Fund by the Consortium or the Centers, as the case may be (such as (i) the Joint Agreement, (ii) the various Consortium Performance Agreements, and (iii) any additional agreements operationalizing Trustee transfers of funds, including W3 Transfer Agreements), as well as any agreements entered into by the World Bank in either capacity and another recipient for the receipt of System Costs from the CGIAR Fund (such as performance agreements between the recipient, including the Consortium, and the Fund Council as to specific budgets and work plans approved by the Fund Council).

“Funders Forum” means the biennial event that brings together Fund Donors, Bilateral Funders and other invited stakeholders.

“GCARD” means the biennial Global Conference on Agricultural Research for Development, which provides a forum to engage stakeholders in the SRF and CRPs so the CGIAR can avail itself of GCARD recommendations, including the identification of opportunities for partnerships and demand-driven research for development.

“Glossary” means the glossary approved by the Consortium and the Fund Council as part of the Common Operational Framework.

“Governance Framework” means the governance terms for the CGIAR Fund adopted by the Fund Council, as such document may be amended by the Fund Council from time to time in accordance with its terms.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

“IEA” means the independent evaluation arrangement under the M&E Framework for (a) regular independent evaluations of CRPs commissioned by the Fund Council, and (b) periodic independent evaluations of the CGIAR as a whole commissioned by a special purpose body jointly established by the Fund Council and the Consortium.

“ISPC” or “Independent Science and Partnership Council” means the independent standing panel established by the Fund Council to provide independent advice and expertise as part of its assessment of CRP proposals submitted by the Consortium and serves as an intellectual bridge between the Fund Council and the Consortium.

“Joint Agreement” means a type of Fund Use Agreement between the Consortium and the Fund Council that sets forth an umbrella set of terms and conditions that govern principally the submission and approval of CRP proposals and the transfer and use of funds from the CGIAR Fund for implementation of CRPs.

“Joint Declaration” means the document approved by the CGIAR members on December 8, 2009, which sets forth mutual aspirations and expectations for the CGIAR.

“Lead Center” means the Center assigned by the Consortium to coordinate the implementation of activities and physically receive fund transfers from the CGIAR Fund with respect to a CRP under a governing Program Implementation Agreement.

“M&E Framework” or “Monitoring & Evaluation Framework” means the monitoring and evaluation framework approved by the CGIAR members on December 8, 2009, which provides a coordinated approach for assessing the implementation of the SRF, as a means to promote both institutional learning and accountability, as such framework may be incorporated into the Common Operational Framework or otherwise revised through agreement of the Fund Council and the Consortium.

“Operational Currencies” means the holding currencies of the CGIAR Fund, i.e., United States dollars and additionally Euros, as and when enabled by the Trustee’s systems; and each an “Operational Currency”.

“Partner” means any institution engaged in research activities for implementation of the SRF under the purview of the Consortium, other than a Center, whether through contractual arrangements emanating from the Consortium and Centers or otherwise, including such research partners as the national agricultural research centers, other public sector entities, private companies and other private sector entities.

“Payment Request” means instructions provided to the Trustee by the Consortium and other recipients for the transfer of funds from the CGIAR Fund, as further specified in the relevant Fund Use Agreements.

“Program Implementation Agreement” or “PIA” means an agreement between the Consortium and the Lead Center for the use of funds from the CGIAR Fund for implementation of a CRP.

“Program Participants” means, for any CRP, the Centers (other than the Lead Center for such CRP) and any Partner receiving funding for activities under such CRP that are funded by the CGIAR Fund.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

“Provisional Account” means the account of the CGIAR Fund to which Fund Donors may contribute funds without initially specifying any designations.

“Rules of Procedure” means the rules of procedure adopted by the Fund Council for the management of its own business, as originally adopted on July 16, 2010 and amended from time to time.

“SRF” or “Strategy and Results Framework” means the document setting forth common goals (in terms of development impacts), strategic objectives and results (in terms of outputs and outcomes) to be jointly achieved by the CGIAR Participants within a specified timeframe that for purposes of transfers for System Costs and from Window 3 was initially accepted by the Funders Forum on July 15, 2010, pending subsequent approval by the Funders Forum based on a revised proposal to be submitted by the Consortium.

“Subagreement” means a subgrant or subcontract between a Lead Center and a Program Participant for the implementation of a CRP.

“System Costs” means costs incurred for coordinating governance, administration and business processes at the overall system level that are carried out for the benefit of the CGIAR as a whole, as specified in the CGIAR System Cost Financing.

“Total Budget” means the Core Budget and the Expanded Financing Component of any CRP, as approved by the Fund Council.

“Trustee” means the World Bank in its capacity as administrator of the CGIAR Fund.

“Window” means one of three accounts of the CGIAR Fund, as specified in the Contribution Agreements and Arrangements, including the Governance Framework, and together the “Windows”.

“Window 1 Funds” means funds disbursed from Window 1 of the CGIAR Fund.

“Window 2 Funds” means funds disbursed from Window 2 of the CGIAR Fund.

“Window 3 Funds” means funds disbursed from Window 3 of the CGIAR Fund.

“Window 3 and Bilateral Component” means the portion of the budget appearing in each CRP proposal and CRP to be funded with Window 3 Funds, Bilateral Funding or other contributions (excluding funds from Windows 1 and 2 of the CGIAR Fund).

“World Bank” means the International Bank for Reconstruction and Development.

SCHEDULE 2 of Joint Agreement

CGIAR FUND GOVERNANCE FRAMEWORK

(for informational purposes only)

As amended and restated on April 5, 2011

Capitalized terms are used as defined in the Glossary as such term is defined in Schedule 1 attached hereto.

Part A – Background

1. Introduction

1.1 The new CGIAR is a global research-for-development partnership consisting of a Consortium of international agricultural and natural resources research Centers and its funders working with partners to implement the SRF based on the aspirations expressed in the Joint Declaration.

2. CGIAR Vision, Goal and Strategic Objectives

2.1 As stated in the CGIAR Principles:

- (i) The CGIAR's vision is to reduce poverty and hunger, improve human health and nutrition and enhance ecosystem resilience through high-quality international agricultural research, partnership and leadership.
- (ii) The CGIAR's primary goal is to benefit all users of CGIAR research, including farmers and consumers.
- (iii) The CGIAR's strategic objectives are:
 - a) Food for People: Create and accelerate sustainable increases in the productivity and production of healthy food by and for the poor.
 - b) Environment for People: Conserve, enhance, and sustainably use natural resources and biodiversity to improve the livelihoods of the poor in response to climate change and other factors.
 - c) Policy for People: Promote policy and institutional change that will stimulate agricultural growth and equity to benefit the poor, especially rural women and other disadvantaged groups.

2.2 The CGIAR Funders and the CGIAR Doers have resolved to:

- a) Harmonize their approach to increasing and stabilizing funding and implementing international agricultural research for development through the CGIAR Fund and the Consortium, respectively;
- b) Manage for results in accordance with the SRF and the CRPs that derive from the SRF;
- c) Work to ensure effective governance and efficient operations in the provision and use of their resources; and

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

- d) Collaborate and partner with and among funders, implementers, and users of SRF research, as well as other external partners supporting the SRF.

3. CGIAR Structure

3.1 The CGIAR is characterized by two reinforcing pillars: (i) on the CGIAR Funders side coordinated through the CGIAR Fund, and (ii) on the CGIAR Doers side coordinated through the Consortium. The organizational structure of the CGIAR Fund consists of the following:

- (i) Fund Council,
- (ii) Fund Office,
- (iii) Trustee, and
- (iv) Funders Forum.

3.2 On the CGIAR Doers side, the CGIAR Fund structure is complemented by the following entities responsible for management and implementation of SRF research:

- (i) Consortium, governed by a Board of Directors, and
- (ii) Centers.

3.3 The dual structure rests on the respective collective undertakings and responsibilities of the Fund Council and the Consortium, particularly with respect to the use, allocation and oversight of funds from the CGIAR Fund, and is expected to be joined through various bridging mechanisms, including:

- (i) SRF,
- (ii) ISPC,
- (iii) Common Operational Framework,
- (iv) M&E Framework,
- (v) IEA,
- (vi) GCARD,
- (vii) CGIAR Principles,
- (viii) Contractual arrangements between the Consortium and the Fund Council (as applicable, through their respective representative legal entities) and/or Trustee for the receipt and use of funds from the CGIAR Fund to operationalize the SRF, and
- (ix) Common dispute resolution mechanism for the CGIAR.

4. CGIAR Fund

4.1 The CGIAR Fund finances CRPs, primarily through CRPs proposed by the Consortium and approved by the Fund Council as eligible to receive Window 2 subaccount funding, and other activities conducted by the Centers and their partner institutions to implement the SRF. It facilitates harmonization of donor support by providing a single entry point for financing by donors contributing a minimum of US\$ 100,000 to the CGIAR Fund. An entity must be in good standing and receive Fund Council approval to become a Fund Donor; provided that the Fund Council may develop further eligibility criteria for entities interested in contributing to the CGIAR Fund.

4.2 The CGIAR Fund is governed by the Fund Council, supported by the Fund Office, and administered by the Trustee.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

4.3 The counterpart of the CGIAR Fund is the Consortium, as the entity with fiduciary responsibility (i.e., to monitor and be responsible for the intended use of funds) and programmatic responsibility (i.e., to be responsible for implementation by Centers and partners and confirm their achievement of results) for funds transferred from the CGIAR Fund on the basis of Fund Council approvals (i.e., Windows 1 and 2) to implement the SRF, as further specified in the relevant agreements with the Consortium.

4.4 In participating in the CGIAR Fund, Fund Donors agree to work with each other to harmonize and align their respective policies and resources as far as possible and seek to effectively leverage complementarities between CGIAR research and (i) their respective national programs in the case of developing country Fund Donors and (ii) their respective bilateral technical assistance programs in the case of multilateral organizations and developed country Fund Donors.

5. Funding Windows

5.1 Fund Donors may designate use of the funds they contribute to the CGIAR Fund in three ways:

(i) Window 1 – These funds may be allocated by the Fund Council, (x) in consultation with the Consortium, to (a) CRPs submitted by the Consortium and approved by the Fund Council on any aspect of SRF implementation, and (b) anything else within the scope of SRF implementation that the Fund Council approves to fulfill its responsibilities as set forth in Section 7 below; and (y) System Costs. All System Costs are paid out of Window 1 in their entirety based on a principle of equitable cost sharing under which Window 1 will be reimbursed proportionally by the CSP taken from all other (non-Window 1) funds contributed to the CGIAR Fund and Bilateral Funds. In addition, the following are deposited into Window 1: (a) any refunds from recipients, including the Trustee and Fund Office, regardless of the Window from which the funds were originally received, (b) any investment income generated by funds held in the CGIAR Fund, (c) the CSP amounts from Windows 2 and 3 and the Provisional Account, and (d) the Bilateral Portion of System Costs.

(ii) Window 2 – These funds are directed by Fund Donors to specific CRPs proposed by the Consortium and approved by the Fund Council as eligible to receive Window 2 subaccount funding. For each such CRP, funds received into Window 2 are limited to the total budget amount approved by the Fund Council for that CRP. Funds received for such a CRP in excess of the total approved budget amount are deposited into Window 1, as determined on a pro rata basis for each contributing Fund Donor. Window 2 funds may be released by the Fund Council only in response to proposals submitted by the Consortium. All Window 2 contributions are, at the time of contribution, adjusted by the CSP to equitably defray the System Costs, with the CSP amount deposited by the Trustee into Window 1.

(iii) Window 3 – These funds are directed by Fund Donors to individual Centers. Fund Donors may designate specific amounts to specific Centers for use at the Center's discretion; provided such funds are used to implement aspects of the SRF and provided further that such funds are used in accordance with the Common Operational Framework. Such designations are not subject to review, allocation or approval by the Consortium or Fund Council, although it is expected that their intended or actual use will be reported by each Center to the Consortium. Window 3 is transitional. After two years following establishment of the CGIAR Fund, the Fund Council will in consultation with the Consortium review Window 3. Window 3 designations may not entail commitments by Fund Donors beyond the time period agreed by the Fund Council for Window 3. All Window 3 contributions are, at the time of contribution,

adjusted by the CSP to equitably defray the System Costs, with the CSP amount deposited by the Trustee into Window 1.

5.2 Notwithstanding any other statements in this Governance Framework, the following terms additionally apply to Window 3. The Fund Council maintains an overview of Window 3 funds through regular reporting (i) by the Trustee on the flow of funds in and out of Window 3 and (ii) by the Consortium on the use of Window 3 funds; provided, however, that neither the Fund Council, Fund Office or Trustee, nor the Consortium, have fiduciary or programmatic responsibility for funds transferred from Window 3. Fund Donors to Window 3 have no specific rights of recourse under their Contribution Agreements and Arrangements or the Fund Use Agreements regarding the use of Window 3 funds, except that in the event a Center fails to use funds transferred from Window 3 for implementation of the SRF or in accordance with the Common Operational Framework, (i) the Consortium may take whatever corrective actions it considers appropriate and within its purview; and (ii) the Trustee, in its discretion or as instructed by Fund Council decisions, may withhold further fund transfers (net of amounts previously committed by the Trustee) from the CGIAR Fund to that Center. In the event questions of interpretation regarding the use of funds transferred from Window 3 arise, (i) decisions about what constitutes activities for implementing the SRF are made by the Consortium in consultation with the Fund Council, and (ii) decisions about compliance with the Common Operational Framework are made jointly by the Consortium and the Fund Council.

5.3 Eligible designations to which a Fund Donor may assign funds are based on the structure of the CGIAR Fund agreed between the Fund Council and the Trustee and: (i) specific CRPs proposed by the Consortium and approved by the Fund Council as eligible to receive Window 2 subaccount funding in the case of Window 2, and (ii) Centers as defined by the Consortium under the Constitution as “Member Centers” in the case of Window 3.

5.4 If Fund Donors wish to contribute funds to the CGIAR Fund prior to specifically designating those funds, funds may be directed to a provisional account of the CGIAR Fund. The Trustee holds such funds without any specific assignment until such time as a Fund Donor requests that a sum in the amount it contributed to the Provisional Account be assigned to one or more of the eligible designations. Funds in the Provisional Account are not available for allocation by the Fund Council or transfer to any recipients.

5.5 Funds are held by the Trustee in the CGIAR Fund in Operational Currencies of the CGIAR Fund.

Part B – Organizational Structure

6. Fund Council Membership

6.1 Fund Council Members are selected from Fund Donors eligible to participate in the Fund Council, either through their constituencies or by their institutions, depending on the nature of their seat.

6.2 For Fund Council participation in 2010 through 2012, donor eligibility is calculated as the average annual total contribution during 2007 and 2008 by each donor to all Centers and programs (including through the World Bank-administered multi-donor trust fund), based on a list confirmed by the CGIAR members on December 8, 2009. As of 2013, to be calculated once at the beginning of every three-year term, any Fund Donor that paid funds into the CGIAR Fund through a Contribution Agreement or Contribution Arrangement totaling an average annual minimum of US\$

500,000 during the prior two years is eligible for representation on the Fund Council. The Fund Council expects to review Window 3 prior to the donor eligibility calculations for the 2013-2015 term in part to ascertain whether such minimum funding commitment includes amounts in Window 3.

6.3 The Fund Council seeks to maintain a North-South balance in its membership. Membership from the South involves representatives from donor countries as grouped into the following regional constituencies: (i) Sub-Sahara Africa, (ii) Asia, (iii) Pacific, (iv) Central, West Asia and North Africa, and (v) Latin America and Caribbean, as well as representatives from the regional fora of agricultural research constituted by countries in each of the above regions. Membership from the North involves representatives from donor countries of the Development Assistance Committee of the Organization for Economic Cooperation and Development as grouped into the following regional constituencies: (i) Europe, (ii) North America, (iii) Asia, and (iv) Pacific. Additional representatives will be drawn from multilateral organizations, a constituency of donor foundations, and the Global Forum on Agricultural Research.

6.4 Fund Council Members are expected to maintain their Fund Council participation for a three-year term based on calendar years, unless otherwise agreed by the constituency. Within each constituency, rotation is determined by the constituency's own rules, which are shared for information (not decision) purposes with the Fund Council. Regional constituencies are expected to strive for balanced rotations in their membership succession.

6.5 In the event a Southern constituency does not have an eligible Fund Donor, the respective regional organization is asked to manage a process to decide on a Fund Council representative to serve until an eligible Fund Donor emerges.

7. Fund Council Roles and Responsibilities

7.1 The Fund Council is the CGIAR Fund's decision-making body, representing all Fund Donors. Decisions are made by consensus. All Fund Donors rely on the judgment of the Fund Council for collective decisions on their behalf, including CRP approvals and Window 1 fund allocations. Fund Donors rely, to the extent possible and except as specified in the Contribution Agreements and Arrangements, on the Fund Council for the collective exercise of rights and remedies on their behalf with respect to CGIAR Fund recipients.

7.2 The Chair of the Fund Council is a Vice President of the World Bank. A Co-chair can be chosen by the Fund Council from among the Fund Council Members for individual Fund Council meetings.

7.3 On funding decisions, the Fund Council has the following roles and responsibilities:

- (i) Aligning CGIAR Fund resources to support the generation of research outputs, as agreed contractually between the Fund Council and the Consortium.
- (ii) Approving and funding CRPs based on proposals submitted by the Consortium and reviewed by the ISPC.
- (iii) Interacting with the Consortium during development of CRPs and proposals for other activities.
- (iv) Supporting the continued existence of mission critical items for the CGIAR, such as gene banks and essential capital improvements.
- (v) Entering into Fund Use Agreements with the Consortium for the use of funds from the CGIAR Fund to operationalize the SRF.

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- (vi) Developing the Common Operational Framework as agreed with the Consortium.
- (vii) Ascertaining, prior to fund transfers, that any recipients of funds from the CGIAR Fund, including the Consortium as the point of fiduciary responsibility, have in place effective accounting and control systems and processes to confirm that such funds are used for their intended purposes.
- (viii) Maintaining an overview for its own purposes of the use of funds from Window 1 and Window 2 of the CGIAR Fund, based in part on reports, audits and other assurances from the Consortium and other recipients of System Costs.
- (ix) Allocating Window 1 funds in consultation with the Consortium.
- (x) Allocating Window 2 funds based on designations by contributing Fund Donors and in consultation with the Consortium.
- (xi) Approving the annual work programs and budgets of the Trustee and Fund Office and fully funding their costs through the CGIAR Fund.
- (xii) Ensuring that System Costs approved by the Fund Council are fully funded on an equitable basis by amounts taken from Contributions to the CGIAR Fund and from Bilateral Funding, on the basis of full transparency of Bilateral Funding.
- (xiii) Approving proposed approaches for System Costs and cost sharing modalities for endorsement by the Funders Forum and agreeing on a specific plan of implementation with the Consortium.
- (xiv) Reconciling funding supply and demand with respect to CGIAR Fund resources, based in part on information provided by the Consortium, including information regarding Bilateral Funding.

7.4 On resource mobilization, the Fund Council has the following roles and responsibilities:

- (i) Contributing to the development and implementation of a joint resource mobilization strategy for raising funds for the CGIAR Fund in support of the Consortium Board's core responsibility for resource mobilization.
- (ii) Seeking to provide adequate and predictable funding for CRPs.
- (iii) Informing the Funders Forum about funding imbalances relative to the CGIAR Fund.
- (iv) Compiling and disclosing to the Consortium, on a rolling three-year basis to be updated annually, all funding indications made by Fund Donors for contributions to the CGIAR Fund, including expected timing and amounts of contributions, as part of the Fund Council – Consortium dialogue.
- (v) Annually providing the Consortium with a list of any Fund Donor's funding indications that are not fulfilled by the dates or in the amounts set forth in the respective Contribution Agreement or Contribution Arrangement.

7.5 On governance, the Fund Council has the following roles and responsibilities:

- (i) Adopting its own Rules of Procedure.
- (ii) Appointing the Chair of the Fund Council based on World Bank proposals and proposing arrangements for the post-2010 chairmanship of the Funders Forum.
- (iii) Appointing the Chair and members of the ISPC and approving the ISPC's terms of reference.
- (iv) Developing terms and guidance as appropriate for Fund Council business, including conflict of interest guidelines.

7.6 On monitoring and evaluation, the Fund Council has the following roles and responsibilities:

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

- (i) Appraising the performance of the Consortium on a regular basis in meeting its contractual obligations under agreements to receive funds from the CGIAR Fund, in part based on regular progress reports provided by the Consortium, and taking corrective actions as necessary or appropriate under such agreements.
- (ii) Commissioning periodic independent evaluations of CRPs, which may include validating findings from external evaluations undertaken by the Consortium.
- (iii) Monitoring its own performance, including with respect to the efficacy of its fund allocation mechanisms.
- (iv) Monitoring the performance of the ISPC.
- (v) Providing feedback to the World Bank on the performance of the Fund Office and Trustee.
- (vi) Reporting to the Funders Forum on funding issues and other CGIAR Fund-related business and receiving Funders Forum feedback.

7.7 In discharging its responsibilities, the Fund Council provides an overview of the CGIAR's strategic impact, quality and relevance of programmatic performance, managerial and governance performance, financial performance and resource mobilization, based primarily on information from the Consortium.

8. Fund Office Roles and Responsibilities

8.1 The Fund Office is the support unit of the Funders Forum, the Fund Council, and their respective Chairs.

8.2 On support to the Fund Council, the Fund Office assists the Fund Council and its Chair in the conduct of the Fund Council's business. These include:

- (i) Managing relations with Fund Donors.
- (ii) Drafting background notes and papers as requested by the Fund Council.
- (iii) Setting up and maintaining data bases related to Fund Office business.
- (iv) Preparing draft Fund Council procedures and guidelines for Fund Council review and approval.
- (v) Analyzing the Consortium's compliance with performance agreements, based on information submitted by the Consortium.
- (vi) Support to the Fund Council in resource mobilization efforts, in close collaboration with the Consortium.
- (vii) Compiling for the Fund Council, on a rolling three-year basis to be updated annually, all funding indications made by Fund Donors for contributions to the CGIAR Fund, including expected timing and amounts of contributions.
- (viii) Annually providing the Fund Council with a list of any Fund Donor's funding indications that are not fulfilled by the dates or in the amounts set forth in the respective Contribution Agreement or Contribution Arrangement.
- (ix) Reviewing shortfalls, overflows and imbalances in CGIAR Fund resources available for CRPs.
- (x) Proactively identifying funding risks arising from funding forecasts and proposing mitigative measures to the Fund Council.

8.3 On support to Funders Forum, the Fund Office assists the Chair(s) of the Funders Forum in organizing the Funders Forum and realizing key objectives and functions of the Funders Forum, including:

- (i) Enabling the Funders Forum's review and endorsement of the SRF.

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- (ii) Confirming that progress reports from the Consortium and mid-term external evaluations of the SRF from the Consortium are provided to the Funders Forum.
- (iii) Conveying reports on funding issues from the Fund Council.
- (iv) Preparing a financing plan for CGIAR in consultation with the Trustee and Consortium.
- (v) Providing information on shortfalls and imbalances in resources available for CRPs.

8.4 In acting as a liaison to the Trustee, the Consortium, the ISPC and the IEA, the Fund Office assists the Fund Council in maintaining its business relations and dialogue with the Trustee, the Consortium, the ISPC and the IEA on day-to-day operational matters. The Fund Office also collaborates with the Trustee as needed to enable the Trustee to carry out its responsibilities.

8.5 On support to meetings and communications, the Fund Office:

- (i) Organizes and provides administrative support for the regular meetings of the Funders Forum and the Fund Council.
- (ii) Coordinates the Funders Forum's and the Fund Council's nomination and election processes (such as for ISPC).
- (iii) Coordinates communications on behalf of the Fund Council and its Chair.
- (iv) Maintains the CGIAR Fund's archives, including maintaining and distributing amendments to this Governance Framework, and manages information activities related to Fund Council business.

8.6 Notwithstanding the roles and responsibilities of the Fund Office described herein:

- (i) The World Bank does not envision the Fund Office, as a support function, encroaching on the authority and prerogatives the Fund Council sets for itself. The Fund Council remains responsible and accountable for the substance and content of its decision making.
- (ii) The World Bank as a whole supports the limited role of the Trustee. Fund Office support is not expected to supplement or act counter to this limited role. The World Bank seeks to position its inputs into decisions about the use, allocation and oversight of funds as a Fund Council Member, rather than through its Trustee or Fund Office functions.

To further transparency, the World Bank makes reasonable efforts to indicate when it is acting in its capacity as Trustee, Fund Office or Fund Donor.

8.7 The Fund Office is located in the World Bank headquarters and its staff are employed by the World Bank. The Executive Secretary of the Fund Council leads the Fund Office and is selected and appointed by the World Bank in accordance with World Bank policies and procedures. The Fund Council participates in endorsing the position's terms of reference and is involved in shortlisting and interviewing candidates. The Fund Office staff has expertise in the areas of responsibility of the Fund Office. The annual work program and operating budget of the Fund Office are subject to approval by the Fund Council and are financed through the CGIAR Fund. The Fund Office operates under World Bank policies and procedures.

9. Trustee Roles and Responsibilities

9.1 The World Bank serves as Trustee of the CGIAR Fund. The annual work program and operating budget of the Trustee are financed through the CGIAR Fund. The Trustee operates under World Bank policies and procedures.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

9.2 Fund Donors contribute funds to the CGIAR Fund by concluding Contribution Agreements and making Contribution Arrangements with the Trustee, whether directly or indirectly, that include common provisions with respect to all Contributions to the CGIAR Fund for all Fund Donors. The Trustee has fiduciary responsibility for funds contributed to the CGIAR Fund until their transfer from the CGIAR Fund. The Trustee records notations and commitments of CGIAR Fund funds based on Fund Council approvals and transfers available committed funds based on proper fund transfer requests from the Consortium, the ISPC and other approved recipients.

9.3 The Trustee's responsibilities arise with respect to funds only during the time they are held by the Trustee and are limited to keeping tracking of Fund Donor indications of contributions to the CGIAR Fund, collecting, holding and managing contributions, financial risk management, implementation of foreign exchange transactions, investment management, recording notations for Fund Council approvals, tracking of commitments from signed agreements, making cash transfers, accounting, recordkeeping, reporting on financial status, and arranging the audit of the CGIAR Fund. The Trustee has no responsibility for (i) confirming the use of funds after transfer from the CGIAR Fund; (ii) implementing, monitoring, supervising, evaluating, or providing quality assurance for activities funded by the CGIAR Fund; (iii) providing financial, progress, results or impact reporting for activities funded by the CGIAR Fund; (iv) any misuse or misprocurement by any entity other than the World Bank with respect to funds transferred from the CGIAR Fund; or (v) pursuing any Fund Donor interests or Consortium undertakings with respect to funds from the CGIAR Fund.

9.4 The Trustee collaborates with the Fund Office as needed to enable the Fund Office to carry out its responsibilities.

10. Funders Forum

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

- (i) discuss and exchange views about the CGIAR;
- (ii) endorse the SRF proposed by the Consortium every six years;
- (iii) endorse an approach to address cost sharing of System Costs;
- (iv) provide feedback to the Consortium and the Fund Council on the implementation of the SRF based on progress reports received from the Consortium and on the mid-term independent evaluations of the SRF;
- (v) provide feedback to the Fund Council on funding issues based on reports from the Fund Council;
- (vi) review of a financing plan for CGIAR prepared by the Fund Office in consultation with the Trustee and the Consortium following establishment of the CGIAR Fund; and
- (vii) review shortfalls or imbalances in resources available for CRPs, so that individual funders may consider adjusting or augmenting their allocations.

10.2 All entities that are Fund Donors eligible for Fund Council representation, all non-donor entities that are Fund Council Members, all countries hosting the headquarters of a CGIAR Center, and all Bilateral Funders contributing at least US\$ 500,000 each of the previous two calendar years to fund implementation of the SRF may participate in the Funders Forum. The Co-chairs of the Funders Forum may additionally invite participants from among CGIAR's internal and external stakeholders, including potential funders, to attend the Funders Forum.

10.3 The Funders Forum is convened every two years, in such a way as to allow feed-in of GCARD recommendations. In the years where no Funders Forum is convened, Bilateral Funders

may be invited to interact with the Consortium and the Centers in events linked with Fund Council meetings, according to a format agreed by the Consortium and the Fund Council.

10.4 The first Funders Forum was chaired by the Chair of the Fund Council and chose co-chairmanship for subsequent Funders Fora. The co-chairs provide leadership to the Funders Forum, interact with the Fund Council, the Consortium, and Funders Forum participants, and coordinate with the Fund Office on Funders Forum planning and follow-up.

Part C – Fund Operations

11. Funding Requests

11.1 The Consortium seeks the approval of the Fund Council for research and other programs to implement the SRF by submitting CRP proposals to the Fund Council. The Fund Council and the Consortium are expected to determine and coordinate an appropriate degree of and approach for Fund Donor input into the development of CRP proposals. Descriptions in each CRP proposal and reporting by the Consortium on the use of funds received under the resulting CRP are expected to have sufficient granularity to demonstrate progress on activities funded in such program, with a focus on outputs, outcomes and impacts, highlighting the SRF and impact pathways.

11.2 In submitting a CRP proposal to the Fund Council for approval, the Consortium is understood to agree that such CRP proposal is within the scope of the SRF and that, following Fund Council approval, the ensuing CRP will be within the scope of the SRF for purposes of implementation. In approving a CRP proposal, the Fund Council is understood to agree that such CRP proposal is within the scope of the SRF.

11.3 Each CRP proposal submitted to the Fund Council for funding has one Lead Center, as described in the proposal. Implementation of each CRP is expected to involve two or more Centers and their partners, with relevant management arrangements to be described in the proposal submitted to the Fund Council.

11.4 The Fund Council has no authority to make changes to Consortium or other recipient proposals prior to approval, but may always recommend changes and resubmission.

11.5 The format for and other aspects of CRP proposals are as agreed between the Fund Council and the Consortium. Each such proposal is expected to include, among other aspects, a program content description and financing plan with a Core Budget in United States dollars, setting out the reasonably anticipated funding expected to be received from (i) Window 1 and Window 2 (i.e. the Fund Council-Allocated Component) and (ii) Window 3 and Bilateral Funders (i.e. the Window 3 and Bilateral Component) during the proposed life of the CRP. In addition to the Core Budget, each such proposal may include a description of the activities that would be conducted, and the costs of each such activity, if additional, then-unanticipated Window 3 or Bilateral Funding financial resources become available during the proposed life of the CRP (i.e. the Expanded Funding Component). (The Fund Council-Allocated Component, the Window 3 and Bilateral Component and the Expanded Funding Component shall each be a Component and together constitute the Total Budget for the CRP.) The Fund Council may develop procedures for the review of such proposals.

11.6 All CRP proposals are expected to receive review and comment from the ISPC, consistent with the Fund Council's Rules of Procedure, on scientific merit and partnership aspects prior to any Fund Council approval of the proposal.

11.7 At the time the Fund Council is considering a CRP proposal for approval, the Fund Council is expected to have the following information available: (i) from the Consortium, specific identification of all funds from all funding sources expected to finance the proposal, including the Fund Council-Allocated Component and the Window 3 and Bilateral Component, and possibly an Expanded Funding Component, (ii) from the Fund Office, information about prospects for future contributions to the CGIAR Fund and future amounts committed or indicated through Contribution Agreements and Arrangements, (iii) from the Trustee, cash balances in the CGIAR Fund, and (iv) from the ISPC, advice and comment on the proposal. The Fund Council, in consultation with the Consortium, decides (i) whether to approve the proposal, including Total Budget and each Component thereof proposed by the Consortium, and (ii) if so, from what combination of Window 1 and 2 funds to finance the approved funding commitment to the Consortium, as applicable. The Fund Council may decide (i) and (ii) at different times.

11.8 The Fund Council may at any time commission additional expert reviews for any funding proposals presented for its approval. In doing so, the Fund Council seeks to balance its interest in receiving advice with the goal of limiting administrative burdens on the Consortium and Centers.

12. Fund Outflows

12.1 All fund transfers undertaken by the Trustee from Windows 1 and 2 are based on (i) allocations and releases, respectively, approved by the Fund Council; (ii) legal commitments made to the recipient through an effective Fund Use Agreement; (iii) fund transfer requests received from the recipient; and (iv) the availability of funds. In the event of (i), the Trustee enters notations indicating the approved amounts. In the event of (ii), the Trustee records commitments against available cash for amounts due to the recipient. In the event of (iii), fund transfer requests are made in an Operational Currency, provided that Euros are transferred only to the extent available in the CGIAR Fund, the remainder to be provided in United States dollars.

12.2 Without affecting the Consortium's fiduciary, programmatic and other responsibilities, the recipient of funds from the CGIAR Fund for each CRP is the Lead Center described in the CRP.

13. Costs

13.1 Contributions from Fund Donors fund the System Costs in accordance with the Contribution Agreements and Arrangements and the CGIAR System Cost Financing.

13.2 Contributions to the CGIAR Fund together with all Bilateral Funding cover the System Costs on the basis of the CGIAR System Cost Financing. All CGIAR Funders are expected to share equally (proportionally) in the System Costs.

Part D - General

14. Monitoring and Evaluation

14.1 The CGIAR's M&E Framework is intended to support successful execution of the SRF and translate the CGIAR's vision into tangible results.

14.2 Under the CGIAR's M&E Framework, including as may be specified as part of the Common Operational Framework, periodic objective assessments are expected to be conducted on the extent

to which CRPs and other aspects of the CGIAR are likely to or have achieved their stated objectives, as articulated in the SRF, the CGIAR Principles and the Joint Declaration.

14.3 Fund Donors are, to the extent not otherwise required by their respective statutory, regulatory or policy environments, expected to manage their monitoring and evaluation needs and responsibilities with respect to the CGIAR Fund and their Bilateral Funding, if any, collectively through the Common Operational Framework, thereby refraining from additional, duplicative evaluations.

14.4 The Fund Council monitors the performance of its support units, including the Trustee, Fund Office and ISPC. Such performance is monitored in the following four areas of accountability, as relevant: (i) strategic impact, (ii) quality and relevance of programmatic performance, (iii) managerial and governance performance, and (iv) financial performance and resource mobilization.

15. Privileges and Immunities

15.1 Nothing in this Governance Framework is intended to be a waiver of, or impair or limit, any privileges or immunities of any Fund Council Member or Fund Donor under its respective Articles of Agreement or equivalent documents, or any applicable law, all of which are expressly reserved.

16. Status of this Governance Framework

16.1 This Governance Framework becomes effective on the date the Fund Council adopts it by consensus. This Governance Framework may thereafter be amended either by consensus of the Fund Council on the basis of proposed amendment text that was properly tabled for decision at a Fund Council meeting or electronically by affirmative written consent of each Fund Council Member, a decision by no objection not being sufficient. The Consortium Observer is expected to facilitate consultation and coordination with respect to the Consortium interests pertaining to Governance Framework amendments.

16.2 The Fund Office maintains and distributes the record of any amendments to this Governance Framework.

16.3 This Governance Framework is expected to be incorporated by reference into the Contribution Agreements and Arrangements. The Contribution Agreements and Arrangements may specify that any amendments to this Governance Framework are directly applicable to the Contribution Agreements and Arrangements and take effect through Fund Council decisions without further need to amend the Contribution Agreements and Arrangements, provided that any such amendment does not conflict with other terms of the Contribution Agreements and Arrangements or World Bank policies and procedures applicable to trust funds; and provided further than any such amendment that imposes duties or obligations on, or infringes on the rights of, the Consortium or the Centers will not be effective or carried out as to the Consortium or the Centers, and shall not override any provision of an agreement entered into by the Consortium and the Fund Council or the Trustee, if the Consortium Observer objects to such amendment at or before the time it is considered by the Fund Council (following a two-week period for Consortium review of such amendment, including by the Consortium Observer, unless such period is waived by the Consortium). However, the Consortium's objection to amendments required by a Fund Donor's statutory, regulatory or policy environment may affect funding from the CGIAR Fund. In the event of conflict, the other parts of the Contribution Agreements and Arrangements prevail over this Governance Framework.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

16.4 In the event of conflict, this Governance Framework prevails over the Fund Council's Rules of Procedure.

16.5 The World Bank may disclose this Governance Framework and information related to the CGIAR Fund in accordance with the World Bank's policy on access to information in effect at the time of such disclosure. By adopting this Governance Framework, the Fund Council consents to disclosure of this Governance Framework and non-confidential, non-deliberative information and documents of the CGIAR Fund, the Fund Council and the Fund Office. This provision shall continue in full force and effect following completion of all CGIAR Fund transfers and any termination of the CGIAR Fund.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

Schedule 1 of Governance Framework

Defined Terms

(Glossary as of April 5, 2011, for informational purposes only)
[Copy attached as Schedule 1 of Joint Agreement]

SCHEDULE 3 of Joint Agreement

CGIAR PRINCIPLES

(for informational purposes only)

**As adopted by the Fund Council on November 2, 2010
and the Consortium on December 16, 2010**

1. As set forth in the CGIAR Joint Declaration endorsed by the CGIAR members on December 8, 2009, the Consortium and the Fund Council (the “Parties”)¹ agree to work together through the CGIAR to reduce poverty and hunger, improve human health and nutrition and enhance ecosystem resilience through high-quality international agricultural research, partnership and leadership.
2. These are the overarching Principles that guide the Fund Council and the Consortium in their joint efforts to implement the SRF in an efficient and effective manner. The Consortium and the Fund Council, through adoption of these CGIAR Principles, are committed to the strategic objectives set forth below and recognize that they have shared responsibility, as well as mutual trust and accountability, through their separate roles and obligations, for the achievement of these objectives:
 - Food for People: Create and accelerate sustainable increases in the productivity and production of healthy food by and for the poor.
 - Environment for People: Conserve, enhance, and sustainably use natural resources and biodiversity to improve the livelihoods of the poor in response to climate change and other factors.
 - Policies for People: Promote policy and institutional change that will stimulate agricultural growth and equity to benefit the poor, especially rural women and other disadvantaged groups.
3. In furtherance of these objectives, the Parties agree to:
 - Harmonize their approach to increasing and stabilizing funding for implementing international agricultural research for development through the CGIAR Fund and the Consortium, respectively.
 - Manage their operations and programs to achieve the system-level results set forth in the Strategy and Results Framework.
 - Work to ensure effective governance and efficient operations in the provision and use of resources, including controlling System Costs.
 - Collaborate and partner with and among funders, implementers, external partners and users of SRF research.
4. The Fund Council, as the decision-making body of the CGIAR Fund representing all Fund Donors, agrees to:

¹ Capitalized terms used but not defined herein are defined in the CGIAR Glossary that shall be adopted as part of the Common Operational Framework.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

- (i) Conduct itself in compliance with the Governance Framework, as it may be amended from time to time.
- (ii) Through the Consortium, financially support the Centers and their national research and other partners, in their efforts to implement the SRF.
- (iii) With advice from the Independent Science and Partnership Council, consider and decide on funding CRP proposals submitted by the Consortium to implement the SRF.
- (iv) Encourage Fund Donors to provide predictable funding to the Centers through the CGIAR Fund, rather than directly in the form of bilateral grants.
- (v) Implement a process by which Fund Donors contribute, through Contribution Agreements, to the CGIAR Fund in a transparent manner; it being understood and acknowledged that certain Fund Donors will make contributions through legally non-binding Contribution Arrangements.
- (vi) Present future funding prospects for the CGIAR Fund on a regular basis to the Consortium.
- (vii) In consultation with the Consortium, allocate funds from the CGIAR Fund to CRPs.
- (viii) Enter into agreements with the Consortium regarding the receipt and use of funds for each CRP, including the Joint Agreement and Consortium Performance Agreements.
- (ix) Agree on a Common Operational Framework with the Consortium, which will provide processes for reporting, monitoring, evaluating and operating CGIAR, as it relates to funding and implementing the SRF, and make reasonable efforts to keep Fund Donors from imposing additional reporting and evaluation burdens on the Centers or the CRPs, except to the extent required by any Fund Donor's statutory, regulatory or policy environment.
- (x) Review reports from the Consortium on the implementation of CRPs, with particular attention to results achieved.
- (xi) Use an equitable share of contributions from Fund Donors and Bilateral Funders to pay System Costs, which shall be transparently reported and subject to periodic review.
- (xii) Strive to leverage complementarities between CGIAR research and (i) their respective national programs in the case of developing country Fund Donors and (ii) their respective bilateral technical assistance programs in the case of multilateral organizations and developed-country Fund Donors.

5. The Consortium, as the representative entity of the Centers, agrees to:

- (i) Conduct itself in compliance with the Consortium Constitution, as it may be amended from time to time.
- (ii) Monitor and confirm that the Centers also operate in compliance with the Consortium Constitution, as it may be amended from time to time.
- (iii) Work with the Centers and other CGIAR Doers to develop the SRF, with civil society and regional input through the GCARD process and scientific input from the ISPC.
- (iv) Implement the SRF with the Centers and the other CGIAR Doers.
- (v) Submit CRP proposals to the Fund Council for consideration and approval.
- (vi) Have CGIAR research funded on a full cost recovery basis.
- (vii) Serve as a central point of fiduciary and operational responsibility for all funds that pass to either the Consortium or the Centers from the CGIAR Fund, including (1) confirming that such funds were used for intended purposes; (2) implementing, monitoring, supervising, evaluating, and providing quality assurance for activities funded by such funds; (3) providing Fund Donors (through the Fund Council) with financial, progress, results or impact reporting for activities funded by such funds; and (4) being responsible for any misuse or misprocurement with respect to such funds.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

- (viii) Provide leadership to the Centers and coordinate their activities in accordance with the SRF and principles of economy, efficiency and impact.
 - (ix) Enter into agreements with the Fund Council regarding the receipt and use of funds for each CRP, including the Joint Agreement and a Consortium Performance Agreement.
 - (x) Enter into agreements with the Lead Centers regarding the receipt and use of funds for each CRP, including the Performance Implementation Agreement, and monitor and confirm that each Lead Center enters into a Sub-Agreement with each other Program Participant.
 - (xi) Monitor and evaluate progress toward and achievement of tangible and measurable results, outputs and outcomes under the SRF on a regular and substantive basis.
 - (xii) Implement a monitoring system for research under the SRF which promptly provides information about program outputs and outcomes to all CGIAR Doers and the Fund Council.
 - (xiii) Assess financial, operational and programmatic performance and results of the Consortium and the Centers (as further set out in the Monitoring & Evaluation Framework initially endorsed by the CGIAR members on December 8, 2009) and report such assessments to the Fund Council.
 - (xiv) Make efforts to improve the cost efficiency and effectiveness of the CGIAR by, in concert with each Center and the Fund Council, identifying and promoting opportunities to achieve gains in relevance, efficiency and effectiveness, and, through the provision of advice, to share functions and research platforms among the Centers.
 - (xv) Assess from each Center and provide to the CGIAR Fund a percentage, using a formula set by the Funders Forum, of each bilateral contribution received by such Center to pay the bilateral donors' equitable share of System Costs.
 - (xvi) Ensure that the annual reports of the Centers provide descriptions of Bilateral Funding received by each Center and activities funded thereby.
 - (xvii) Lead, in coordination with and with the assistance of the Fund Council, resource mobilisation for the CGIAR and act as the external spokesperson of the CGIAR as a whole.
6. Other features of the CGIAR that are expected to support the efforts of the Fund Council and Consortium include:
- The biennial Funders Forum, which, as a forum for the exchange of views about CGIAR, endorses approaches to minimizing and sharing of System Costs, provides feedback to the CGIAR Funders on the implementation of the SRF, reviews shortfalls and imbalances in resources available for CRPs and approves the SRF proposed by the Consortium;
 - GCARD, the biennial Global Conference on Agricultural Research for Development, which provides a forum to engage stakeholders in the SRF and CRPs so the CGIAR can avail itself of GCARD recommendations, including the identification of opportunities for partnerships and demand-driven research for development;
 - The Independent Science and Partnership Council, which is a standing panel established by the Fund Council to provide independent advice and expertise as part of its assessment of CRP proposals submitted by the Consortium and advises the Fund Council and the Consortium, upon request, on a variety of scientific matters;
 - IEA, the independent evaluation arrangement under the M&E Framework for (a) regular independent evaluations of CRPs commissioned by the Fund Council, and (b) periodic independent evaluations of the CGIAR as a whole commissioned by a special purpose body jointly established by the Fund Council and the Consortium; and

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- The CGIAR Fund, administered by the World Bank as trustee in accordance with the Contribution Agreements and Arrangements, and other funding arrangements by which funds are provided to the Consortium and Centers to implement the SRF.
7. These CGIAR Principles, the Contribution Agreements and Arrangements and the Governance Framework are, or will be, consistent. In the event of unexpected conflict between these CGIAR Principles and the Contribution Agreements or Contribution Arrangements, Annex 2 and the cover agreements or arrangements of such Contribution Agreements or Contribution Arrangements shall control.
 8. These CGIAR Principles are agreed to in the spirit of cooperation and mutual accountability between the Parties and with the intent of furthering understanding between the complementary pillars of the CGIAR. They do not, however, give rise to specific rights of enforcement, but do express the overall principles that will be implemented through the various agreements among the CGIAR Participants. Any disputes arising between the Parties will be resolved in good faith and according to the spirit of these CGIAR Principles and the terms of the respective Contribution Agreements and Arrangements.

SCHEDULE 4 of Joint Agreement

FORM OF CONTRIBUTION AGREEMENT

(for informational purposes only)

Version dated April 5, 2011, as approved by the Fund Council

***Form of Contribution Agreement¹
Between the [Fund Donor] and the Trustee
for the CGIAR Fund (TF 069018)
Dated [__]***

WHEREAS, this Contribution Agreement is entered into by the International Bank for Reconstruction and Development (the “Bank”) and the _____ (the “Fund Donor,” and together with the Bank, the “Parties”) for the purpose of receiving funds for the multi-donor trust fund for the CGIAR, TF 069018, and for which capitalized terms used herein are used as defined in the Glossary as such term is defined in Annex 1 (Defined Terms) attached hereto;

WHEREAS, the CGIAR Fund is organized and operated consistently with and in furtherance of the CGIAR Principles, and the CGIAR Principles and this Contribution Agreement are consistent with each other; and

WHEREAS, the governance of the CGIAR Fund is set forth in the Governance Framework;

NOW THEREFORE, the Parties hereto agree as follows:

1. The Fund Donor hereby agrees to contribute a total amount of _____ [currency and amount] to the CGIAR Fund as specified in paragraph 3 below.
2. The Contribution shall be administered by the Trustee on behalf of the Fund Donor in accordance with the terms and conditions specified in this Contribution Agreement, including Annex 1 (Defined Terms) (until such time as Annex 1 is replaced by the Glossary through inclusion thereof in the Common Operational Framework, at which time such Glossary shall be incorporated by reference into the Contribution Agreement), Annex 2 (Trustee Provisions), and Annex 3 (Form of W3 Transfer Agreement), as well as the Governance Framework and the CGIAR Principles, which are hereby incorporated by reference, all of which constitute an integral part of this Contribution Agreement. Other donors are also expected to contribute to the CGIAR Fund on such terms and conditions. The current version on the date of this Contribution Agreement of the adopted Governance Framework and CGIAR Principles are attached hereto as Annex 4 and Annex 5, respectively, for informational purposes only.

¹ The cover agreement and annexes may be revised in the case of donors that require “arrangement” language to reflect appropriate terminology for making Contribution Arrangements. Specific donor terms that do not affect the commingled funds and are acceptable to the Trustee and consistent with the intent of the reform, including the Joint Declaration and the CGIAR Principles, may also be added to the cover agreement.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

3. The Fund Donor shall deposit the Contribution in cash² through a bank transfer into such account with such bank designated by the Trustee [US\$_____]³ in accordance with the following payment schedule, in each case upon submission of a payment request by the Trustee:

- (i) [US\$ _____] [upon effectiveness of this Contribution Agreement] [on or before _____] (“Installment 1”); [and]
- (ii) [US\$ _____] on or before _____ (“Installment 2”).⁴

4. When making deposits, the Fund Donor shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the Fund Donor for the CGIAR Fund (TF 069018), and the date of the deposit.

5. Upon receipt and identification of any deposits, and subject to the terms of paragraphs 2.6 and 4.3 of Annex 2 attached hereto, the Trustee shall assign the Contribution as follows:⁵

Installment	Amount ⁶	Window ⁷	Designation ⁸	CSP ⁹	Net Allocation

² Language is to be revised in the event of use of instruments payable on demand.

³ Numbers are provided here simply by way of example. All amounts in this cover agreement should be expressed in the same currency as the contribution in paragraph 1.

⁴ Modify the payment schedule as appropriate. Commitments / payments may be made in one lump sum or multiple installments. Firm dates (by day, month or year) should be provided in each case.

⁵ By way of example only (2% has been used for the CSP) (note that N/A for CSP in the case of Window 1 does not mean that Window 1 funds will not contribute to System Costs, but rather that all System Costs will be paid out of Window 1, which will then be reimbursed proportionally with CSP amounts taken from all other funds contributed to the CGIAR Fund and all Bilateral Funding):

Installment	Amount	Window	Designation	CSP	Net Allocation
Installment 1	\$ 5,000,000	3	IFPRI	\$ 100,000	\$ 4,900,000
	\$ 7,000,000	N/A	Provisional	\$ 140,000	\$ 6,860,000
	\$ 3,000,000	2	CRP2	\$ 60,000	\$ 2,940,000
Installment 2	\$ 10,000,000	1	N/A	N/A	\$ 10,000,000
TOTAL	\$ 25,000,000			\$ 300,000	\$ 24,700,000

⁶ The numbers in this column must aggregate to the total Contribution in paragraph 1.

⁷ In each case, either Window One, Two or Three.

⁸ Designations can be either specific Centers for Window 3, specific subaccount-eligible CRPs for Window 2, or “Provisional” for the Provisional Account.

⁹ The CSP is charged to Windows 2 and 3 and the Provisional Account only.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

TOTAL					
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6. The offices responsible for coordination of all matters related to the implementation of this Contribution Agreement are, except as may be notified in writing to the other Contact:

For the Trustee (the "Trustee Contact"):
 Director
 Multilateral Trusteeship and Innovative Financing
 The World Bank
 1818 H Street, NW
 Washington, DC 20433, U.S.A.
 Tel: + 1 202 458 0019
 Fax: + 1 202 614 0249

For the Fund Donor (the "Fund Donor Contact"):
[insert details]

7. This Contribution Agreement may be amended only by written, signed agreement between the Trustee and the Fund Donor; provided, however, that (i) Annexes 1, 2 and 3 attached hereto may be amended in accordance with paragraph A.8.2 of Annex 2 attached hereto, (ii) the CGIAR Principles may be amended only through adoption by the Fund Council and the Consortium, (iii) the Governance Framework may be amended in accordance with its terms, and (iv) the Glossary, as part of the Common Operational Framework, may be amended by approval of the Fund Council and the Consortium in the manner that would normally apply to the Common Operational Framework; provided further that any amendment to the CGIAR Principles, the Governance Framework or the Glossary is automatically incorporated into this Contribution Agreement as and when such amendment becomes effective without the need for further written agreement between the Trustee and any of the Fund Donors; provided that such amendment does not conflict with other terms of this or other Contribution Agreements or Arrangements or World Bank policies and procedures applicable to trust funds or the CGIAR Principles (in the case of the Governance Framework and Glossary).

8. This Contribution Agreement may be executed in separate counterparts and by each of the Parties separately on a separate counterpart, and each such counterpart, when so executed, shall be an original. Such counterparts shall together constitute one and the same instrument.

9. IN WITNESS WHEREOF, the Parties hereto, acting through their duly authorized representatives, have caused this Contribution Agreement to be signed in their respective names. This Contribution Agreement shall become effective as of the date of the last signature.

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,
as Trustee of the CGIAR Fund**

Axel van Trotsenburg, Vice President
 Concessional Finance and Global Partnerships
 Date: _____

[FUND DONOR]

 [name]

[title]

Date: _____

Attachments:

Annex 1 (Defined Terms) – for informational purposes only

Annex 2 (Trustee Provisions)

Annex 3 (Form of W3 Transfer Agreement)

Annex 4 (Governance Framework) – for informational purposes only

Annex 5 (CGIAR Principles) – for informational purposes only

The following optional clauses may be added to the cover agreement above, depending on donor need:

[x. The above schedule may be adjusted [at any time] by the Fund Donor through a communication in writing by the Fund Donor Contact in the event that the Fund Donor believes that the speed of implementation of activities financed by the CGIAR Fund makes it necessary to either advance or delay payments.]

[x. The Fund Donor requests that in the event [or specify specific circumstances when] any funds from the CGIAR Fund are returned to the Trustee, such as unused funds or refunds under the terms of the relevant Fund Use Agreements, the Trustee shall return to the Fund Donor its pro rata share of such funds, unless otherwise instructed in writing by the Fund Donor Contact.]¹⁰

[x. The Fund Donor requests that, in the event funds contributed to a specific Window 2 subaccount exceed the total budget amount approved by the Fund Council and excess funds are to be transferred by the Trustee under paragraph A.2.6(i) of Annex 2 attached hereto, any pro rata amount that may be attributable to the Fund Donor shall not be transferred to Window 1, but shall instead be transferred by the Trustee to one or more eligible designations (including Window 1) as indicated in writing by the Fund Donor Contact.]¹¹

¹⁰ To be added for Fund Donors that require an exception under 5.10 of Annex 2.

¹¹ To be added for Fund Donors that require an exception under 2.6(i) of Annex 2.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

ANNEX 1 of Contribution Agreement

Defined Terms

(Glossary as of April 5, 2011, for informational purposes only)

[Copy attached as Schedule 1 of Joint Agreement]

ANNEX 2 of Contribution Agreement

Trustee Provisions for the CGIAR Fund

This Annex shall be applicable to and form an integral part of each Contribution Agreement and Contribution Arrangement entered into between the World Bank as Trustee, acting not for its own account, but solely in its capacity as trustee of the CGIAR Fund, and each Fund Donor with respect to its respective Contribution to the CGIAR Fund.

A. General Terms

1. Role of the Trustee

1.1 The Trustee shall be responsible only for performing those functions specifically set forth in the Contribution Agreements and Arrangements and any Fund Use Agreements to which it is a signatory and shall not be subject to any other duties or responsibilities to the Fund Donors, the Consortium or any other CGIAR participant, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in the Contribution Agreements and Arrangements shall be considered a waiver of any privileges or immunities of the World Bank's Articles of Agreement or any applicable law, all of which are expressly reserved.

2. Administration of the Contributions

2.1 Contributions to the CGIAR Fund may be received from an entity approved by the Fund Council that enters into a Contribution Agreement or Contribution Arrangement, as the case may be, with the Trustee, consistent with the Trustee's policies and procedures and the Contribution Agreements and Arrangements, each a Fund Donor. The Trustee shall periodically update the Fund Council on new Contribution Agreements and Arrangements and new funds deposited into the CGIAR Fund.

2.2 Contributions may be provided to the Trustee for deposit into the CGIAR Fund in the originally stated currency (as per the Contribution Agreement or Contribution Arrangement) or in an equivalent amount of a freely convertible currency (as "freely convertible" is determined by the Trustee). With respect to each Contribution, funds provided to the Trustee in a currency other than an Operational Currency shall be promptly converted to United States dollars. Neither the Trustee nor any Fund Donor shall bear any responsibility for additional financing as a result of exchange rate fluctuations.

2.3 Fund Donors may make Contributions to the CGIAR Fund by means of payment in cash, including as a cash reimbursement, or, with agreement of the Trustee, by the delivery to the Trustee of instruments payable on demand or similar obligations in a form acceptable to the Trustee; provided that such payment terms shall be specified in the respective Contribution Agreement or Contribution Arrangement. Contributions may be paid in one lump sum or in installments on the terms agreed with the Trustee and specified in the respective Contribution Agreement or Contribution Arrangement.

2.4 Fund Donors may specify designations for their Contributions to Window 2 on the basis of Fund Council approvals of CRPs proposed by the Consortium and approved by the Fund Council as eligible to receive Window 2 subaccount funding (subaccount-eligible CRPs) and the Trustee's establishment of such CRPs as eligible subaccounts of Window 2. The Trustee shall maintain a list

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of eligible Window 2 designations and their respective levels of funding based on Fund Council approvals.

2.5 Subject to paragraph 2.6 of this Annex below, when Fund Donors specify designations for their Contributions, the Trustee assigns the specified designated amount to the respective account or subaccount, such as Window 1, a subaccount-eligible CRP under Window 2, Window 3, or the Provisional Account. Once Contributions have been designated by the Fund Donor and assigned by the Trustee to the respective account or subaccount, those designations cannot be changed by an individual Fund Donor, except that (i) a Fund Donor may designate the total amount of its contribution, in whole or in multiple parts through one or more notices, of the Provisional Account to Window 1, subaccount-eligible CRPs under Window 2 and / or Centers under Window 3 through a written notice from the Fund Donor Contact to the Trustee Contact, and (ii) a Fund Donor may terminate its participation in the CGIAR Fund and receive its Fund Donor Share in accordance with paragraph 7.2 of this Annex below, except as such termination right may have been waived by such Fund Donor. Each Fund Donor shall have an interest in the CGIAR Fund equal to its Fund Donor Share, except to the extent waived by the Fund Donor in its respective Contribution Agreement or Contribution Arrangement.

2.6 Designations specified by Fund Donors for their Contributions shall be subject to the following terms:

- (i) With respect to Window 2 designations, if the funds contributed to a specific Window 2 subaccount for a CRP exceed Fund Council-Allocated Component of the Total Budget for that CRP, those excess funds shall be transferred by the Trustee into Window 1 on a pro rata basis for each Fund Donor that has contributed funds to that subaccount, except to the extent a Fund Donor specifies in its respective Contribution Agreement or Contribution Arrangement that its pro rata amount be returned. To avoid such redesignations prior to a deposit of funds by a Fund Donor, such Fund Donor may amend its designation of funds in its Contribution Agreement or Contribution Arrangement, as the case may be, provided that such amendment shall not reduce the total amount previously agreed to be provided by such Fund Donor.
- (ii) With respect to Window 3 designations, any amounts contributed to Window 3 may be received by the Trustee only for the time period during which Window 3 remains open, as may be determined at any time by the Fund Council, in consultation with the Consortium, such that any Window 3 commitments made under a Contribution Agreement or Contribution Arrangement shall not be valid after such time period.

2.7 Subject to the availability of applicable funds held in Window 1 and Window 2 of the CGIAR Fund as determined by the Trustee, and subject to paragraph 2.6 of this Annex 2, the Trustee may commit, transfer or use such funds for any purpose approved and in the amounts allocated by the Fund Council in accordance with the terms of the Contribution Agreements and Arrangements, the Governance Framework and the relevant Fund Use Agreements; provided that funds assigned to a designated subaccount-eligible CRP may be committed or transferred only with respect to the specified CRP designation.

2.8 With respect to funds held in Window 3 of the CGIAR Fund as determined by the Trustee, the Trustee shall provide a signed W3 Transfer Agreement substantially in the form of Annex 3

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attached hereto to each designated recipient Center, as instructed by the contributing Fund Donor under its Contribution Agreement or Contribution Arrangement, as the case may be. Upon countersignature by such Center and receipt by the Trustee of such countersigned W3 Transfer Agreement, the Trustee shall transfer funds in accordance with the terms of such Contribution Agreement or Contribution Arrangement and W3 Transfer Agreement.

2.9 The Fund Donors acknowledge and agree that neither the Trustee nor the Fund Office, nor any part of the World Bank, has responsibility under the Contribution Agreements and Arrangements or otherwise for (i) confirming that funds from the CGIAR Fund were used for intended purposes; (ii) implementing, monitoring, supervising, evaluating, or providing quality assurance for activities funded by the CGIAR Fund; (iii) providing Fund Donors with financial, progress, results or impact reporting for activities funded by the CGIAR Fund; or (iv) any misuse or misprocurement by any entity other than the World Bank with respect to funds from the CGIAR Fund. The Fund Donors further acknowledge and agree that the Trustee shall transfer funds requested by the Consortium or other recipients for implementation of activities under the SRF on the basis of documented approvals by the Fund Council and proper fund transfer requests, as specified in relevant agreements, without requiring pre- or post-fund transfer review by the Trustee of any funding proposals submitted to the Fund Council or any activities implemented thereunder. The Trustee shall have no responsibility for reviewing the appropriateness of any decision by the Fund Council or fund transfer requests, including depository information, and shall at all times be entitled to rely thereon. The Fund Donors acknowledge and agree that the Fund Council shall have full responsibility for ensuring that any terms provided in the Contribution Agreements and Arrangements applicable to the Consortium or any other recipients to whom the Trustee shall be directed to transfer funds from Windows 1 and 2 are included in the relevant Fund Use Agreements entered into by the World Bank on behalf of the Fund Council.

3. Commingling, Exchange and Investment of the Contributions

3.1 The Contributions shall be accounted for as a single trust fund and kept separate and apart from the funds of the World Bank. The Contributions may be commingled with other trust fund assets maintained by the World Bank.

3.2 The Contributions may be freely exchanged by the Trustee into other currencies as may facilitate their transfer.

3.3 The World Bank shall invest and reinvest the funds in the CGIAR Fund pending their transfer in accordance with the World Bank's applicable policies and procedures for the investment of trust funds administered by the World Bank. The Trustee shall credit all income from such investment to Window 1 of the CGIAR Fund.

4. Costs

4.1 Costs incurred by the Trustee, including hiring consultants and providing other support services, shall at all times be covered in their entirety by the CGIAR Fund. The Fund Donors acknowledge and agree that the Trustee's annual budget amounts approved by the Fund Council shall be adjusted as necessary at the end of each calendar year based on actual costs incurred for activities performed in accordance with the Trustee's role and responsibilities.

4.2 System Costs shall be paid from Window 1 and may go to the Trustee, the Fund Office, the ISPC, the Consortium and any other entity whose proposed annual budget and work plan has been approved by the Fund Council. The Trustee shall, upon verification of Fund Council approval,

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transfer the relevant budget amount to the respective entity following entry by the World Bank, on behalf of the Fund Council, into a proper Fund Use Agreement (or internal documentation in case of the Fund Office). Such entity shall return any funds remaining unused at the end of its budget year to the Trustee for deposit into Window 1 to the extent actual costs incurred were lower than the transferred budget amount.

4.3 As direct contributions from Window 2 and Window 3 to System Costs paid through Window 1, the Trustee shall be entitled to deduct from amounts contributed to Windows 2 and 3 the relevant percentages for transfer to Window 1 to equitably defray the System Costs in accordance with the CGIAR System Cost Financing.

4.4 Fund Donors agree that any arrangements they enter into for the provision of Bilateral Funding shall take into account the obligation of the Consortium and the Centers to provide the CSP for such funding to the Trustee.

5. Use of Funds

5.1 Subject to the availability of applicable funds held in the CGIAR Fund as determined by the Trustee, the Trustee shall commit, transfer or use the funds from the CGIAR Fund for any purpose approved and in the amount allocated by the Fund Council in accordance with the terms of this Contribution Agreement or Contribution Arrangement, as the case may be, including the Governance Framework and this Annex 2.

5.2 Any and all activities financed by the CGIAR Fund shall be within the scope of the SRF and for purposes of implementing the SRF. In the event questions of interpretation regarding research and related activities to implement the SRF arise, decisions about what constitutes an activity within the scope of the SRF and for purposes of implementing the SRF are expected to be made by the Consortium in consultation with the Fund Council. Funds from the CGIAR Fund may finance:

- (i) CRPs as defined by proposals submitted by the Consortium and approved by the Fund Council; provided that (a) use of Window 1 funds for CRPs shall be as allocated by the Fund Council in consultation with the Consortium, (b) use of Window 2 funds for subaccount-eligible CRPs shall be as designated by each contributing Fund Donor and allocated by the Fund Council in consultation with the Consortium, and (c) use of Window 3 funds for CRPs shall not be in the discretion of the Fund Council or the contributing Fund Donor during the existence of Window 3.
- (ii) Funding requests for System Costs submitted by other bodies or entities for Fund Council approval; provided that such funding requests shall be paid through Window 1 as allocated in the discretion of the Fund Council and are expected to be funded equitably on a cost-sharing basis by all CGIAR Funders.

5.3 Funds from the CGIAR Fund shall not be used for payments for which corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Consortium or any other recipient of such funds.

5.4 Recognizing the obligations of countries that are members of the United Nations under various United Nations Security Council resolutions to take measures to prevent financing of terrorists, any recipient of funds from the CGIAR Fund shall be required to undertake to use reasonable efforts, consistent with its governing arrangements and policies, including those

pertaining to combating financing for terrorists, to ensure that such funds are used for their intended purposes and are not diverted to terrorists or their agents. The relevant Fund Use Agreements for such funds shall include a provision that such recipient shall (i) not use such funds for the purpose of any payment to persons or entities, or for the import of goods, if such payment or import, to the recipient's knowledge or belief, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, including under United Nations Security Council Resolution 1373 and related resolutions, and (ii) include a corresponding provision in any sub-grant agreements that the recipient enters into with entities to which the recipient makes such funds available.

5.5 Any recipient of funds from the CGIAR Fund shall confirm that, given the activities to be funded by funds from the CGIAR Fund, it does not believe that such funds would be diverted in support of drug trafficking.

5.6 Funds from the CGIAR Fund shall be used in accordance with the Consortium's and other recipient's applicable policies and procedures (including those with respect to the procurement of goods and services and reporting arrangements), except to the extent otherwise specified in any relevant Fund Use Agreements, including any proposal approved by the Fund Council which may be attached thereto. Funds from Window 1 and Window 2 of the CGIAR Fund shall be used by the recipient only in support of its funding request as approved by the Fund Council.

5.7 Investment income generated by any funds from the CGIAR Fund shall be used for the same purposes applicable to such funds under the relevant Fund Use Agreements or returned to the Trustee for deposit into Window 1 if not needed.

5.8 Neither the Fund Donors nor the Trustee or Fund Office shall be responsible for the activities of any person or third party engaged by a recipient with use of the funds from the CGIAR Fund or as a result of the Contribution Agreements and Arrangements, nor will the Fund Donors, the Trustee or Fund Office be liable for any costs incurred by such recipients in terminating the engagement of any such person.

5.9 The Contributions may be used by the recipient to retroactively pay for expenditures under a CRP or other proposal approved by the Fund Council that were incurred within the 6 months prior to Fund Council approval of such CRP or other proposal, unless otherwise specified in such CRP or other proposal or any relevant Fund Use Agreements.

5.10 In the event any funds from the CGIAR Fund are returned to the Trustee, such as unused funds or refunds under the terms of the relevant Fund Use Agreements, the Trustee shall credit those funds to Window 1, except as may be agreed with the Trustee and specified in the respective Contribution Agreement or Contribution Arrangement, as the case may be, for any Fund Donor that requires the return of its pro rata share under specific circumstances.

5.11 The Consortium, the Centers and other recipients of funds from the CGIAR Fund shall use their best efforts, to the extent allowed by applicable agreements, such as those with host governments, and other applicable laws, to ensure that the use of funds from the CGIAR Fund is free from any taxation or fees imposed under local laws. Fund Donors who are sovereign states shall, to the extent relevant and feasible, seek to assist the Consortium, the Centers and such other recipients in strengthening and adjusting any such applicable agreements to which such Fund Donors are a party.

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

5.12 Except as specified in the relevant Fund Use Agreements, including the Joint Agreement and any attached approved proposals, the Consortium and other recipients of funds from the CGIAR Fund shall seek approval from the Fund Council to make material revisions to the CRP or other proposal approved by the Fund Council, as the case may be, including for the following reasons: (i) to change the scope or the objectives of the approved proposal or to add any new activity; and (ii) to revise any budget line item of such approved proposal's total approved budget amount by more than 10 percent or US\$500,000, whichever is lower; and (iii) to request additional funding.

5.13 Neither the Fund Council, nor any individual Fund Donor, the Trustee or the Fund Office shall be obligated to reimburse any recipients of funds from the CGIAR Fund for costs incurred in excess of the total amount committed in the relevant Fund Use Agreements. The recipients shall not be obligated to continue performance under such Fund Use Agreements or otherwise incur costs in excess of the amounts committed in the relevant Fund Use Agreements, unless and until such amounts have been increased through amendments specifying the new committed amounts.

5.14 The Consortium and other recipients of funds from the CGIAR Fund may use such funds for costs incurred in carrying out the CRP or relevant proposal approved by the Fund Council, as the case may be, that are reasonable, allocable, and allowable, where the following meanings apply:

- (1) "Reasonable" means those costs that do not exceed those that would ordinarily be incurred by a prudent person in the conduct of normal business.
- (2) "Allocable" means those costs that are necessary to the approved proposal.
- (3) "Allowable" means those costs that are reasonable and allocable, and that conform to any limitations set forth in the approved proposal.

5.15 The Consortium and other recipients of funds from the CGIAR Fund shall maintain books, records, documents, and other evidence in accordance with their respective usual accounting procedures to sufficiently substantiate the use of such funds.

5.16 If a Fund Donor wishes to request, on an exceptional basis, a review or evaluation of any activities financed by funds from the CGIAR Fund, and such a request is approved by the Fund Council, a designated representative of the Fund Council and the recipient of such funds (meaning the Consortium in the case of CRPs) shall agree on the most appropriate scope and terms of reference of such review or evaluation. Following agreement on the scope and terms of reference, such designated representative shall arrange for such review or evaluation. The costs of any such review or evaluation, including the internal costs of the recipient with respect to such review or evaluation, shall be paid by the requesting Fund Donor. In the event such a request is not approved by the Fund Council in a manner satisfactory to the Fund Donor, and the requesting Fund Donor has a statutory, regulatory or policy environment requiring such Fund Donor's ability to make such a request unilaterally, such Fund Donor may proceed with the terms set forth above by agreeing with the recipient directly on the most appropriate scope and terms of reference, with the costs of any such review or evaluation, including the internal costs of the recipient with respect to such review or evaluation, to be paid by such Fund Donor.

5.17 The Consortium and other recipients of funds from the CGIAR Fund shall carry out all regulated research activities under high standards set with reference to internationally accepted practices (to be described in the context of the Common Operational Framework) and in accordance with applicable laws and regulations. The Fund Council shall seek indemnification from the Consortium for any damages arising from such activities financed by funds from the

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

CGIAR Fund. In the event any amounts are received by the Fund Council under such indemnification, the Fund Council shall determine the allocation or distribution of such amounts.

5.18 The Consortium and other recipients of funds from the CGIAR Fund shall provide appropriate attribution for all Fund Donors for any CRP that is funded with Window 1 or Window 2 Funds.

5.19 The Consortium and other recipients of funds from the CGIAR Fund shall not discriminate against persons with disabilities in the implementation of activities financed by funds from the CGIAR Fund, and shall make every effort to respect the principles of the UN Convention on the Rights of Persons with Disabilities in performing such activities. To that end, and to the extent this goal can be accomplished within the scope of the objectives of a given CRP, each recipient of funds from the CGIAR Fund involved in an activity financed by such funds should demonstrate a comprehensive and consistent approach for including men, women and children with disabilities consistent with such principles: (1) respect for inherent dignity, individual autonomy including the freedom to make one's own choices, and independence of persons; (2) non-discrimination; (3) full and effective participation and inclusion in society; (4) respect for difference and acceptance of persons with disabilities as part of human diversity and humanity; (5) equality of opportunity; (6) accessibility; (7) equality between men and women; and (8) respect for the evolving capacities of children with disabilities. The full text of the UN Convention on the Rights of Persons with Disabilities can be found at the following website: <http://www.un.org/disabilities/documents/convention/convoptprot-e.pdf>.

5.20 Any terms specified herein as applicable to the Consortium or other recipients shall be subject to Fund Council discretion to the extent it has responsibility for the approval of Fund Use Agreements to which the Fund Council becomes a party. Approval by the Fund Council of a Fund Use Agreement, or a form or template thereof, that does not include any such specified terms shall still be considered valid.

6. Accounting and Financial Reporting

6.1 The Trustee shall maintain separate records and ledger accounts with respect to the Contributions deposited in the CGIAR Fund and transfers made therefrom. The Trustee shall maintain books, records, documents, and other evidence in accordance with the Trustee's usual accounting procedures to sufficiently substantiate the management of funds in the CGIAR Fund.

6.2 The Trustee shall report to the Fund Council and all the Fund Donors annually, unless otherwise agreed with the Trustee, on the status of the CGIAR Fund.

6.3 The World Bank shall provide to the Fund Donors, within six (6) months following the end of each World Bank fiscal year, an annual single audit report, comprising (i) a management assertion together with an attestation from the World Bank's external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (ii) a combined financial statement for all cash-based trust funds together with the World Bank's external auditors' opinion thereon. The cost of the single audit shall be borne by the World Bank.

6.4 The financial statements of the CGIAR Fund shall be prepared in accordance with the cash basis of accounting, modified to record investments at fair value. On an annual basis, the financial statements of the CGIAR Fund will be audited by an independent external auditor contracted by the World Bank. The cost of such audits, including the costs of the Trustee with respect to such audit,

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shall be included in the Trustee's budget. The Trustee shall provide to the Fund Council and all the Fund Donors a copy of such audited financial statements and auditors' reports as soon as practicable.

6.5 The Fund Donors acknowledge and agree that the provision of any financial statements with respect to the use of funds from the CGIAR Fund is the responsibility of the recipient of such funds.

7. End Date; Termination

7.1 It is expected that no new disbursements will be made from the CGIAR Fund by the Trustee after November 1, 2018 (the "End Disbursement Date"). The Trustee may disburse Contributions to the CGIAR Fund after such date only with the approval of the Fund Council.

7.2 Any Fund Donor may, upon 180 days' prior written notice, withdraw all or part of its Fund Donor Share of any balance remaining in the CGIAR Fund that has not been allocated by the Fund Council prior to the end of the notice period. In the event of such withdrawal, the Trustee shall return to such Fund Donor the amount of its Fund Donor Share by transferring the funds directly to (i) such Fund Donor, (ii) such Fund Donor's donor balance account held by the World Bank or (iii) another trust fund administered by the World Bank, as instructed in writing by the Fund Donor Contact except to the extent the Fund Donor Share may have been waived by such Fund Donor, in which case the relevant amount shall proportionally augment the other Fund Donor Shares. Following transfer of such Fund Donor Share, such Fund Donor shall be considered to have withdrawn from the CGIAR Fund.

7.3 In the event the Trustee determines that circumstances have arisen that lead it to conclude it should no longer carry out its duties hereunder, the Trustee (i) shall promptly so notify all Fund Donors, the Fund Council, the Consortium and any other then-current recipients of funds from the CGIAR Fund, and (ii) may suspend fund transfers from the remaining balance of the CGIAR Fund upon notice to the same entities. Thereafter, the Trustee shall forthwith consult with the Fund Council and the Consortium to determine the subsequent measures to be taken with respect to the CGIAR Fund; provided that such measures will be completed within 90 days of the date after the notice was provided, thus enabling the Trustee's termination at the end of such 90-day period, unless the Trustee agrees in writing to extend the period or resume its duties hereunder.

7.4 Following the End Disbursement Date, the Fund Council, in consultation with the Consortium, is expected to allocate any remaining balance in the CGIAR Fund or decide to cease making allocations. Following the date when all commitments made by the Trustee regarding allocations made by the Fund Council have been fully transferred, or upon earlier termination by the Trustee, the Trustee shall return to each Fund Donor the amount of its respective Fund Donor Share by transferring the funds directly to (i) such Fund Donor, (ii) such Fund Donor's donor balance account held by the World Bank or (iii) another trust fund administered by the World Bank, as instructed in writing by the Fund Donor Contact, except to the extent a Fund Donor Share may have been waived by a Fund Donor, in which case the relevant amount shall proportionally augment the other Fund Donor Shares.

7.5 Fund Donors acknowledge and agree that any enforcement of Fund Donor remedies or pursuit of Fund Donor rights with respect to funds from the CGIAR Fund shall be undertaken to the extent approved by the Fund Council and shall not require involvement of the Trustee; provided that in the event a Fund Donor wishes to enforce a remedy or pursue a right that is not approved by the Fund Council, and such Fund Donor has a statutory, regulatory or policy environment requiring

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such Fund Donor's ability to act unilaterally, such Fund Donor may enforce such remedy or pursue such right on its own behalf. Enforcement of Fund Donors' rights and obligations shall occur in accordance with the terms of the relevant Fund Use Agreements.

8. Amendments; Status

8.1 No offer, gift or payment, consideration or benefit of any kind, which constitutes an illegal or corrupt practice, was or shall be made to anyone, either directly or indirectly, as an inducement or reward for the execution of any Contribution Agreement or Contribution Arrangement.

8.2 Annexes 1, 2 and 3 to the Contribution Agreements and Arrangements may be amended by agreement of the Trustee and a decision of the Fund Council, in its representative capacity for all Fund Donors, either (i) by consensus of the Fund Council on the basis of proposed amendment text that is properly tabled for decision at a Fund Council meeting or (ii) electronically by affirmative written consent of each Fund Council Member, a decision by no objection not being sufficient; provided, however, that no Fund Donor shall be obligated to make any additional contributions under any such amendment, unless it expressly agrees to do so; provided further that any such amendment does not conflict with World Bank policies and procedures applicable to trust funds; and provided further still that any such amendment that imposes duties or obligations on, or infringes on the rights of, the Consortium or the Centers shall not be effective as to the Consortium or the Centers, and shall not override any provision of an agreement entered into by the Consortium and the Fund Council or Trustee, if the Consortium Observer objects to such amendment at or before the time it is considered by the Fund Council (following a two-week period for Consortium review of such amendment, including by the Consortium Observer, unless such period is waived by the Consortium). The Trustee shall provide all Fund Donors and the Consortium with notice of any amendment to such Annexes 1, 2 and 3.

8.3 The CGIAR Principles, the Contribution Agreements and Arrangements and the Governance Framework are, or will be, consistent. In the event of unexpected conflict between the CGIAR Principles and the Contribution Agreements or Contribution Arrangements, Annex 2 and the cover agreements or arrangements of such Contribution Agreements or Contribution Arrangements shall control. In the event of a conflict between (i) the Governance Framework and (ii) other parts of the Contribution Agreements and Arrangements, (ii) shall control.

9. Disclosure

9.1 The World Bank may disclose the Contribution Agreements and Arrangements and information on the CGIAR Fund in accordance with the World Bank's policy on access to and disclosure of information in effect at the time of such disclosure. By agreeing to these terms, each Fund Donor consents to such disclosure of its Contribution Agreement or Contribution Arrangement, as the case may be, and information on the CGIAR Fund. This provision shall continue in full force and effect following completion of all CGIAR Fund transfers and any termination of the Contribution Agreements and Arrangements or the CGIAR Fund.

B. Additional Terms

1. Funding Windows

1.1 Fund Donors may designate use of the funds they contribute to the CGIAR Fund in three ways:

- (i) Window 1 – These funds may be allocated by the Fund Council, (x) in consultation with the Consortium, to (a) CRPs submitted by the Consortium and approved by the Fund Council on any aspect of SRF implementation, and (b) anything else within the scope of SRF implementation that the Fund Council approves to fulfill its responsibilities as set forth in Section 7 of the Governance Framework (Fund Council Roles and Responsibilities); and (y) to System Costs. All System Costs are paid out of Window 1 in their entirety based on a principle of equitable cost sharing under which Window 1 will be reimbursed proportionally by the CSP taken from all other (non-Window 1) funds contributed to the CGIAR Fund and Bilateral Funds. In addition, the following are deposited into Window 1: (a) any refunds from recipients, including the Trustee and Fund Office, regardless of the Window from which the funds were originally received, (b) any investment income generated by funds held in the CGIAR Fund, (c) the CSP amounts from Windows 2 and 3 and the Provisional Account, and (d) the Bilateral Portion of System Costs.
- (ii) Window 2 – These funds are directed by Fund Donors to specific CRPs proposed by the Consortium and approved by the Fund Council as eligible to receive Window 2 subaccount funding. For each such CRP, funds received into Window 2 are limited to the total budget amount approved by the Fund Council for that CRP. Funds received for such a CRP in excess of the total approved budget amount are deposited into Window 1, as determined on a pro rata basis for each contributing Fund Donor. Window 2 funds may be released by the Fund Council only in response to proposals submitted by the Consortium. All Window 2 contributions are, at the time of contribution, adjusted by the CSP to equitably defray the System Costs, with the CSP amount deposited by the Trustee into Window 1.
- (iii) Window 3 – These funds are directed by Fund Donors to individual Centers. Fund Donors may designate specific amounts to specific Centers for use at the Center's discretion; provided such funds are used to implement aspects of the SRF and provided further that such funds are used in accordance with the Common Operational Framework. Such designations are not subject to review, allocation or approval by the Consortium or Fund Council, although it is expected that their intended or actual use will be reported by each Center to the Consortium. Window 3 is transitional. After two years following establishment of the CGIAR Fund, the Fund Council will in consultation with the Consortium review Window 3. Window 3 designations may not entail commitments by Fund Donors beyond the time period agreed by the Fund Council for Window 3. All Window 3 contributions are, at the time of contribution, adjusted by the CSP to equitably defray the System Costs, with the CSP amount deposited by the Trustee into Window 1.

1.2 Notwithstanding any other statements in this Annex, the following terms additionally apply to Window 3. The Fund Council maintains an overview of Window 3 funds through regular reporting (i) by the Trustee on the flow of funds in and out of Window 3 and (ii) by the Consortium on the use of Window 3 funds; provided, however, that neither the Fund Council, Fund Office or Trustee, nor the Consortium, have fiduciary or programmatic responsibility for funds transferred from Window 3. Fund Donors to Window 3 have no specific rights of recourse under their Contribution Agreements and Arrangements or the Fund Use Agreements regarding the use of Window 3 funds,

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except that in the event a Center fails to use funds transferred from Window 3 for implementation of the SRF or in accordance with the Common Operational Framework, (i) the Consortium may take whatever corrective actions it considers appropriate and within its purview; and (ii) the Trustee, in its discretion or as instructed by Fund Council decisions, may withhold further fund transfers (net of amounts previously committed by the Trustee) from the CGIAR Fund to that Center. In the event questions of interpretation regarding the use of funds transferred from Window 3 arise, (i) decisions about what constitutes activities for implementing the SRF are made by the Consortium in consultation with the Fund Council, and (ii) decisions about compliance with the Common Operational Framework are made jointly by the Consortium and the Fund Council.

1.3 Eligible designations to which a Fund Donor may assign funds are based on the structure of the CGIAR Fund agreed between the Fund Council and the Trustee and: (i) specific CRPs proposed by the Consortium and approved by the Fund Council as eligible to receive Window 2 subaccount funding in the case of Window 2, and (ii) Centers as defined by the Consortium under the Constitution as “Member Centers” in the case of Window 3.

1.4 If Fund Donors wish to contribute funds to the CGIAR Fund prior to specifically designating those funds, funds may be directed to a provisional account of the CGIAR Fund. The Trustee holds such funds without any specific assignment until such time as a Fund Donor requests that a sum in the amount it contributed to the Provisional Account be assigned to one or more of the eligible designations. Funds in the Provisional Account are not available for allocation by the Fund Council or transfer to any recipients.

1.5 Funds are held by the Trustee in the CGIAR Fund in Operational Currencies of the CGIAR Fund.

2. Fund Office Roles and Responsibilities

2.1 The Fund Office is the support unit of the Funders Forum, the Fund Council, and their respective Chairs.

2.2 On support to the Fund Council, the Fund Office assists the Fund Council and its Chair in the conduct of the Fund Council’s business. These include:

- (i) Managing relations with Fund Donors.
- (ii) Drafting background notes and papers as requested by the Fund Council.
- (iii) Setting up and maintaining data bases related to Fund Office business.
- (iv) Preparing draft Fund Council procedures and guidelines for Fund Council review and approval.
- (v) Analyzing the Consortium’s compliance with performance agreements, based on information submitted by the Consortium.
- (vi) Support to the Fund Council in resource mobilization efforts, in close collaboration with the Consortium.
- (vii) Compiling for the Fund Council, on a rolling three-year basis to be updated annually, all funding indications made by Fund Donors for contributions to the CGIAR Fund, including expected timing and amounts of contributions.
- (viii) Annually providing the Fund Council with a list of any Fund Donor’s funding indications that are not fulfilled by the dates or in the amounts set forth in the respective Contribution Agreement or Contribution Arrangement.
- (ix) Reviewing shortfalls, overflows and imbalances in CGIAR Fund resources available for CRPs.

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- (x) Proactively identifying funding risks arising from funding forecasts and proposing mitigative measures to the Fund Council.

2.3 On support to Funders Forum, the Fund Office assists the Chair(s) of the Funders Forum in organizing the Funders Forum and realizing key objectives and functions of the Funders Forum, including:

- (i) Enabling the Funders Forum's review and endorsement of the SRF.
- (ii) Confirming that progress reports from the Consortium and mid-term external evaluations of the SRF from the Consortium are provided to the Funders Forum.
- (iii) Conveying reports on funding issues from the Fund Council.
- (iv) Preparing a financing plan for CGIAR in consultation with the Trustee and Consortium.
- (v) Providing information on shortfalls and imbalances in resources available for CRPs.

2.4 In acting as a liaison to the Trustee, the Consortium, the ISPC and the IEA, the Fund Office assists the Fund Council in maintaining its business relations and dialogue with the Trustee, the Consortium, the ISPC and the IEA on day-to-day operational matters. The Fund Office also collaborates with the Trustee as needed to enable the Trustee to carry out its responsibilities.

2.5 On support to meetings and communications, the Fund Office:

- (i) Organizes and provides administrative support for the regular meetings of the Funders Forum and the Fund Council.
- (ii) Coordinates the Funders Forum's and the Fund Council's nomination and election processes (such as for ISPC).
- (iii) Coordinates communications on behalf of the Fund Council and its Chair.
- (iv) Maintains the CGIAR Fund's archives, including maintaining and distributing amendments to this Governance Framework, and manages information activities related to Fund Council business.

2.6 Notwithstanding the roles and responsibilities of the Fund Office described herein:

- (i) The World Bank does not envision the Fund Office, as a support function, encroaching on the authority and prerogatives the Fund Council sets for itself. The Fund Council remains responsible and accountable for the substance and content of its decision making.
- (ii) The World Bank as a whole supports the limited role of the Trustee. Fund Office support is not expected to supplement or act counter to this limited role. The World Bank seeks to position its inputs into decisions about the use, allocation and oversight of funds as a Fund Council Member, rather than through its Trustee or Fund Office functions.

To further transparency, the World Bank makes reasonable efforts to indicate when it is acting in its capacity as Trustee, Fund Office or Fund Donor.

2.7 The Fund Office is located in the World Bank headquarters and its staff are employed by the World Bank. The Executive Secretary of the Fund Council leads the Fund Office and is selected and appointed by the World Bank in accordance with World Bank policies and procedures. The Fund Council participates in endorsing the position's terms of reference and is involved in shortlisting and interviewing candidates. The Fund Office staff has expertise in the areas of responsibility of the Fund Office. The annual work program and operating budget of the Fund

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Office are subject to approval by the Fund Council and are financed through the CGIAR Fund. The Fund Office operates under World Bank policies and procedures.

3. Trustee Roles and Responsibilities

3.1 The World Bank serves as Trustee of the CGIAR Fund. The annual work program and operating budget of the Trustee are financed through the CGIAR Fund. The Trustee operates under World Bank policies and procedures.

3.2 Fund Donors contribute funds to the CGIAR Fund by concluding Contribution Agreements and making Contribution Arrangements with the Trustee, whether directly or indirectly, that include common provisions with respect to all Contributions to the CGIAR Fund for all Fund Donors. The Trustee has fiduciary responsibility for funds contributed to the CGIAR Fund until their transfer from the CGIAR Fund. The Trustee records notations and commitments of CGIAR Fund funds based on Fund Council approvals and transfers available committed funds based on proper fund transfer requests from the Consortium, the ISPC and other approved recipients.

3.3 The Trustee's responsibilities arise with respect to funds only during the time they are held by the Trustee and are limited to keeping track of Fund Donor indications of contributions to the CGIAR Fund, collecting, holding and managing contributions, financial risk management, implementation of foreign exchange transactions, investment management, recording notations for Fund Council approvals, tracking of commitments from signed agreements, making cash transfers, accounting, recordkeeping, reporting on financial status, and arranging the audit of the CGIAR Fund. The Trustee has no responsibility for (i) confirming the use of funds after transfer from the CGIAR Fund; (ii) implementing, monitoring, supervising, evaluating, or providing quality assurance for activities funded by the CGIAR Fund; (iii) providing financial, progress, results or impact reporting for activities funded by the CGIAR Fund; (iv) any misuse or misprocurement by any entity other than the World Bank with respect to funds transferred from the CGIAR Fund; or (v) pursuing any Fund Donor interests or Consortium undertakings with respect to funds from the CGIAR Fund.

3.4 The Trustee collaborates with the Fund Office as needed to enable the Fund Office to carry out its responsibilities.

4. Funding Requests

4.1 The Consortium seeks the approval of the Fund Council for research and other programs to implement the SRF by submitting CRP proposals to the Fund Council. The Fund Council and the Consortium are expected to determine and coordinate an appropriate degree of and approach for Fund Donor input into the development of CRP proposals. Descriptions in each CRP proposal and reporting by the Consortium on the use of funds received under the resulting CRP are expected to have sufficient granularity to demonstrate progress on activities funded in such program, with a focus on outputs, outcomes and impacts, highlighting the SRF and impact pathways.

4.2 In submitting a CRP proposal to the Fund Council for approval, the Consortium is understood to agree that such CRP proposal is within the scope of the SRF and that, following Fund Council approval, the ensuing CRP will be within the scope of the SRF for purposes of implementation. In approving a CRP proposal, the Fund Council is understood to agree that such CRP proposal is within the scope of the SRF.

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4.3 Each CRP proposal submitted to the Fund Council for funding has one Lead Center, as described in the proposal. Implementation of each CRP is expected to involve two or more Centers and their partners, with relevant management arrangements to be described in the proposal submitted to the Fund Council.

4.4 The Fund Council has no authority to make changes to Consortium or other recipient proposals prior to approval, but may always recommend changes and resubmission.

4.5 The format for and other aspects of CRP proposals are as agreed between the Fund Council and the Consortium. Each such proposal is expected to include, among other aspects, a program content description and financing plan with a Core Budget in United States dollars setting out the reasonably anticipated funding expected to be received from (i) Window 1 and Window 2 (i.e. the Fund Council-Allocated Component) and (ii) Window 3 and Bilateral Funders (i.e. the Window 3 and Bilateral Component) during the proposed life of the CRP. In addition to the Core Budget, each such proposal may include a description of the activities that would be conducted, and the costs of each such activity, if additional, then-unanticipated Window 3 or Bilateral Funding financial resources become available during the proposed life of the CRP (i.e. the Expanded Funding Component). (The Fund Council-Allocated Component, the Window 3 and Bilateral Component and the Expanded Funding Component shall each be a Component and together constitute the Total Budget for the CRP.) The Fund Council may develop procedures for the review of such proposals.

4.6 All CRP proposals are expected to receive review and comment from the ISPC, consistent with the Fund Council's Rules of Procedure, on scientific merit and partnership aspects prior to any Fund Council approval of the proposal.

4.7 At the time the Fund Council is considering a CRP proposal for approval, the Fund Council is expected to have the following information available: (i) from the Consortium, specific identification of all funds from all funding sources expected to finance the proposal, including the Fund Council-Allocated Component and the Window 3 and Bilateral Component, and possibly an Expanded Funding Component, (ii) from the Fund Office, information about prospects for future contributions to the CGIAR Fund and future amounts committed or indicated through Contribution Agreements and Arrangements, (iii) from the Trustee, cash balances in the CGIAR Fund, and (iv) from the ISPC, advice and comment on the proposal. The Fund Council, in consultation with the Consortium, decides (i) whether to approve the proposal, including the Total Budget and each Component thereof proposed by the Consortium, and (ii) if so, from what combination of Window 1 and 2 funds to finance the approved funding commitment to the Consortium, as applicable. The Fund Council may decide (i) and (ii) at different times.

4.8 The Fund Council may at any time commission additional expert reviews for any funding proposals presented for its approval. In doing so, the Fund Council seeks to balance its interest in receiving advice with the goal of limiting administrative burdens on the Consortium and Centers.

5. Fund Outflows

5.1 All fund transfers undertaken by the Trustee from Windows 1 and 2 are based on (i) allocations and releases, respectively, approved by the Fund Council; (ii) legal commitments made to the recipient through an effective Fund Use Agreement; (iii) fund transfer requests received from the recipient; and (iv) the availability of funds. In the event of (i), the Trustee enters notations indicating the approved amounts. In the event of (ii), the Trustee records commitments against available cash for amounts due to the recipient. In the event of (iii), fund transfer requests

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are made in an Operational Currency, provided that Euros are transferred only to the extent available in the CGIAR Fund, the remainder to be provided in United States dollars.

5.2 Without affecting the Consortium's fiduciary, programmatic and other responsibilities, the recipient of funds from the CGIAR Fund for each CRP is the Lead Center described in the CRP.

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ANNEX 3 of Contribution Agreement

Form of W3 Transfer Agreement

This Annex shall be applicable to and form an integral part of each Contribution Agreement and Contribution Arrangement entered into between the World Bank as Trustee, acting not for its own account, but solely in its capacity as trustee of the CGIAR Fund, and each Fund Donor with respect to funds contributed to the CGIAR Fund.

[Bank letterhead]

[Date]

[Name and Title]

[Name of Center]

[Address]

RE: CGIAR Fund (TF No. 069018)

Dear [name]:

In accordance with the instructions received from _____ [name of donor] through its [Contribution Agreement] [Contribution Arrangement] for the above-referenced CGIAR Fund, the International Bank for Reconstruction and Development (the "Trustee"), acting as trustee for the donors contributing to the CGIAR Fund, are intending to transfer [US\$] _____ [amount]¹² (the "Funds") to _____ [name of Center].¹³

Based on our records, this wire transfer will be made to:

Account Name: [...]
Bank Name: [...]
Bank Address: [...]
Account Number: [...]
Swift Bic Code: [...]
IBAN [...]

Please confirm or correct the transmittal information provided above and return this letter to:

CGIAR Trustee
Director, Multilateral Trusteeship and Innovative Financing
The World Bank
1818 H Street, NW
Washington, DC 20433, USA
Tel: + 1 202 458 0019
Fax: + 1 202 614 0249

¹² Each Transfer Agreement may be in only one Operational Currency.

¹³ This may be any of the CGIAR Centers that is a member of the Consortium according to the Consortium's Constitution

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In agreeing to receive the Funds and signing below, you acknowledge and agree that the Funds shall be used only (i) to implement aspects of the Strategy and Results Framework of the CGIAR initially accepted by the Funders Forum on July 15, 2010, or such revised versions as may subsequently be approved by the Funders Forum (the "SRF"), and (ii) through application of the Common Operational Framework (as defined in the Governance Framework adopted by the Fund Council on November 2, 2010). You further acknowledge and agree that in the event the Funds are not used to implement aspects of the SRF or in accordance with the Common Operational Framework, (i) the Consortium may take whatever corrective actions it considers appropriate and within its purview; and (ii) the Trustee, in its discretion or upon instructions from the Fund Council, may withhold further fund transfers to _____ [name of Center] from the CGIAR Fund; provided that if questions of interpretation arise, (i) decisions about what constitutes activities for implementing the SRF shall be made by the Consortium in consultation with the Fund Council, and (ii) decisions about compliance with the Common Operational Framework shall be made jointly by the Consortium and the Fund Council.

It is understood that the funds transferred hereunder constitute consideration for any bilateral agreements or arrangements between _____ [name of donor] and _____ [name of Center] relating to such funds.

Your countersignature will authorize the Trustee to proceed with the indicated wire transfer in accordance with the confirmed or corrected transmittal information and subject to the terms stated herein.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
as Trustee of the CGIAR Fund

[name]
[title]
Date: _____

Countersignature:

[NAME OF CENTER]

[name]
[title]
[organization]
Date: _____

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

ANNEX 4 of Contribution Agreement

Governance Framework (informational version only)

[Copy attached as Schedule 2 of Joint Agreement]

Approved by the Fund Council on April 5, 2011 and by the Consortium Board on May 5, 2011

ANNEX 5 of Contribution Agreement

CGIAR Principles (informational version only)

[Copy attached as Schedule 3 of Joint Agreement]