

CONFORMED COPY

**CONSORTIUM PERFORMANCE AGREEMENT
UNDER THE CGIAR FUND (MTO 069018)
FOR CRP 6 - Forests, Trees and Agroforestry: Livelihoods, Landscapes and Governance**

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

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

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

WHEREAS the Parties are entering into this CPA for the CGIAR Research Program (the “CRP”) entitled “Forests, Trees and Agroforestry: Livelihoods, Landscapes and Governance” to be financed in whole or in part by the CGIAR Fund (MTO No. 069018) (the “CGIAR Fund”);

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

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

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

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

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

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

WHEREAS a proposal dated February 2011, which was submitted by the Consortium to the Fund Council and attached hereto as Exhibit 1 (the “CRP proposal”), was approved by the Fund Council on April 6, 2011 as recorded in agreed minutes of the Fund Council attached hereto as Exhibit 2 (the “Fund Council Approval”) and subject to consideration of the approval adjustments provided to the Consortium on June 3, 2011 and attached hereto as Exhibit 3, it being understood that these adjustments were developed and presented by the Fund Office under delegated authority from the Fund Council;

NOW THEREFORE, the Parties hereto agree as follows:

1. Based on the Fund Council Approval and as set forth in the CRP proposal, the amount of funds from Window 1 and Window 2 of the CGIAR Fund that may be transferred to the Lead Center as part of this CRP is US\$90.3 million (or the equivalent thereof) (the Fund Council-Allocated Component); the Total Budget for this CRP is US\$232.9 million (or the equivalent thereof). The Consortium agrees, and shall require the Lead Center for each CRP and, through such Lead Center, any other Centers or Partners participating in such CRP to agree, that this amount and any income earned thereon (“Investment Income”) will be used only for the purposes described in the CRP proposal and will be governed by the terms and conditions of the Joint Agreement, which is incorporated by reference herein, and this CPA.

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

	Year 1	Year 2	Year 3	(in \$ million) Total
Window 1 and Window 2	25.4	30.5	34.4	90.3
Window 3 and Bilateral	42.4	47.9	52.3	142.6
Total	67.8	78.4	86.7	232.9

For clarity, the Parties understand that for each year above (i) the Fund Council-Allocated Component corresponds to the sum of (a) the “Unrestricted” line item in Tables A8.3-A8.7 of the CRP proposal and (b) the “Program Coordination,” “Gender,” “Sentinel Landscapes” and “Communications” line items in Table A8.2 of the CRP proposal and (ii) the Window 3 and Bilateral Component corresponds to the sum of the “Restricted” and “Proposals/Gap” line items in Tables A8.3-A8.7 of the CRP proposal.

It is agreed that the Consortium will take into consideration the approval adjustments set forth in Exhibit 3 in implementing the CRP by addressing them in relevant operational plans and reporting on their implementation annually to the Fund Council.

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

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

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

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

For the Consortium (the "Consortium Contact"):

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

For the Trustee (the "Trustee Contact"):

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

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

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

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

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

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

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

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

9. This Consortium Performance Agreement may be terminated by either the Fund Council or the Consortium upon 180 days prior written notice. Additionally, in the event the Trustee exercises its right of suspension and/or termination under the Contribution Agreements and Arrangements, the Trustee shall consult with the Fund Council and the Consortium to determine the subsequent measures to be taken with respect to the CGIAR Fund (as provided in the Contribution Agreements and Arrangements), and the Consortium shall accordingly agree to suspend activities under or terminate, as the case may be, this CPA. In the event of any such termination, unless the Fund Council and the Consortium agree on another course of action, (i) any agreement entered into prior to the termination between the Consortium and any consultants and/or other third parties will

remain in effect and be unaffected by the termination, and (ii) the Consortium will be entitled to continue to request disbursement of amounts from the Fund Council-Allocated Component in respect of such agreements to the extent contemplated in the Fund Council-Allocated Component and necessary to fulfill the Consortium's obligations thereunder as if this CPA had not been terminated. The Consortium shall cause all other amounts from the Fund Council-Allocated Component remaining with the Lead Center or other Centers or Partners participating in the CRP after such termination, along with Investment Income thereon, to be returned to the Trustee for deposit into the CGIAR Fund (or returned to the Fund Donors *pro rata* to their respective contributions to the CGIAR Fund if the CGIAR Fund has been closed).

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

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

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

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

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

/s/ Inger Andersen
Inger Andersen
Vice President, Sustainable Development Network

Date: September 16, 2011

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

/s/ Emilie Frison
Emile Frison
Director General

Date: September 21, 2011

EXHIBIT 1

**APPROVED CRP 7 PROPOSAL
FORESTS, TREES AND AGROFORESTRY:
LIVELIHOODS, LANDSCAPES AND GOVERNANCE**

EXHIBIT 2

MINUTES OF FUND COUNCIL MEETING ON APRIL 6, 2011 (excerpt):

**CGIAR Fund Council
April 5-6, 2011
Montpellier, France**

Agenda Item 11. Decision Session on agenda items 5, 6, 8 and 10, and next steps regarding other CRP proposals submitted by the Consortium

In discussing CRPs, it became evident that uniform criteria to rate the CRP proposals and provide clear guidance to the proponents were required. Hence the following four categories of decisions were suggested for use by the FC in its decision making process.

CATEGORY I: Approval

- Light adjustments which the Fund Council expects proponents to take into consideration

CATEGORY II: Approval with conditions

- 'Must haves'
- ISPC review of revised CRP proposal with 'Must haves' addressed
- Virtual 'no-objection' approval of the proposal by the Fund Council
- If there is objection, decision will be taken at a face to face Fund Council Meeting

CATEGORY III: Request re-submission of the CRP proposal

- Substantial 'Must haves'
- ISPC review of revised CRP proposal with 'Must haves' addressed
- Decision taken at a face to face Fund Council Meeting

CATEGORY IV: Rejection

Decisions:

- The four categories of FC decisions on CRP proposals were approved.
- **CRP6: Forests, Trees and Agroforestry – livelihoods, landscapes and governance** –The overall proposal and total budget was *Approved with light adjustments (Category I)*.
- **CRP 3.2:MAIZE:Global Alliance for Improving Food Security and the Livelihoods of the Resource poor in the Developing World** –The overall proposal and total budget was *Approved with light adjustments (Category I)*.

- **CRP 1.1 Integrated agricultural production systems for the poor and vulnerable in dry areas** – The overall proposal and total budget was Approved with Conditions (Category II)
 - The Fund Council requested the proponents of the CRP1.1 to take necessary time to revise the proposal; a speedy turn-around is not the objective. ISPC will then make commentary on the revised proposal.
 - Following which the revised proposal will be submitted to the Fund Council for virtual approval on a 'no objection' basis. If there is any objection by a Fund Council Member, then the proposal will be discussed at the following Fund Council Meeting.

 - **Must Haves:**
Please see Annex 1

- **CRP2: Policies, Institutions, Markets to Strengthen Food Security and Incomes for the Poor** – The decision was Request re-submission of the CRP proposal (Category III)
 - **Must Haves :**
Please see Annex 2

EXHIBIT 3

CATEGORY 1 APPROVAL ADJUSTMENTS FOR CRP 6

CRP6: Forests, Trees and Agroforestry – livelihoods, landscapes and governance

FC Decision: The overall proposal and total budget was approved with light adjustments (Category I).

Suggestions from ISPC: Revise and address the following:

- depth of research on more innovative aspects (e.g. sentinel sites as unifying concept);
- prioritize research and focus on themes delivering IPGs (e.g. comp 1 & 2 better in CRPs 1.1 and 1.2);
- re-consider management arrangement to ensure program coherence;
- develop a budget with more realistic growth rates

Suggestion from FC members:

- a CGIAR-wide coherent strategy on sentinel landscapes be considered; sustaining the work in the long term with adequate funding would be a challenge.