

**CONSORTIUM PERFORMANCE AGREEMENT
UNDER THE CGIAR FUND (TF 069018)
FOR CRP 7 - Climate Change, Agriculture and Food Security (CAAFS)**

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 Climate Change, Agriculture and Food Security (CAAFS) 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 Maccarese, 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 August 2010, as revised in January 2011, 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 November 2, 2010 and approved in revised form as of February 23, 2011 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\$ 323.9 million (or the equivalent thereof) (the Fund Council-Allocated Component) over a 5-year period (2011 through 2015); the Total Budget for this CRP over this 5-year period is US\$ 392.5 million (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 indicated in the table below (the details of which are set forth in Table 5 page 36 of the CRP Proposal) 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:

Funding Source	2011	2012	2013	2014	2015	Total
Window 1 & 2	41.4	56.1	70	75.2	81.2	323.9
Window 3 & Bilateral Funding	21.8	15	11.9	10.8	9.1	68.6
Total	63.2	71.1	81.9	86	90.3	392.5

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 Arrangement 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.

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
c/o Agropolis International
Avenue Agropolis
F-34394 Montpellier Cedex 5
France
Tel: +33 4 67 04 7575
Email: consortium@cgiar.org

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 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,

/s/ Inger Andersen
Vice President, Sustainable Development Network

Date: July 13, 2011

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

/s/ Emile Frison
Director General

Date: July 18, 2011

EXHIBIT 1

APPROVED CRP 7 PROPOSAL:
CLIMATE CHANGE, AGRICULTURE AND FOOD SECURITY (CCAFS)

EXHIBIT 2

MINUTES OF FUND COUNCIL MEETING ON NOVEMBER 2, 2010 (excerpt):

Agenda Item 6. Consideration of “Climate Change, Agriculture and Food Security” or CRP7 Research Proposal

The FC chair provided a brief background noting that a written commentary from the iISPC on the final version of the proposal was shared earlier with FC members. The CB Chair introduced the proposal and summarized the development and assessment/review process that the CRP7 proposal has undergone. He pointed out the proposal on climate change has a different genesis when compared with the other CRPs. It is a proposal resulting from bringing together two research communities with different cultures: CGIAR Centers and environmental organizations represented by Earth System Science Partnership (ESSP).

The iISPC Chair presented a summary of the iISPC’s commentary, noting in particular that: “the proposal is a welcome innovation for the CGIAR; it reaches out to the wider climate change community; and it contains much that is of high quality with potential to address issues for developing world farmers to deal with climate variability and change.” He also highlighted, however, a number of concerns on: program content, proposed governance and management arrangements, and absence of forestry, (among others).

Bruce Campbell, Director of CCAFS CP, and Ruben Echeverria, Director General of CIAT (the designated Lead Center for CRP7) gave a presentation focusing on: 1) program content and strategic coherence; 2) boundaries among CRPs and Centers; 3) partnerships; and 4) institutional issues. They also elaborated on their response to some of the major comments received previously from the iISPC and FC members.

Discussion:

- FC members expressed appreciation for iISPC’s critical comments, which were reflective of the rigorous review process that the iISPC has employed in assessing the proposal.
- ISPC pointed out important points in the proposal but FC members noted that those comments were not necessarily blocking approval and implementation of the program.
- Clear distinction between new and old activities should be made. The objectives could be presented in terms of existing work and new activities in the detailed work plans.
- There is need for more clarity on co-financing of other CRPs.
- A description of how the program funds will be divided among CGIAR Centers, ESSP and other partners would be helpful.
- Consideration to be given for participation of other regions such as Latin America and the Caribbean (LAC) where there are developed capacities in addressing adaptation and mitigation issues.
- Strengthening of cooperation with FAO is highly encouraged.

- For 2011, CRP7's total funding requirements (in million US dollars) are broken down as follows¹:

CGIAR Fund	39.50
Bilateral Funding	24.20
Total CRP7 Budget	63.70

Conclusions and Decisions:

- *The CRP7 proposal (program and total budget) was approved. The details of the process of fund disbursement from the CGIAR Fund will be discussed between the Consortium Office and the Fund Office. Disbursement of funds would follow approval of a revised version of the proposal document which takes into consideration the following points raised in the discussion:*
 - *Ensure independence of Independent Science Panel (ISP) and make it more relevant to development*
 - *Deepen linkage to forestry*
 - *Have clear results pathways with verifiable indicators*
 - *Make a distinction between the new and old projects on climate change in the Centers and clarify the value of old projects to be kept in CRP*
 - *Strengthen gender agenda*
 - *Clarification on budget decisions*
 - *Demonstrate how resources available in research communities outside of the CGIAR will be tapped.*
 - *Articulate potential contribution to development of global standards for measuring GHG emissions from agriculture*
 - *Clarify how smart learning loops can be established*
 - *Identify triggers or benchmarks that will lead to the next phase of funding*
- The revised proposal is expected to be submitted by Jan 15, 2011 and will be circulated to members of the FC for virtual decision.

APPROVAL OF REVISED CRP PROPOSAL AS OF FEBRUARY 23, 2011 (email of Fund Council agenda and excerpt of email virtual approval):

PLEASE NOTE: This message is being sent to CGIAR Fund Council Members for virtual consideration and decision. As agreed in the Fund Council Rules of Procedure, the message is also being copied to all Donors for information. Fund Council Members ONLY are requested to respond to the Decision Item. If you would like to copy your response to the Fund Council,

¹ [Note: The information in this table is preliminary and was replaced with the 2011 budget information in Table 5 on page 36 of the approved CRP proposal (Exhibit 1 to this CPA), which is also presented in paragraph 2 of this CPA.]

please use the "Reply to All" button.

Dear Fund Council Members,

ITEMS FOR DECISION/ACTION

1. Revised CCAFS (or CRP7) Proposal: At the Nov 2010 Fund Council Meeting (FC3), the CRP7 proposal (program and total budget) was approved. However, it was also decided that a revised version of the proposal document should be submitted and circulated for virtual decision taking into consideration the following points raised at the meeting :

- Ensure independence of Independent Science Panel (ISP) and make it more relevant to development
- Deepen linkage to forestry
- Have clear results pathways with verifiable indicators
- Make a distinction between the new and old projects on climate change in the Centers and clarify the value of old projects to be kept in CRP
- Strengthen gender agenda
- Clarification on budget decisions
- Demonstrate how resources available in research communities outside of the CGIAR will be tapped.
- Articulate potential contribution to development of global standards for measuring GHG emissions from agriculture
- Clarify how smart learning loops can be established
- Identify triggers or benchmarks that will lead to the next phase of funding

The revised proposal is posted at:

http://www.cgiarfund.org/cgiarfund/sites/cgiarfund.org/files/Documents/PDF/ccafs_proposal_jan24_2011_FINAL.pdf.

A commentary from the ISPC will be sent to the Fund Council later this week.

Action Requested: Approval of the revised CCAFS (or CRP7) proposal on a no-objection basis. Comments, if any, should be sent to the CGIAR Fund Office at cgiarfund@cgiar.org by **February 23, 2011**.

From: CGIAR Fund/Service/World Bank
To:
Date: 03/04/2011 04:00 PM
Subject: ACTION REQUESTED: CGIAR FUND COUNCIL MEETING IN APRIL 2011 and OTHER ITEMS
202-473-8951 CGIAR

Dear Fund Council Members,

[...]

5. DECISIONS BY E-MAIL: We are pleased to inform you of the decisions made virtually through e-mail by the Fund Council during the month of February 2011. The following items were approved by the Fund Council:

- Revised CCAFS (or CRP7) proposal;
- Re-direct ISPC Chair's honoraria and office support of \$0.317 million in the ISPC's 2011 budget to the Fund Office for the purpose of managing the ISPC Chair's contract;
- The inclusion of the Financial Guidelines Series (FG1, FG2, FG3, FG5 and FG6) in the Common Operational Framework with the condition that "the European Commission (EC) retains the right to conduct an *ex-ante* verification of whether the procedures meet the requirements defined in the Financial Regulation of the Commission." The EC pointed out that the "conditional approval would not pre-judge the outcome of the independent external assessment".

[...]

Best wishes,

Fionna Douglas
Acting Executive Secretary
Fund Office