

Governance Updates

Purpose

This document sets out an overview of the process to revise the CGIAR System Framework and Charter of the CGIAR System Organization – and to finalize the CGIAR Internal Rules Framework.

It provides:

- Background information on the amendments made to the CGIAR System Framework and Charter of the CGIAR System Organization, with effect from 1 October 2024;
- An overview of items anticipated to be addressed in this set of amendments to the Framework and Charter – including matters raised by the System Council and AOC during the 2024 amendments process;
- An overview of the process of development of the CGIAR Internal Rules Framework and planned next steps taking note of feedback received on the draft from the IPB and System Council members;
- The approach put in place by the EMD for a reconstituted Governance Working Group; and
- For reference, a breakdown of the respective roles of the IPB and the System Council as set out in the CGIAR System Framework and Charter of the CGIAR System Organization.

The Terms of Reference for Amendments to CGIAR’s governing instruments and finalization of the CGIAR Internal Rules Framework in 2025, as agreed by the EMD, are provided as an annex to this document.

Action Requested

The System Council is requested to review this material as input to its deliberations on this agenda item.

<p>Document category: Working document of the System Council. There is no restriction on the circulation of this document</p>
--

Prepared by: Elise Perset, General Counsel, CGIAR System Organization

Framework and Charter

Recap of key amendments made with effect from 1 October 2024



Overarching aim of 2024 amendments: Implement the approved UGR Memorandum

- ✓ Provided that the System Council appoints the IPB, and set out role/membership of the Nominations Committee of the System Council
- ✓ Amended the composition of the IPB to 14 voting members
- ✓ Set out the revised roles of the System Council and the IPB in line with the UGR memo (and subsequent clarifying discussions)
- ✓ Brought in the concept of the Integrated Partnership from the IFA, and defined it
- ✓ Updated the responsibilities of individual Centers – and of the General Assembly of Centers – in the Charter in line with the UGR memo
- ✓ Amended the description/composition of the IPB-AFRC
- ✓ Simplified the description of role the System Management Office
- ✓ Updated nomenclature to align with UGR and other changes since last approval (e.g. SB => IPB; Executive Management Team => EMD; Advisory Services Shared Secretariat => IAES)

Framework and Charter

Feedback documented for consideration in this next amendment process (summarized, non-exhaustive)



All earlier feedback/ comments are documented and will be available to the new GWG to ensure they are considered

- i. Roles of the System Council relating to IPB appointments
- ii. Refine roles/responsibilities relating to internal audit, external audit, ethics and risk management/internal controls to align with Risk & Oversight Plan and address the AOC's comments
- iii. Policy development and adoption process (to align with Internal Rules Framework once finalized)
- iv. Whether two documents are really required – given high degree of duplication so that each can be read separately
- v. Differentiation between IFA-signatory Centers and non-IFA-signatory Centers
- vi. Process for admission of new Centers
- vii. Amendments to CGIAR's mission/purpose statements, definition of CGIAR Partners
- viii. Need for a detailed framework/process documentation on several topics, including dispute resolution; mechanisms for collaboration; board performance and accountability; IPB interface with Center Boards
- ix. Partnership Forum approach

System Council seat reconciliation process – maybe other points on reflection that will be captured as part of process, etc.

CGIAR Internal Rules Framework

Overview of process to date and feedback received



- The CGIAR Integration Framework Agreement (IFA) signed in February 2023, called for development of a CGIAR Internal Rules Framework (IRF), defined in the IFA as *“a document approved by the boards of all the Parties [Centers and the System Organization] that will set out the Parties’ collective approach regarding the development, adoption, applicability and enforcement of common internal rules”*
- The IRF sets out a typology and general principles for CGAR Internal Rules – and how these are developed, adopted and enforced.
- The former Governance Working Group developed a draft, guided by the provisions of the UGR Memo (approved end-2023). This was cleared by the Global Leadership Team, and shared with the IPB and SC to provide the opportunity to raise any concerns given the changed roles for those stakeholders in the proposed IRF.
- Two key points of feedback were received: i) on consequences of the changed role of the System Council relating to policy approval; and ii) concerns over unanimity of approvals by Centers giving an effective veto power.
- At its 11-12 April meeting, the IPB recognized the need for additional consultation with Centers and the System Council to further consider the policy approval mechanism set out in the IRF – and requested the EMD to take this forward through the reconstituted Governance Working Group process set out in this document.
- The approach of considering the IRF and the Framework and Charter together recognizes that the documents are interlinked – as changes to policy development and approval roles envisaged in the IRF require amendments to the Framework and Charter to take effect.

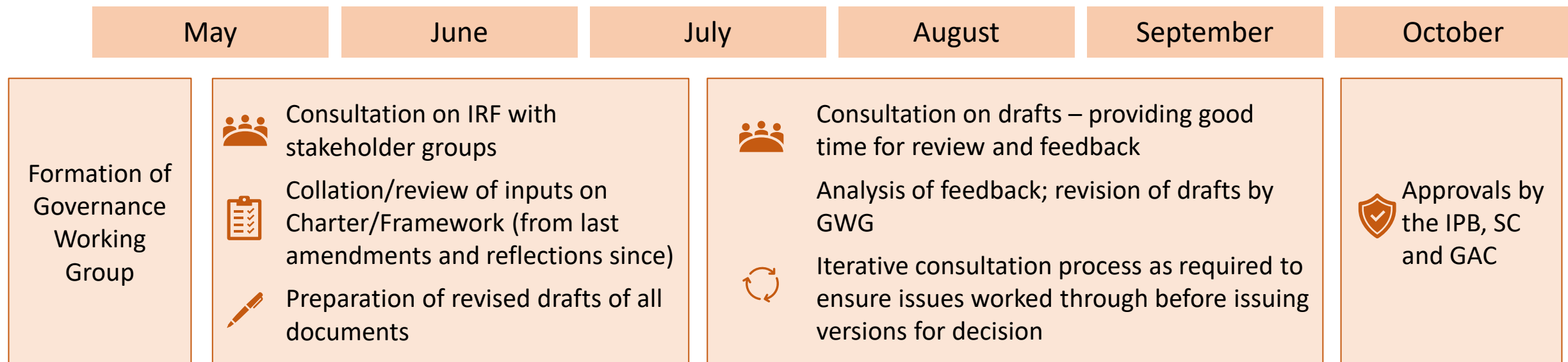
Reconstituted Governance Working Group

*Objectives: Approval of amendments to the CGIAR System Framework and Charter;
Approval of the CGIAR Internal Rules Framework*

Governance Working Group composition	Roles
<p>12 members, comprising:</p> <p>3 leads from each constituency:</p> <ul style="list-style-type: none"> • <u>IPB Chair or their delegate</u> (Dhesigen Naidoo) • <u>SC Chair or their delegate</u> (name TBC) • <u>Lead Co-Chair of the GAC or their delegate</u> (Roel Merckx - IITA) <p>9 legal/governance experts as core drafting team:</p> <ul style="list-style-type: none"> • <u>System Organization General Counsel</u> (Elise Perset) as lead of drafting team • <u>5 members nominated by Center DGs</u> (Eva Kathambana - ILRI; Esther Carillo - CIMMYT; Precious Adebajo - IITA; Mauricio Munoz - Alliance of Bioversity & CIAT; Suryamani Tripathi – ICRISAT) • <u>2 members nominated by SC members</u> (Anne Kristin Martinsen - Norway; Aline Flower - Gates Foundation) • <u>1 System Organization member</u> (Tom Moritz) 	<ul style="list-style-type: none"> • Full group stewards the process • Three leads (IPB/SC/GAC) facilitate consultation processes within each of their constituencies • Core drafting team proposes drafting, collates/reviews feedback • Full group discusses/agrees consultation and final drafts to propose

Governance Working Group – high level target timeline

- The **most time-sensitive issues identified** (incl. in relation to the Internal Rules Framework, the appointment of the IPB members, etc.) **and quick wins** would be prioritized to be addressed **by Q3 2025** (see timeline below).
- Depending on the complexity of other issues raised or that may arise during consultation, the Governance Working Group may propose a phased approach beyond Q3 to address these.



Respective roles of the SC and the IPB

Definitions



Role	Description	Chronology of activity
Recommend	Responsible for gathering facts, analyzing information and preparing a proposal for the final decision-maker, and obtaining the required advice, clearances, and concurrences.	A large blue arrow pointing downwards, indicating the chronological order of the roles.
Concur	Responsible for reviewing the entire proposal. Without an agreement from the Concurrer, the proposal cannot be sent to the final decision-maker.	
Approve	Responsible for considering the entire proposal and making a decision – and accountable for that decision.	

Respective roles of the SC and the IPB

As defined in the 1 October 2024 versions of the Framework and Charter



Area	Decision/Role	Final approver (in green) <i>Italic text indicates article number</i>	
		IPB (Charter)	System Council (Framework)
Vision, Strategic Direction & Advocacy	Approval of the Strategy and Results Framework and of strategic priorities	8.2 a), b)	Concurrence 6.2 a), b)
Governance	Appointment, suspension and termination of IPB members; approval of KPIs against which IPB reports and SC assesses IPB performance	N/A	6.2 d)
	Approval of IPB members' remuneration	N/A	6.2 e)
	Appointment and performance of EMD	8.2 f)	N/A
	Establishment of advisory bodies (ISDC, IAES, SPIA) & appointment of members	N/A	6.2 g)
	Approval of advisory bodies' budgets/workplans	Input into evaluation plans/financing 8.2 aa)	6.2 g)
	Approval of CGIAR Policies that are strategic, system-wide and critical to maintaining the reputation of the CGIAR System	Concurrence 8.2 g)	6.2 i)
	Approval of any other CGIAR Policies in accordance with IPB's procedures for the adoption of CGIAR Policies	8.2 h)	N/A
	<i>Note – the two elements above related to policy approval are expected to be amended once the CGIAR Internal Rules Framework is adopted</i>		
	Ensure completeness/effectiveness of Integrated Partnership internal/external audit arrangements and ethics function	8.2 j)	Ensure through AOC that these provide sufficient assurance 6.2 h)

Respective roles of the SC and the IPB (continued)

Area	Decision/Role	Final approver (in green) <i>Italic text indicates article number</i>	
		IPB (Charter)	System Council (Framework)
Governance (continued)	Appointment of System Organization external auditor	8.2 k)	N/A
	Approval of System Organization annual financial statements	Concurrence 8.2 l)	6.2 k)
	Provide assurance of compliance with CGIAR Policies & effective use of funds across Integrated Partnership	Provide; monitor compliance 8.2 i)	Receive assurance 6.2 j)
Partnership Engagement	Approval of partnership strategy & engagement framework	8.2 m)	Concurrence 6.2 m)
Resource Mobilization	Oversee resource mobilization	Oversee 8.2 r), s)	Provide input on strategy/plan 6.2 n)
Financial & Programmatic Performance	Approval of proposals/indicative funding for the CGIAR Portfolio	Concurrence 8.2 t)	6.2 p)
	Approval of overall financial plan incl. CGIAR System costs	Concurrence 8.2 u)	6.2 q)
	Annual financial & programmatic reporting	Reporting 8.2 v)	Review/feedback 6.2 r)
	Fiduciary responsibility for use of Window 1 and Window 2 funding from CGIAR Trust Fund	8.2 w)	Receive assurances from IPB 6.2 o)
Evaluation	Oversee monitoring & evaluation of CGIAR Research	Oversee 8.2 y)	Endorse strategic follow-up actions 6.2 t)
	Approval of multi-year evaluation plan proposed by IAES	prior input 8.2 z)	6.2 t)
	Approval of ex post impact assessment plans (SPIA)	prior input 8.2 aa)	6.2 u)

Terms of Reference

Amendments to CGIAR's governing instruments and finalization of the Internal Rules Framework in 2025

I. Objective and approach

1. Objectives:
 - a. Approval of amendments to the CGIAR System Framework and Charter of the CGIAR System Organization by the System Council, Integrated Partnership Board (IPB) and the General Assembly of Centers (the three approving bodies).
 - b. Approval of a CGIAR Internal Rules Framework, setting out how common internal rules are developed and approved in CGIAR
2. Overall approach, roles and timeline:
 - a. May – June 2025:
 - i. Preparation of revised drafts of the Charter and Framework (based on feedback received during the 2024 amendments process, and changes required to enact the CGIAR Internal Rules Framework and the Integrated Partnership Risk & Oversight Plan) by a reconstituted **Governance Working Group** (GWG)
 - ii. Stock-take of stakeholders input on the draft CGIAR Internal Rules Framework endorsed by the Global Leadership Team, and consultation on approach to address such input; preparation of proposed revised drafting on that basis
 - b. July through September 2025: Consultation on all drafts with each of the three approving bodies and revision to drafts as required
 - c. Late-September 2025: Circulation of final versions for all required approvals

II. Membership

3. The membership of the GWG shall be appointed by CGIAR's Executive Managing Director (EMD) taking into consideration the need for diversity and balanced representation, and shall comprise:
 - a. The IPB Chair or their delegate
 - b. The System Council Chair or their delegate
 - c. The lead Co-Chair of the General Assembly of Centers or their delegate
 - d. A core drafting team, all of whom should bring expertise in legal and governance matters and should be familiar with CGIAR's governing and legal instruments, consisting of:
 - a. The General Counsel of the CGIAR System Organization to lead the core drafting team.
 - b. Five members from Centers from among nominations by Directors General
 - c. Two members from among nominations by members of the System Council
 - d. One member from the CGIAR System Organization

III. Roles & Responsibilities

4. The GWG shall undertake the following roles:
 - a. Oversee the overall process and timeline, ensuring that key milestones are met
 - b. Propose revisions to the draft of the CGIAR Internal Rules Framework based on input from the System Council, Integrated Partnership Board and CGIAR Centers
 - c. Collate and review all feedback provided by stakeholders during the 2024 process to amend the CGIAR System Framework and the Charter of the CGIAR System Organization.
 - d. Propose revised drafts of the CGIAR System Framework and the Charter of the CGIAR System Organization that take that earlier feedback, as well as any changes to CGIAR's governance environment into account, including the CGIAR Internal Rules Framework and the Integrated Partnership Risk & Oversight Plan.
 - e. Through the respective representatives of the IPB, SC and GAC, work with their respective constituencies, undertake appropriate stakeholder consultation on drafts and on complex matters arising, and advise the core drafting team accordingly
 - f. Collate and review all feedback received from stakeholder consultation on drafts, and maintain records of how this was addressed
 - g. Report on progress to the three approving bodies at a frequency to be determined.
 - h. Propose final drafts of the CGIAR Internal Rules Framework, CGIAR System Framework and the Charter of the CGIAR System Organization and accompanying records of consultation and analysis, for submission to the System Council, Integrated Partnership Board and CGIAR Centers for approval.
5. A member of the Governance Team of the System Organization will provide Secretariat and administrative support to the GWG.
6. The GWG may call on specific expertise/advice from across the staff of CGIAR and from external legal/governance experts to support the GWG's work, if required.
7. Members of the GWG commit to make sufficient time available to deliver their role and shall act in the best interest of the Integrated Partnership.

IV. Operational considerations

8. The GWG shall meet as often as required to carry out their work. Meetings shall normally be held virtually. In the event that an in-person meeting is proposed, this should be approved by the EMD, taking into consideration cost and climate impact considerations, and any venue/technical/hosting costs shall be borne by the System Organization. Any costs relating to members' participation will be for the account of their respective employer, as the case may be, having nominated such member.

V. Term

9. The term of the GWG shall commence from the appointment of its members until approval of the revised CGIAR System Framework and the Charter of the CGIAR System Organization and the CGIAR Internal Rules Framework, anticipated by end-Q3 2025.

Annex: Background

1. In 2024, a Governance Working Group, comprised of representatives from all Parties to the CGIAR Integration Framework Agreement (“IFA”) and a representative of the System Council, was formed to develop a set of proposed amendments to the CGIAR System Framework and the Charter of the CGIAR System Organization, in order to implement the changes envisaged in the ‘CGIAR memorandum on the implementation of governance recommendations’ (the “**Memorandum**”), which was approved by all IFA Parties and the System Council by the end of 2023.
2. The work of the Governance Working Group was stewarded by the Integrated Partnership Implementation Sounding Board (“the Sounding Board”). Following rounds of consultation, the amended CGIAR System Framework and the Charter of the CGIAR System Organization were approved with effect from 1 October 2024.
3. During the consultation and approvals processes for those amendments, a number of inputs were provided, which it was agreed to revisit in a further round of amendments in 2025. It was also acknowledged that there remained some anticipated amendments in order to enact changes required by the CGIAR Internal Rules Framework (not yet approved) and the Integrated Partnership Risk & Oversight Plan (approved by the System Council in December 2024, and by all Centers by January 2025).
4. At the conclusion of its mandate, the Sounding Board identified a set of actions required to complete the implementation of the Memorandum, which included that “A proposal will be prepared under the Executive Managing Director’s guidance for a revised composition of the Governance Working Group, to undertake the broader review of Charter and Framework changes by Q3 2025.”