

CGIAR Fund Council

Nov 1-2, 2010

Washington, D.C.

Meeting Summary



CGIAR Fund Office
Dec 15, 2010

Agenda Item 1. Opening Session

The CGIAR Fund Council (FC) met in Washington, D.C. on Nov 1-2, 2010. Fund Council Chair Inger Andersen opened the meeting.

B.Y. Abubakar (Nigeria) was elected Co-chair of the meeting.

The draft agenda was adopted with the following addition (see Attachment 1):

- Review of process for Fund Council's approval of Fund Office's and ISPC's budgets

Agenda Item 2. Fund Office Report and Follow-up from Previous Meetings

Fionna Douglas, Acting Executive Secretary of the Fund Office (FO), presented a brief report on the status of action items arising from previous FC meetings. A summary table of action items was shared with the FC.

The presentation also included an update on the Change Initiative Facility (CIF). The 2010 budget for research program development and Consortium establishment is \$6.1 million. With a total fund pledged of \$7.4 million, the amount available for 2011 to help fund part of the Consortium budget is \$1.3 million.

Discussion:

- Making reference to the FO work plan, the interim Independent Science and Partnership Council (iISPC) Chair Rudy Rabbinge expressed the view that the search and selection process for CGIAR awards should remain managed and coordinated at the Fund side, i.e. by the FO, and the awards should be conferred by the Fund Council and not by the Consortium. Given that the award winners are chosen from a pool of nominees from Centers, the value of the awards is enhanced if the winners are selected by an independent panel and the awards are bestowed by the Fund Council.
- On a question about the search for FO Executive Secretary, the FC chair provided a brief summary of the search process and at what stage the process is in. The search committee has scheduled the interview of shortlisted candidates and its recommendation is expected to be transmitted to the FC chair shortly after that.

Conclusion:

- Further consultation will be held with FC members on who should coordinate the nomination and selection process and the conferment of the awards.

Agenda Item 3. Consortium Report

Consortium Board (CB) Chair Carlos Pérez del Castillo updated Fund Council on Consortium activities focusing on developments since the July 2010 Fund Council Meeting. He expressed confidence that the Consortium is moving in the right direction and that it continues to make progress in various fronts. He noted that much work is still ahead but the progress that has been made is encouraging. He highlighted the following in his report:

- On the development of CGIAR Research Program (CRP) proposals and status of scoping studies:

- Two fast-tracked proposals, Global Rice Science Partnership (GRiSP) and climate change, agriculture and food security (CRP7), have been approved by the Consortium Board and submitted for consideration at this FC meeting.
- The final version of the two other fast-tracked proposals, wheat (CRP3.1) and maize (CRP3.2), are likely to be submitted by the end of 2010.
- All CRP concept notes have now been developed into full CRP proposals
- In addition to the wheat and maize proposals, a few more CRPs are expected to be approved by the Consortium Board and submitted for consideration at the next FC meeting and at its mid-year meeting in 2011.
- The scoping studies on gender and cross-cutting genetic resources issues are to be completed by the end of 2010.
- A separate study commissioned by the Consortium and the Global Crop Diversity Trust to determine the cost of managing the Centers' germplasm collections is expected to be completed at the end of November 2010.
- The draft SRF is being reviewed by a small team of experts (composed of John Lynam, Jeff Waage, Martin Pineiro, and Eduardo Trigo) with additional expert advice from Gordon Conway and M S Swaminathan. The ISPC will also be consulted. They expect to have a first draft ready by mid-December, with a final draft expected to be distributed by end of January 2011.
- Lloyd Le Page has been appointed Chief Executive Officer (CEO) of the Consortium and the CB has selected Montpellier (France) as the location of the Consortium Office (CO).
- An agreement establishing the Consortium as a legally constituted international organization is awaiting signatures/ratification of a number of countries; a minimum of 6 signatures are required for the agreement to enter into force. CB Chair appealed to countries to expedite signatures or ratification of the agreement.

In concluding his report, the CB Chair shared with the FC the following challenges or concerns that need to be addressed:

1. Overall balance of obligations and responsibilities between the Centers and donors, and between CB and FC, in particular in the documents for establishing the Fund. There is a perception of asymmetry on mutual accountability that needs to be addressed.
2. Uncertainties regarding long-term stability of finance. A proposal from the Centers for funding stability in 2011 has been submitted by the Consortium for discussion in this meeting. For longer term financing, more dialogue between the CB and the donors needs to take place in order to address this issue. Joint visits by the Chairs of the Fund Council and Consortium Board to Donors are envisioned for the first quarter of 2011.
3. There is still a need to deal with the "silo" mentality of the different actors in the CGIAR reform. In pursuing the objectives of the reform, it is important that all actors think in terms of a CGIAR System and behave along the same philosophy.

In addition to the CB Chair's report, a proposal from the Centers for funding stability in 2011 and a provisional CO and CB budget were presented.

Discussion:

- FC members appreciated the significant progress that has been made on the Consortium side not only on the development of research program proposals but also on other areas critical to making the Consortium fully operational.
- Further clarification on the timeline was sought for specific CRPs and platforms, particularly those that will be for consideration by the FC at its next meeting
- There is a need for more leadership in environmental thematic areas, particularly forestry. It was expressed that a program proposal on forest and trees should be among those for early consideration.
- A terminology issue was raised in regard to “CRPs” and “MPs” (mega programs); it is important to communicate and explain any change in terminology to the stakeholders. *(Note: Further reference to this issue was made in the discussion of the terms in the CGIAR Glossary. The use of the term “CRP” (which stands for “CGIAR Research Program”) has since then been agreed upon. The term is defined clearly in the approved CGIAR Glossary and is used throughout this meeting summary. Any reference to “MPs” has been dropped.)*
- Clarification was also sought on the future of the challenge programs (CPs).
- Regarding the funding stability proposal, there is not enough information about Window 1 funding and all that will be needed for CRPs. It was suggested that a further teasing out of the figures on the “unrestricted” funding be done by the CO and FO.
- On the provisional CO budget, the gain in efficiency will need to be demonstrated. Details on the proposed budget need to be provided.
- The Centers’ proposal for stability of funding in 2011 is essentially a “safety net” proposal. CEO proposed that 2011 unrestricted funding should at a minimum remain flat with audited 2010 unrestricted funding, estimated to be \$216 million, and emphasized the need for CB to prioritize and recommend to the FC how this should be spent in 2011. What is being asked of the donors is to take a set of individual decisions and shift to a collective responsibility. It was suggested that a discussion of the scenarios be held with the Consortium.
- In response to questions regarding timeline for the SRF and program submissions, the Consortium informed the FC of the following: a) the final draft of the SRF would be ready for distribution by end of January 2011; b) a sense of Consortium perspectives on gender concerns by January 2011; c) CB decision on the current program proposal on forestry and agro forestry (CRP6) is expected by end of November 2010.

On the question of stability, it was reiterated that support for the work of the Centers should not be disrupted. On the former System Office units, the CEO is reviewing the situation. Some of the consortium needs provided by the System Office units may be incorporated into the Consortium office. The challenge is finding funding for the programmatic part of their activities. Majority of support for the CPs is included in CRP’s, as well as the \$216 million unrestricted funding that the Consortium has proposed for 2011. Except for Generation Challenge Programs (GCP), all CPs are being integrated into the CRPs. The GCP would service 6 different CRPs and would need an additional \$10 million per year during the period 2011 to 2013.

The observation on the need for prioritization across and within programs/Centers was appreciated. It was pointed out that priorities across programs would be in accordance with SRF and those within programs would need to be determined in collaboration with scientists who are involved in formulating them.

Specific issues raised in connection with the Consortium's provisional budget are expected to be clarified when details of the budget components are submitted.

Conclusions and Decisions:

- *The final draft of the SRF currently being developed by a team of experts commissioned by the Consortium will be available by end of Jan 2011.*
- *The two other fast-tracked CRPs (wheat and maize) and possibly a few others will be submitted by the CB for consideration at the next FC meeting.*
- *It is critical that the Consortium be legally constituted as an international organization. In the interim, Bioversity International is providing to the Consortium its own legal umbrella, for the Consortium to be able to sign the relevant agreements and receive funds from the Fund.*
- *Donors recognize the critical importance of stable transitional funding and are sympathetic to the Centers' request. The FC accepted the principle of funding stability. The Fund Office and the Consortium Office need to work together to tease out further the funding figures under various scenarios, two illustrative examples of which were included in the proposal. A revised proposal will be circulated in about a month.*
- *Details of the Consortium Office 2011 Work Plan and Budget will be submitted to the FC for virtual decision in a month's time.*

Intellectual Property

A discussion on intellectual property (IP) issues relating to the work of the CGIAR was requested by the European members of the Fund Council. Fund Council members agreed on the very high relevance of this issue, and the need for the Consortium to take leadership. It is considered timely because of IP issues' potential impact on the implementation of the CRPs. The Consortium CEO and some FC members provided the following perspectives:

- The Consortium recognizes the critical importance and supports the role of IP and the role of international public goods. It would like to ensure access to resources. The vital importance of complying with international legal and regulatory standards was noted, as was the need to be sensitive to public perception regarding that compliance, given the high profile nature of the new CGIAR.
- Clearly defining donors' expectations and concerns around IP is important to ensure that they are adequately addressed.
- The new CGIAR needs to be concerned not only about IP generated by CGIAR that would be used outside the CGIAR, but also about externally generated IP that would be relied upon by CGIAR Centers in carrying out the CRPs, since the latter entails legally respecting third party IP

rights. It was noted that both are essential for effective private sector partnering and achieving the CGIAR strategic goals

- It is more appropriate to think of principles rather than policy on IP as being derived from a centralized Consortium body; diversity of individual Centers' work, specific IP situations, as well as policies of donors and of countries where they work will have to be taken into consideration.
- The criteria for assessing CRP proposals do not include consideration of IP issues; however, a point was made that they can be managed within the CRPs, by individual Centers, based on their demonstrated success with carefully considered application of IP policies, and be supported as needed by centralized groups. In addition to capacity within several Centers, there exists IP expertise at the level of the Consortium Office and at the Central Advisory Service on IP (CAS-IP). Some donors have also specialized capacity on IP policy and management.
- It is important that CRPs are aligned with agreed IP principles.

Decision:

- *The Consortium will create a system wide IP working group and involve experts on the FC side to produce a white paper on Intellectual Property in the Consortium of International Agricultural Research Centers, which is due for draft circulation by end of January 2011. The objective is to identify a core set of IP management principles to be adopted across the Consortium. All CRPs are expected to be aligned with the adopted principles.*

Agenda Item 4. Consideration of GRiSP CRP Proposal

The FC Chair provided a brief background on the process that has taken place with respect to GRiSP. Members were reminded that, at the last Fund Council meeting in July, they, along with the iISPC, made preliminary comments on the GRiSP. The Consortium/ proponents revised the proposal based on these comments and re-submitted it to the Fund Council.

The CB Chair introduced the proposal and summarized the development and assessment/review process that the GRiSP proposal has gone through since it was first conceptualized. He pointed out that GRiSP development went through a very creative process and has provided the stimulus and lessons for other CRP proponents to work hard in developing the rest of the CRP portfolio.

The iISPC Chair gave a summary of the iISPC's commentary, advising the FC that there is a compelling case for global collaboration in rice research. The iISPC recommended approval of the GRiSP for funding through the Fund.

Robert Zeigler, Director General of IRRI (the designated Lead Center for GRiSP) gave a presentation focusing on: 1) major changes to the proposal in response to feedback received from donors, partners, and iISPC, 2) on the financial needs of the proposed program in 2011, and 3) expectations on the part of the proponents.

Discussion:

Strong support for approval of the proposal was expressed by FC members. There were, however, some key points and suggestions made for the GRiSP program to consider:

- Concerns on the unintended consequences of GRiSP, e.g. the potential displacement of marginal farmers.
- Governance structure of IRRI and Africa Rice should be revisited given the size and composition of their Center Boards relative to the governance structure of GRiSP.
- Development interface should be given more attention and strengthened.
- The relationship between GRiSP and the CRP on Climate Change should be clarified as GRiSP progresses.
- Importance of developing monitoring & evaluation (M&E) framework and defining performance indicators was emphasized; Consortium was encouraged to look into the possibility of defining some indicators that are common across several CRPs.
- GRiSP should anticipate curiosity on what is working and what the lessons are through regular monitoring reports.
- In implementing the various components of the CRP, it was pointed out that Norway cannot use ODA funds to support activities that produce or promote genetically modified organisms (GMOs)
- Linkage should not be just with the National Agricultural Research and Extension System (NARES) but also with other actors on the development side.
- **For 2011, GRiSP's total funding requirements (in million US dollars) under a growth scenario as proposed are broken down as follows:**

CGIAR Fund (for existing activities)	27.90
CGIAR Fund (for new activities)	6.96
Subtotal (from Fund)	34.86
Current/Pipeline Bilateral Grants	63.96
Total GRiSP Budget	98.82

Conclusions and Decisions:

- *The GRiSP is a strong proposal setting a benchmark both in quality of content and in the process of development and assessment that it went through.*
- *The GRiSP 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. Fund donors would be able to disburse funds through Window 3 to GRiSP-implementing Centers. However, the Funders' Forum approval of the SRF and the signing of the Joint Agreement between the Consortium and the Fund Council are prerequisites for disbursement of funds from Windows 1 and 2.*
- *An M&E framework for GRiSP is to be developed by mid 2011, and should include clear and measurable performance indicators that will be developed together with the Consortium. The performance indicators will be incorporated into the GRiSP document which will become part of*

the performance agreement to be entered into by the Consortium and the Fund Council on the GRiSP program.

Agenda Item 5. Selection and Appointment of ISPC Chair/Members

The FC considered this item in Executive Session, guided by the FC's Rules of Procedure. "Any Executive Session is open to Members, the Executive secretary and any other person who, in the opinion of the Chair, may advance the FC's discussion or otherwise support the matter."

Peter McPherson, Chair of the Search and Nomination Committee (SNC), presented the committee's recommendations on the composition of the inaugural ISPC. In addition, the SNC recommended the appointment of a member of the iISPC for a full two-year term instead of a one-year term in the inaugural ISPC.

In the ensuing discussion, some FC members, while agreeing with the SNC recommendations, noted that the ISPC would benefit from integrating competence on development issues.

Conclusions and Decisions:

- FC approved the following SNC-recommended composition of the inaugural ISPC:

Chair: **Kenneth Cassman**, U.S. (Director and Heuermann Professor of Agronomy, Nebraska Center for Energy Sciences Research, University of Nebraska)

Members: **Vibha Dhawan**, India (Executive Director, Planning and Coordination, TERI University)

Margaret Gill, UK (Chief Adviser Rural Affairs & Environment, Scottish Government)

Rashid Hassan, South Africa/ Sudan (Professor and Director, Centre for Environmental Economics and Policy in Africa (CEEPA), Univ of Pretoria)

Marcio de Miranda Santos, Brazil (Executive Director, Center for Strategic Management and Studies on Science, Technology and Innovation (CGEE), Brazil)

Jeffrey Sayer, UK/Australia (Professor, School of Earth & Environmental Sciences, James Cook University, Australia)

FC also approved the appointment of Jeff Sayer, current member of the iISPC, for a two-year term. All appointments are effective January 1, 2011.

- The disciplinary balance in the ISPC composition can be further addressed through the ISPC Chair's discretion to establish expert panels.
- The proposed increase in the number of days of ISPC members' involvement was endorsed and that the new ISPC Chair should determine the level of increase in accordance with each member's participation in the implementation of the ISPC work program.

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 follows:**

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.*

Postscript on the Review Process for CRP Proposals

With the objective of improving the process for the review of CRP proposals, ensuring greater efficiency and effectiveness, reducing costs, time and bureaucracy, and avoiding unnecessary duplication and overlaps, the CB Chair proposed that ISPC and CB jointly identify and commission reviewers. He requested informal consultation among the ISPC and CB, done in a cooperative spirit with the understanding that the ISPC independence of judgment will not be compromised and that they will provide advice to the FC. The CB has presented a list of reviewers to the iISPC and would like the iISPC to provide comments on the reviewers.

The iISPC chair agreed to the need to maintain efficiency in the review process and some points made regarding ISPC and CB collaboration (e.g. there is already consultation on reviewer lists, and that the GRiSP proposal benefitted from an intermediate review by ISPC and comments from donors), but pointed out that the role of the ISPC is very different from the role of the CB. CB is in the supply side and its role is to see whether or not the proposals are in line with the agreed common criteria for CRP evaluation and are fulfilling the minimum requirements. The role of the ISPC is to help Funders ensure that an independent review has been undertaken to reassure their constituencies.

Conclusions and Decision:

- *The FC supports actions between the Consortium Board and the ISPC that will ensure efficiency and cost-effectiveness in the development of CRPs. It would expect to benefit from the views of*

the ISPC through the ISPC Chair at the time of its review of a CRP proposal. The ISPC may provide intermediate reviews of proposals, as it did with the GRISP proposal, but the ISPC would have the prerogative to commission further reviews to fill any gaps that the CB-commissioned review was not able to address when final proposals are submitted by the CB for FC's approval. This can be put to the test with the next CRP proposal to be submitted by the CB.

Agenda Item 7. CGIAR Fund Establishment Documents

CGIAR Principles

The *CGIAR Principles* are overall principles guiding the Fund Council and the Consortium in their joint efforts to implement the Strategy and Results Framework. Following consultation the prevailing view was that the *CGIAR Principles* will not be a signed agreement, but would instead be adopted by the Fund Council and the Consortium. It will be incorporated by reference in the *Contribution Agreements and Arrangements*.

Decision:

- *The Fund Council adopted the CGIAR Principles as revised during the discussion. The final version is provided as Attachment 2.*

Governance Framework

The *Governance Framework* describes the governance of the CGIAR Fund and all related structural elements. It defines the relationships among the Fund Council, Fund Office, the Trustee and the Funders Forum. It will be incorporated by reference in the *Contribution Agreements and Arrangements*.

As with the other Fund documents, comments and suggestions on the *Governance Framework* were received from FC members. The CWANA representative who, unfortunately, was unable to attend the meeting or take part via telephone conveyed his comments in writing. His letter which has been acknowledged and responded to by the FC Chair is appended to this meeting summary as Attachment 3a.

Decision:

- *The Fund Council adopted the Governance Framework as revised during the discussion. The final version is provided as Attachment 3.*

Contribution Agreement or Arrangement

The *Contribution Agreement or Arrangement* is the individual agreement or arrangement through which each Fund Donor will make its contribution to the CGIAR Fund. Each *Contribution Agreement or Arrangement* contains a cover agreement or arrangement specifying donor contributions followed by common annexes with standardized terms for Trustee provisions (Annex 2) and a form of Window 3 Transfer Agreement (Annex 3). The Contribution Agreements and Arrangements will

also incorporate the *Governance Framework* and *CGIAR Principles* by reference. Establishment of the CGIAR Fund can occur upon the signature of the first *Contribution Agreement or Arrangement*.

Decision:

- *The Fund Council accepted the form of Contribution Agreement as revised during the discussion. The final version is provided as Attachment 4.*

Non-Research System Cost Financing

The *Non-Research System Cost Financing* paper takes as a point of reference the Funders' Forum approval of a formula to equitably share the non-research cost financing and cost sharing percentage as a single rate for all CGIAR Funders. The cost-sharing percentage was agreed to be 2% in 2011 for all CGIAR funding. This may need to be adjusted in the following year depending on the amounts of contributions to the CGIAR Fund and the amount of System Costs. Following approval by the Consortium Board, the paper will be included in the *Common Operational Framework* which will set out common processes for the CGIAR, including also harmonized reporting requirements, monitoring and evaluation, selection criteria for CRP proposals, financial guidelines, and the *CGIAR Glossary*.

Decision:

- *The Fund Council approved the paper, as revised during the discussion, including the change in title, as part of the Common Operational Framework. The revised version, provided as Attachment 5, is entitled "CGIAR System Cost Financing".*

CGIAR Glossary

A *CGIAR Glossary* provides defined terms for the *Contribution Agreement or Arrangement*, the *Governance Framework* and the *CGIAR Principles*, as well as the other agreements into which the Fund Council and Consortium will enter. Following approval by the Consortium, the Glossary will form part of the Common Operational Framework. It will be a living document, and be updated as required.

Decision:

- *The Fund Council approved the CGIAR Glossary, as revised during the discussion, as part of the Common Operational Framework. The revised version is provided as Attachment 6.*

Agenda Item 8. Update on GCARD 2012

Mark Holderness, GFAR Executive Secretary, presented a report on GCARD highlighting experiences organizing GCARD 2010, key results of post-event participant surveys, and changes contemplated for GCARD 2012 (or GCARD II).

Discussion:

- There was consensus on the importance and the relevance of GCARD for the CGIAR. GCARD is recognized in the Maputo declaration and co-funding of GCARD is included in the CGIAR system cost, showing the accepted importance of the event. The Consortium Board Chair noted also the following benefits for the CGIAR of GCARD I: strengthened the concept of impact, partnerships, and promoted CGIAR to other stakeholders.
- GCARD 2010 provided opportunities to hear from existing and prospective partners. In a 2012 scenario where all CRPs are fully operationalized, what would be the added value of GCARD?
- An external review of GCARD would be helpful to the FC to assess its value proposition to the CGIAR; however, a forward-looking approach was preferred by some FC members.
- GCARD II could provide an opportunity to evaluate the CGIAR reform process, with the full range of CRPs expected to be in the inception or initial implementation phase.
- Some balance between science-oriented discussions and those addressing the development agenda has to be considered in GCARD planning; the point of departure for future GCARDs should be the CGIAR; integrating the Science Forum into the event is worth exploring.
- In addition to helping the CGIAR in developing the SRF and the CRPs, GCARD was conceptualized as an accountability mechanism for the CGIAR; this objective should not be lost.
- The initial thinking on what might be considered in the GCARD II process as far as the CGIAR is concerned appeared to be ambitious. GCARD II will occur in a different context to GCARD I, and 2012 will be timely to take stock of the transformation of ARD, including the CGIAR Reform, the implementation of the CRPs and their linkages with development outcomes. However, some FC members expressed preference for a more focused event. The frequency of the GCARD conference event may need to be reviewed. The frequency of the GCARD conference event may need to be reviewed.

Conclusions:

- *GFAR and the GCARD II organizing committee should take into account the points made in the discussion and come up with a proposal on components of the event including budget for the Fund Council's consideration.*

Agenda Item 9. Other Business / Closing Session

- Review of process for Fund Council's approval of Fund Office's and ISPC's budgets
 - In the future, it is preferable to have all the system costs budgets presented together at the November meeting of the Fund Council for approval.
 - A collective peer review process was suggested; due diligence needs to be done properly by ensuring that FC comments are obtained before the FC meeting.

Conclusions and Decisions:

- *It was agreed that next annual budget proposals of the Consortium Office, Fund Office and ISPC would be presented together at the November 2011 meeting of FC*
- *Consortium CEO, FO Executive Secretary, and ISPC Executive Director will discuss and agree on the elements of a collective peer review process for the budgets of their offices.*

- Implications of the approval/adoption of legal agreements
 - The Trustee clarified that all Fund windows will be ready to receive funds. Disbursements could be made from Window 1 (only for system costs) and Window 3. Disbursements from Windows 1 and 2 for the purpose of funding the CRPs could not be made until after the SRF has been approved.
 - FO will provide a note on the various steps of the funding process.

- Meeting dates

Fund Council agreed to hold three meetings in 2011. It was further agreed that the 4th FC meeting will be held on April 5-6, 2011.



CGIAR FUND COUNCIL MEETING

Room C 8-150
World Bank "C" Building
1225 Connecticut Avenue
Washington, DC

AGENDA

November 1-2, 2010

November 1, 2010

- 09.30 Welcome coffee/tea
- 10.00 AGENDA ITEM 1. Opening Session
- 10.15 AGENDA ITEM 2. Fund Office Report and Follow-up from previous meetings FOR INFORMATION
- 10.30 AGENDA ITEM 3. Consortium Report
- Developments since the July 2010 Fund Council Meeting
 - CGIAR Centers' Proposal for Funding Stability in 2011
 - Provisional Consortium Office and Board Budget 2011
 - Intellectual Property at the CGIAR Consortium Level
- 12.30 Lunch
- 13.30 AGENDA ITEM 4. Consideration of GRiSP* CRP** FOR DECISION
- Introduction
 - Comments by iISPC on key issues
- 16.00 Coffee/tea
- 16.30 AGENDA ITEM 5. Selection and Appointment of ISPC Chair/Members FOR DECISION
(Papers will be sent to FC Members separately)
- 18.30 Buffet Dinner

*Global Rice Science Partnership (GRiSP)

**CGIAR Research Proposal

November 2, 2010

- 08.30 AGENDA ITEM 6. Consideration of CCAFS* CRP FOR DECISION
- Introduction
 - Comments by iISPC on key issues
- 10.00 Coffee/tea
- 1030 AGENDA ITEM 6. Consideration of CCAFS CRP (*continued*)
- 12.00 Lunch
- 13.00 AGENDA ITEM 7. CGIAR Fund Establishment Documents
- a. *CGIAR Principles and Governance Framework for adoption* FOR DECISION
- Form of Contribution Agreement or Arrangement for acceptance*
- b. *Non-Research System Costs and CGIAR Glossary as chapters of the Common Operational Framework for approval* FOR DECISION
- 16.00 AGENDA ITEM 8. Update on GCARD 2012 FOR INFORMATION
- 16.30 AGENDA ITEM 9. Other Business / Closing Session
- Review of process for FC's approval of FO's and ISPC's budgets

*Climate Change, Agriculture and Food Security (CAAFS)

CGIAR PRINCIPLES

As adopted by the Fund Council on November 2, 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.

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.

4. The Fund Council, as the decision-making body of the CGIAR Fund representing all Fund Donors, agrees to:
 - (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.
 - (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
 - 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.

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Based on Fund Council discussion, as adopted on 11/2/10

CGIAR Fund Governance Framework

As adopted on November 2, 2010

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

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Based on Fund Council discussion, as adopted on 11/2/10

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.

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.

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Based on Fund Council discussion, as adopted on 11/2/10

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

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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 within its authority and 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

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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.
- (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.

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Based on Fund Council discussion, as adopted on 11/2/10

- (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:

- (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.

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Based on Fund Council discussion, as adopted on 11/2/10

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.
- (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.

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- (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.

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

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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.

11/8/10

Based on Fund Council discussion, as adopted on 11/2/10

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 total target budget in United States dollars, which will be divided into a CGIAR Fund Budget and a Bilateral Funds Budget. 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, which will be divided into a CGIAR Fund Budget and a Bilateral Funds Budget, (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 target budget and the CGIAR Fund Budget, 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.

11/8/10

Based on Fund Council discussion, as adopted on 11/2/10

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.

11/8/10

Based on Fund Council discussion, as adopted on 11/2/10

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 that 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. In the event of conflict, the other parts of the Contribution Agreements and Arrangements prevail over this Governance Framework.

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.

11/8/10

Based on Fund Council discussion, as adopted on 11/2/10

Schedule 1

Defined Terms

“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 Funds Budget” means the portion of the budget appearing in each CRP proposal and CRP to be funded with Bilateral Funding or other contributions (excluding funds from the CGIAR Fund).

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

“CGIAR Fund Budget” means the portion of the budget appearing in each CRP proposal and CRP to be funded with funds from the CGIAR Fund (i.e., from all three Windows).

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

“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.

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

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

“CRP” or “CGIAR Research Program” means a research 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).

“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 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.

11/8/10

Based on Fund Council discussion, as adopted on 11/2/10

“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” 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 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”.

“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.

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

“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

11/8/10

Based on Fund Council discussion, as adopted on 11/2/10

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 this Schedule 1 (Defined Terms) until such time as a glossary is approved by the Consortium and the Fund Council as part of the Common Operational Framework (the “Glossary”), in which case such Glossary shall replace this Schedule 1.

“Governance Framework” means these 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.

“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.

“Investment Income” means the aggregate amount of any income earned from the investment of CGIAR funds.

“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.

11/8/10

Based on Fund Council discussion, as adopted on 11/2/10

“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 an effective 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, other than the Consortium or the Centers, that receives funding from the CGIAR Fund for implementation of the SRF.

“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” 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 the Centers and any entity engaged in research activities for implementation of the SRF under the purview of the Consortium, 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.

“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 Partner 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.

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

11/8/10

Based on Fund Council discussion, as adopted on 11/2/10

“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.

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

Attachment 3a

Ms. Fionna Douglas

Acting Fund Council Executive Secretary

CGIAR

Dear Ms. Douglas,

I, as a CGIAR Fund Council Member, on behalf of CWANA Constituency, endorse the CGAR Fund Governance Framework (September 28, 2010 draft), provided that the following comments are adequately and precisely addressed. Once again I would like to emphasize that for addressing the CGIAR member countries concerns and in particular from developing countries, the following issues, which seem to be the common anxiety of several NARSs, should be definitely taken into consideration:

1-As the first important issue, I would say that the provisions of the Governance Framework should be sufficiently flexible so that certain donor contribute and benefit of CGIAR centers capacities based on their national necessities and priorities using their extra fund considering aspects of SRF.

2- On 5-1(iii). Although the Window 3 condition has been improved in comparison with the previous version of CGIAR Governance Framework, to be reviewed after two years, in consultation with Consortium. Several NARSs do believe that this window should remain open as long as necessary. So we insist and stress that this part should be revised totally for addressing the concerns of NARSs and even CGIAR centers, since this is the absolute right of a donor to specify the preferred Window for allocation of its funds and closure of window 3 contradicts with Donor independency.

3- On 5-2-We do believe that also this item will limit the flexibility of the donor countries to take advantage of CGIAR centers for addressing their national necessities and priorities. Donors should keep their independency for allocation portions of their extra funds to their targeted CGIAR Centers for conducting their preferred activities, projects or bilateral research collaboration, provided that these activities could be implemented in accordance with SRF. Continuation of this Window is critical for several NARSs and even some CGIAR centers and we propose this issue to be comprehensively discussed at next Fund Council Meeting. We feel that this is the common senses of some CGIAR centers

On the other hand, it seems that the duration of two years is not adequate for comprehensively revision of Window 3 and would like to propose that, this review to be conducted within the duration for at least 4-5 years.

At the time being, many NARSs including AREEO, are signing bilateral MOUs and workplans with their targeted CGIAR Centers for meeting their scientific and technical needs and allocate adequate funds from their own budget for realizing their contents. Continuation of this process, which could only be defined in the framework of Window 3, is very vital for them, since they do believe that continuation bilateral agreements with CGIAR centers in the framework of windows 1 or 2 is impossible.

I highly hope the above mentioned proposed are taken into consideration at this meeting. Thank you,

Jahangir Porhemmat

Deputy Minister and Head of AREEO, I. R. of Iran

11/15/10

Based on Fund Council discussion, as accepted on 11/2/10

Form of Contribution Agreement¹
Between the [Fund Donor] and the Trustee
for the CGIAR Fund (MTO 069018)
Dated [___]

WHEREAS, this Contribution Agreement is entered into by the International Bank for Reconstruction and Development 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, MTO 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 4 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 signed CGIAR Principles are attached hereto as Annex 4 and Annex 5, respectively, for informational purposes only.
3. The Fund Donor shall deposit the Contribution in cash² through a bank transfer into such account with such bank designated by the Trustee [USD\$_____]³ in accordance with the following payment schedule, in each case upon submission of a payment request by the Trustee:

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.

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.

11/15/10

Based on Fund Council discussion, as accepted on 11/2/10

(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 (MTO 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
TOTAL					

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

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.

11/15/10

Based on Fund Council discussion, as accepted on 11/2/10

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 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)

11/15/10

Based on Fund Council discussion, as accepted on 11/2/10

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 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.

11/15/10

Based on Fund Council discussion, as accepted on 11/2/10

ANNEX 1

Defined Terms

“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 Funds Budget” means the portion of the budget appearing in each CRP proposal and CRP to be funded with Bilateral Funding or other contributions (excluding funds from the CGIAR Fund).

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

“CGIAR Fund Budget” means the portion of the budget appearing in each CRP proposal and CRP to be funded with funds from the CGIAR Fund (i.e., from all three Windows).

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

“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.

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

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

“CRP” or “CGIAR Research Program” means a research 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).

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“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 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” 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 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”.

“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.

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

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“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 this Annex 1 (Defined Terms) until such time as a glossary is approved by the Consortium and the Fund Council as part of the Common Operational Framework (the “Glossary”), in which case such Glossary shall replace this Annex 1.

“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.

“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

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assessment of CRP proposals submitted by the Consortium and serves as an intellectual bridge between the Fund Council and the Consortium.

“Investment Income” means the aggregate amount of any income earned from the investment of CGIAR funds.

“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 an effective 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, other than the Consortium or the Centers, that receives funding from the CGIAR Fund for implementation of the SRF.

“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” 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 the Centers and any entity engaged in research activities for implementation of the SRF under the purview of the Consortium, 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.

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

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“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 Partner 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.

“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.

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

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ANNEX 2

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

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establishment of such CRPs as eligible subaccounts of Window 2. The Trustee shall maintain a list 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 the total budget amount approved by the Fund Council 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.

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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 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.

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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, 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 Annex 2 attached hereto.

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.

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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 take all practicable steps, 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

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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.

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 the fund allocation among different line items within the proposal by more than 10 percent of the total approved budget amount; 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 in 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 Fund Council shall seek indemnification from the Consortium for any activities financed by funds from the CGIAR Fund that include any regulated research activities, including

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without limitation the research, testing, development or distribution of genetically modified organisms. 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 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 such audit, 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

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(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 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 this 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

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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

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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, 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 within its authority and 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.

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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.
- (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:

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- (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 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 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,

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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.

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 total target budget in United States dollars, which will be divided into a CGIAR Fund Budget and a Bilateral Funds Budget. 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, which will be divided into a CGIAR Fund Budget and a Bilateral Funds Budget, (ii) from the Fund Office,

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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 target budget and the CGIAR Fund Budget, 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 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

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 (MTO 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: _____

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ANNEX 4

Governance Framework (informational version only)

Version dated November 2, 2010

[insert Governance Framework current as of date of agreement]

ANNEX 5

CGIAR Principles (informational version only)

Version dated November 2, 2010

[insert CGIAR Principles current as of date of agreement]

DRAFT

CGIAR System Cost Financing

Background¹

A paper on CGIAR System Costs was submitted to the Funders Forum in July 2010. This paper defined these System Costs of the new CGIAR and described formula options for equitably sharing these costs among CGIAR Funders (both Fund Donors and Bilateral Funders). A presentation describing the cost sharing formulas with numerical examples was made at the Funders Forum.

The Funders Forum agreed on a formula to equitably share the System Cost burden and also agreed on uniform application of this formula (the CSF) as a single rate (the CSP) for all CGIAR Funders. This approach assumes full transparency of funding to the CGIAR, including Consortium and Center reporting of Bilateral Funding.

The CSP is to be calculated as follows:

Total approved System Costs / Total projected CGIAR Fund contributions & Bilateral Funding

This Note summarizes the key components related to the agreed financing of System Costs.

System Costs

The CGIAR System Costs to be financed through this single rate are identified as follows:

Fund Council and Fund Office	Consortium Board and Consortium Office
Trustee	Independent Evaluation Arrangement
Funders Forum	Dispute Resolution Mechanism for the CGIAR
ISPC and Secretariat	CGIAR's share of the cost of the GCARD

Budget Approval

Based on budgets and work plans submitted in a timely fashion, the CGIAR System Cost units are expected to have their annual budgets and work plans approved by the Fund Council prior to the start of each calendar year. Approved budget amounts will be designated by the Trustee of the CGIAR Fund in Window 1 for transfer to the recipient upon completion of the relevant Fund Use Agreements with the Fund Council.

Step-by-Step Application of the CSF

1. Prior to the start of the calendar year, the FC approves budgets and work plans submitted from recipients of the various System Costs (e.g., Fund Council and Fund Office, Trustee, ISPC, IEA, Consortium Board and Consortium Office).
2. The Trustee assigns any approved budget amounts from pool of funds in Window 1.

¹ Defined terms not otherwise defined herein are used as defined in the CGIAR Glossary.

3. The Trustee transfers the approved budget amounts for the Trustee and Fund Office out of Window 1 into administrative accounts established for Fund Office and the Trustee, respectively, in the World Bank's "institutional books".
4. The Trustee transfers amounts for the approved budgets to the relevant non-Bank entities based on effective Fund Use Agreements with and Payment Requests from these entities.
5. In the fourth quarter of each calendar year, the Consortium provides the Fund Office with a projection of Bilateral Funding expected during the next calendar year.
6. In the fourth quarter of each calendar year, the Fund Office determines the projected total contributions expected to be provided to the CGIAR Fund during the next calendar year.
7. Prior to the end of the calendar year, upon receipt of the Consortium's projections and determination of projected contributions to the CGIAR Fund, and based on approved budgets for System Costs for the current calendar year and on projected funding to the CGIAR for the next calendar year, the Fund Office determines and announces the CSP.
8. During the course of the next calendar year, the Consortium requests that the Centers transfer their bilateral share of System Costs, i.e., their total CSP amount, to the Trustee for deposit into Window 1.²
9. During the course of the next calendar year, each Window 2 and Window 3 contribution to the CGIAR Fund is assessed the CSP by the Trustee and is then transferred into Window 1.
10. If the aggregate amount assessed during any calendar year is less (or more) than the amount based on actual contributions (because of lower (higher) than projected contributions),³ then the following calendar year's CSP will be adjusted accordingly to compensate for the shortfall (excess).

Estimated Fee Rate for 2011

Using the CSF, the Fund Office has estimated the CSP to be **2 percent in 2011 for all CGIAR funding**. This fee rate is based on projected System Costs of US\$12 million over projected CGIAR Fund contributions and Bilateral Funding of US\$600 million (as illustrated at the Funders Forum in July 2010). As the numerator and denominator of the CSF for 2011 are both estimates during this transition period, the CSP for 2012 is expected to take into account actual System Costs for both 2011 and 2012 at the end of the next calendar year.

² The Consortium may determine its own procedures for providing such funds to the Trustee, including transfers directly from Centers to the Trustee.

³ Adjustments will also be made in the event the total CSP amount for Bilateral Funding is not received by the Trustee or any CSP amounts do not reach the Trustee for any reason, so as to ensure equitable burden sharing among all remaining funders of any unpaid amounts.

CGIAR Glossary

“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 Funds Budget” means the portion of the budget appearing in each CRP proposal and CRP to be funded with Bilateral Funding or other contributions (excluding funds from the CGIAR Fund).

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

“CGIAR Fund Budget” means the portion of the budget appearing in each CRP proposal and CRP to be funded with funds from the CGIAR Fund (i.e., from all three Windows).

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

“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.

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

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

“CRP” or “CGIAR Research Program” means a research 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).

“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 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” 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 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”.

“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.

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

“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.

“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.

“Investment Income” means the aggregate amount of any income earned from the investment of CGIAR funds.

“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 an effective 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, other than the Consortium or the Centers, that receives funding from the CGIAR Fund for implementation of the SRF.

“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” 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 the Centers and any entity engaged in research activities for implementation of the SRF under the purview of the Consortium, 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.

“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 Partner 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.

“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.

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