

*Contribution Agreement  
Between the Republic of Korea, acting through its Rural Development  
Administration, and the Trustee for the CGIAR Fund (MTO 069018)  
Dated November 28, 2011*

WHEREAS, this Contribution Agreement is entered into by the International Bank for Reconstruction and Development (the "Bank") and the Republic of Korea, acting through its Rural Development Administration (RDA) (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 USD 290,000.00 (two hundred ninety thousand United States dollars) (the "Contribution") to the CGIAR Fund as specified in paragraph 3 below.

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

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

- (i) USD 290,000.00 (two hundred ninety thousand United States dollars) upon effectiveness of this Contribution Agreement ("Installment 1").

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 A.2.6 and A.4.3 of Annex 2 attached hereto, the Trustee shall assign the Contribution as follows:

Installment	Amount	Window	Designation	CSP	Net Allocation
1	USD 290,000.00	1	N/A	N/A	USD 290,000.00
TOTAL	USD 290,000.00				USD 290,000.00

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

For the Trustee (the “Trustee Contact”):

Director  
 Multilateral Trusteeship and Innovative Financing  
 The World Bank  
 1818 H Street, NW  
 Mailstop G 6-601  
 Washington, DC 20433, U.S.A.  
 Tel: + 1 202 458 0019  
 Fax: + 1 202 614 0249

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

Dr. Kang-Su Kwak  
 Multilateral Cooperation Team  
 International Technology Cooperation Center  
 Rural Development Administration  
 Suin\_ro 150, Gwonseon-gu, Suwon 441-707  
 Republic of Korea  
 Tel: +82-31-299-2278  
 Fax: +82-31-293-9359  
 E-mail: kskwak@korea.kr

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

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

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

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

/s/ Susan McAdams  
Susan McAdams, Acting Vice President  
Concessional Finance and Global Partnerships

Date: November 29, 2011

**REPUBLIC OF KOREA**

/s/ Sang Jae Lee  
Sang Jae Lee, Director  
International Technology Cooperation Center  
Rural Development Administration

Date: December 5, 2011

**Attachments:**

- Annex 1 (Defined Terms) – for informational purposes only**
- Annex 2 (Trustee Provisions)**
- Annex 3 (Form of W3 Transfer Agreement)**
- Annex 4 (Governance Framework) – for informational purposes only**
- Annex 5 (CGIAR Principles) – for informational purposes only**

**Defined Terms**

*(Glossary approved by the Fund Council on April 5, 2011  
and by the Consortium on May 5, 2011, for informational purposes only)*

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

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

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

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

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

“CGIAR Doers” means the Consortium and Program Participants.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## Trustee Provisions for the CGIAR Fund

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

### A. General Terms

#### 1. Role of the Trustee

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

#### 2. Administration of the Contributions

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

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

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

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

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

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

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

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

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

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

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

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

### 3. Commingling, Exchange and Investment of the Contributions

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

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

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

### 4. Costs

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

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

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

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

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

## 5. Use of Funds

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

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

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

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

5.4 Recognizing the obligations of countries that are members of the United Nations under various United Nations Security Council resolutions to take measures to prevent financing of terrorists, any recipient of funds from the CGIAR Fund shall be required to undertake to use

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 6. Accounting and Financial Reporting

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

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

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

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

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

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

## 7. End Date; Termination

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

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

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

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

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



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

## 8. Amendments; Status

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

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

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

## 9. Disclosure

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

## **B. Additional Terms**

### **1. Funding Windows**

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

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

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

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

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

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

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

## **2. Fund Office Roles and Responsibilities**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **3. Trustee Roles and Responsibilities**

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

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

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

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

### **4. Funding Requests**

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

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

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

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

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

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

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

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

## **5. Fund Outflows**

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

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.

### 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]<sup>1</sup> (the "Funds") to \_\_\_\_\_ [name of Center].<sup>2</sup>

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

<sup>1</sup> Each Transfer Agreement may be in only one Operational Currency.

<sup>2</sup> This may be any of the CGIAR Centers that is a member of the Consortium according to the Consortium's Constitution



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: \_\_\_\_\_

## CGIAR Fund Governance Framework (informational version only)

As amended and restated on April 5, 2011

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

### *Part A – Background*

#### **1. Introduction**

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

#### **2. CGIAR Vision, Goal and Strategic Objectives**

2.1 As stated in the CGIAR Principles:

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

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

- a) Harmonize their approach to increasing and stabilizing funding and implementing international agricultural research for development through the CGIAR Fund and the Consortium, respectively;
- b) Manage for results in accordance with the SRF and the CRPs that derive from the SRF;
- c) Work to ensure effective governance and efficient operations in the provision and use of their resources; and
- d) Collaborate and partner with and among funders, implementers, and users of SRF research, as well as other external partners supporting the SRF.

### **3. CGIAR Structure**

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

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

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

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

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

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

### **4. CGIAR Fund**

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

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

4.3 The counterpart of the CGIAR Fund is the Consortium, as the entity with fiduciary responsibility (i.e., to monitor and be responsible for the intended use of funds) and programmatic responsibility (i.e., to be responsible for implementation by Centers and partners and confirm their achievement of results) for funds transferred from the CGIAR Fund on the basis of Fund Council

approvals (i.e., Windows 1 and 2) to implement the SRF, as further specified in the relevant agreements with the Consortium.

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

## **5. Funding Windows**

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

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

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

(iii) Window 3 – These funds are directed by Fund Donors to individual Centers. Fund Donors may designate specific amounts to specific Centers for use at the Center's discretion; provided such funds are used to implement aspects of the SRF and provided further that such funds are used in accordance with the Common Operational Framework. Such designations are not subject to review, allocation or approval by the Consortium or Fund Council, although it is expected that their intended or actual use will be reported by each Center to the Consortium. Window 3 is transitional. After two years following establishment of the CGIAR Fund, the Fund Council will in consultation with the Consortium review Window 3. Window 3 designations may not entail commitments by Fund Donors beyond the time period agreed by the Fund Council for Window 3. All Window 3 contributions are, at the time of contribution, adjusted by the CSP to equitably defray the System Costs, with the CSP amount deposited by the Trustee into Window 1.

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

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

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

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

## ***Part B – Organizational Structure***

### **6. Fund Council Membership**

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

6.2 For Fund Council participation in 2010 through 2012, donor eligibility is calculated as the average annual total contribution during 2007 and 2008 by each donor to all Centers and programs (including through the World Bank-administered multi-donor trust fund), based on a list confirmed by the CGIAR members on December 8, 2009. As of 2013, to be calculated once at the beginning of every three-year term, any Fund Donor that paid funds into the CGIAR Fund through a Contribution Agreement or Contribution Arrangement totaling an average annual minimum of US\$ 500,000 during the prior two years is eligible for representation on the Fund Council. The Fund Council expects to review Window 3 prior to the donor eligibility calculations for the 2013-2015

term in part to ascertain whether such minimum funding commitment includes amounts in Window 3.

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

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

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

## **7. Fund Council Roles and Responsibilities**

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

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

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

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

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

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

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

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

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

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

- (i) Appraising the performance of the Consortium on a regular basis in meeting its contractual obligations under agreements to receive funds from the CGIAR Fund, in part based on

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

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

## **8. Fund Office Roles and Responsibilities**

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

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

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

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

- (i) Enabling the Funders Forum's review and endorsement of the SRF.
- (ii) Confirming that progress reports from the Consortium and mid-term external evaluations of the SRF from the Consortium are provided to the Funders Forum.



- (iii) Conveying reports on funding issues from the Fund Council.
- (iv) Preparing a financing plan for CGIAR in consultation with the Trustee and Consortium.
- (v) Providing information on shortfalls and imbalances in resources available for CRPs.

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

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

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

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

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

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

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

## **9. Trustee Roles and Responsibilities**

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

9.2 Fund Donors contribute funds to the CGIAR Fund by concluding Contribution Agreements and making Contribution Arrangements with the Trustee, whether directly or indirectly, that include common provisions with respect to all Contributions to the CGIAR Fund for all Fund

Donors. The Trustee has fiduciary responsibility for funds contributed to the CGIAR Fund until their transfer from the CGIAR Fund. The Trustee records notations and commitments of CGIAR Fund funds based on Fund Council approvals and transfers available committed funds based on proper fund transfer requests from the Consortium, the ISPC and other approved recipients.

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

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

## **10. Funders Forum**

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

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

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

10.3 The Funders Forum is convened every two years, in such a way as to allow feed-in of GCARD recommendations. In the years where no Funders Forum is convened, Bilateral Funders may be invited to interact with the Consortium and the Centers in events linked with Fund Council meetings, according to a format agreed by the Consortium and the Fund Council.

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

### *Part C – Fund Operations*

## **11. Funding Requests**

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

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

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

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

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

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

11.7 At the time the Fund Council is considering a CRP proposal for approval, the Fund Council is expected to have the following information available: (i) from the Consortium, specific

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

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

## **12. Fund Outflows**

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

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

## **13. Costs**

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

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

## ***Part D - General***

## **14. Monitoring and Evaluation**

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

14.2 Under the CGIAR's M&E Framework, including as may be specified as part of the Common Operational Framework, periodic objective assessments are expected to be conducted on the extent to which CRPs and other aspects of the CGIAR are likely to or have achieved their stated objectives, as articulated in the SRF, the CGIAR Principles and the Joint Declaration.

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

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

## **15. Privileges and Immunities**

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

## **16. Status of this Governance Framework**

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

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

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

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.

**Defined Terms**

*(Glossary approved by the Fund Council on April 5, 2011  
and by the Consortium on May 5, 2011, for informational purposes only)*

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

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

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

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

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

“CGIAR Doers” means the Consortium and Program Participants.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## CGIAR Principles (informational version only)

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

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<sup>3</sup> Capitalized terms used but not defined herein are defined in the CGIAR Glossary that shall be adopted as part of the Common Operational Framework.

- (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.