TERMS OF REFERENCE
FOR
THE REVIEW OF CRP GOVERNANCE AND MANAGEMENT

1. **Background**

The Context: In December 2009, the CGIAR adopted a new institutional model designed to improve delivery of appropriate research for development results in a changing global environment. The core institutional elements of the new CGIAR are the CGIAR Fund and the CGIAR Consortium each with their own decision making boards and secretariats. The Independent Science and Partnership Council (ISPC) provides advice to the Fund Council through appraisal of the CRP Proposals and of strategies and plans for the CGIAR as a whole and individual programs. The Independent Evaluation Arrangement (IEA) has been established, with the mandate of leading the implementation of the CGIAR Policy for Independent External Evaluation. There are also arrangements for coordinated internal audit.

The new CGIAR emphasizes a more results-oriented research agenda, clearer accountability across the CGIAR, partnerships and a strengthened programmatic approach through mega programs called CGIAR Research programs (CRPs). The Strategy and Results Framework (SRF) agreed in 2011 provides the overall framework for the design of the CRPs. Restructuring CGIAR research work in CRPs is intended to ensure CGIAR research and capacity building is concentrated in areas of CGIAR comparative advantage and enhance collaborative research among the Centers and with partners, (recognising the need for innovative collaborative arrangements and multi-disciplinarity in tackling the ever growing issues in agricultural development in G77 countries, particularly the poorest countries).

15 CRPs have been developed as the main organizational mechanism for planning and conducting research within the following themes:
- Improve yields and profits of crops, fish, and livestock
- improve sustainability and environmental integrity, adapt to and mitigate climate change
- improve the productivity, profitability, sustainability, and resilience of entire farming systems
- improve policies and markets
- improve nutrition and diets.

In addition, a Research program has been specifically established for "Managing and Sustaining Crop Collections" for all CGIAR Centers. Given the specificity of this CRP, managed by the Crop Diversity Trust Fund, this Review does not cover its governance and management.

"A Strategy and Results Framework for the CGIAR" (SRF) outlines a set of principles for the design of CRPs and identifies the main governance and management arrangements for each CRP. The Joint Agreement which is signed by the Fund Council and the CGIAR Consortium gives the framework for the submission and approval of CRP proposals and the transfer and use of funds from the CGIAR Fund for implementation of CRPs. The CGIAR Consortium and the Fund Council enter into Consortium Performance Agreements (CPA) for the delivery of research through the portfolio of CRPs. The CGIAR Consortium in turn enters into Program Implementation Agreements (PIAs) with

the Lead Centers of CRPs to implement the CRPs. These contractual arrangements are meant to strengthen accountability and the delivery of research results. Not all Centers are Lead Centers and most Centers are involved in several CRPs to varying degrees.

The Issues: Each CRP has developed its own governance and management model, with structures and mechanisms covering all or partially oversight and strategic functions, scientific advice and management[1]. All CRPs are "led" by a CRP leader whose time is mostly or entirely dedicated to CRP management. The initial budget of each CRP allotted by the Fund Council to the Consortium, is then allocated by the Consortium to the Lead Centers. The role of Centers' governance and management structures, in particular those of the Lead Center, in the governance and management of the CRP vary greatly among the CRPs, in part due to the limited guidance with regards to governance and management in the SRF.

In the overall CGIAR architecture, the CRP governance and management structures run in parallel with Centers' governance and management structures in a way that forms a complex governance and management matrix framework. The composition of governance bodies, the role of the Lead Center management in CRP management, size of management teams, management arrangements at country and regional levels all vary between CRPs and to some extent need to, given the diverse characteristics of the CRPs with respect to typology of research, number of Centers involved, geographical spread and extent of the budget for work in the area of the CRP which is covered from central CGIAR funding (Windows 1&2).

While it needs to be recognized that the CGIAR institutional arrangements, including the CRPs, are only now settling into full functionality, a number of issues in CRP management and governance have begun to emerge partly due to the often complex governance and management structures of the CRPs and the large distribution of decision making authority among the different stakeholders. These issues can have negative results for: unity of strategic direction; managerial, research and governance efficiency; both financial and research risk management; accountability and the extent of donor and beneficiary confidence; and for the image which the CGIAR communicates to a larger world.

<u>Perceived issues</u> which have emerged but remain to be verified, include those related to:

- Problems for both management and external governance resulting from lack of definition of roles and overlapping of roles at the level of the Consortium, the CRP, Lead Center and the managements and Boards of other participating Centers;
- Meaningful involvement of a wider group of stakeholders beyond the CGIAR in oversight and external governance;
- Clarity on management responsibility, including budget allocation, particularly the allocation of Window 1 funding and HR selection and performance assessment, between Center managements and CRP managements;
- In both overall oversight and governance, overlaps in execution of their mandates by the Fund Council and Consortium with respect to CRPs, including on budget allocation;
- System difficulties for both managers and oversight functions in accounting for expenditures against individual research objectives as distinct from organizational units and categories of expenditure (e.g. personnel and travel);
- Lack of financial, partnership and research risk identification and management frameworks;
- Managing the interface between CRP budgets and those for maintenance of infrastructure and reserve funds;

---

1 Annex 2 summarizes the core elements of the governance and management structures of the 15 CRPs.

- Managing the interface and/or input to CRPs of project funds mobilized bilaterally by Centers for specific purposes;
- Managing the boundaries amongst the CRPs
- Current capacity of internal and external oversight functions (RBM, Monitoring, Evaluation, Audit).

Ongoing and Completed Studies in CGIAR Governance and Management: Recognizing the need for overall improvements in governance and senior management functions for the CGIAR as a whole a number of initiatives have been undertaken and are at present underway. These include:

- A Governance review has been commissioned jointly between the Fund Council and Consortium. It is supported by a Governance Reference Group with joint membership between the Fund Council and Consortium. The report of Phase 1 which covered most aspects of governance and senior management functions was completed in February 2013. A series of inputs and workshops were provided for this by the Consortium and Centers, the Fund Council Secretariat and by the ISPC. Phase 1 identified the governance and management of CRPs as an issue. Phase 2 has been contracted to Price Waterhouse Coopers (PWC) and is intended be concluded in July 2013. It is compliance oriented and concentrates on:"

  - Determining to what extent the CGIAR governance bodies (the Consortium board, Center Boards and Fund Council are following the requirements imposed by the CGIAR System agreements, i.e. are in compliance, and the effectiveness of their internal governance)
  - Reviewing whether the CGIAR governance bodies have made Board and executive management decisions with respect to governance and internal controls that were not consistent with the CGIAR System requirements and internal policies and review the impact of such decisions;
  - Determining any areas in which these CGIAR governance bodies are not meeting accepted best practices in corporate governance and internal controls including nomination and appointment of Center Board members, segregation of duties and roles within Board Committee members, performance appraisal of Center Heads by Boards, Risk Management Strategies;
  - Reviewing the overall efficiency and effectiveness of the CGIAR governance bodies (priority setting, approach to risk including financial risk);
  - Reviewing the efficiency and effectiveness of the training provided to the members of the Consortium board and Center Boards;
  - Evaluating the collective competencies of members of the Consortium Board, Center Boards and Fund Council"[2].

- Audit committee working group functioning under the auspices of the Consortium and is prioritizing issues including the internal audit arrangements for CRPs;
- The Governance Risk and Compliance Committee which is an ad-hoc sub-committee of the Consortium Board and comprises Consortium Board members, the CEO and Center Board Chairs;
- A Governance and Management Review of the CRP Climate Change Agriculture and Food Security[3]. This CRP which grew out of a Challenge Program, which had a well developed governance and management structure was found by the reviewers to have valuable lessons for application in other CRPs.

---

2 Request for proposal for Phase 2 of the CGIAR Governance Review Commissioned by the CGIAR Consortium and the Fund Council 17 December 2012

3 Maureen K Robinson and Brian P Flood May 1 2013

- The audits of implementation and management of the CRPs which are conducted by the CGIAR Internal Audit Unit (IAU), for example the one of CRP 3.3. (Global Rice Science Partnership) which is currently undertaken with a report expected for beginning of July 2013

2. **Purpose of the Review**

The Review of CRP Governance and Management was requested by the Consortium and approved by the Fund Council as part of the IEA workplan for 2013.

Building on existing studies and inputs, the Review will take stock of experience so far, identify issues and provide lessons from existing CRPs and elsewhere which can be applicable in other CRPs. Recommendations will include the definition of common basic principles and good practices for CRP governance and management. The Review will provide an early informative assessment to be used in the preparation in 2014 for the next CRP programming cycle.

Timing of the Review means that it will be able to draw on Phase 2 findings of the wider Governance Review referred to above and due for completion in July 2013. The CRP governance and management review will be specific to CRPs and by addressing financial and human resource management, will deepen the insights with particular emphasis on efficiency and effectiveness of governance and executive management for efficient delivery of appropriate research and capacity development outputs.
 Noting, however that the effectiveness of research clearly lies beyond the mandate of the Review.

The primary stakeholders in the Review are the CGIAR Consortium and Fund Council, the CRPs and Centers and other partners which are involved in the CRPs.

3. **Scope of the Review**

The Review will cover governance and executive management structures and functions of all 15 CRPs. It will document and assess for each CRP:

- **how clearly the roles and responsibilities in decision making are articulated and carried out in practice** (including gaps, overlaps, ambiguities and healthy complementarities) with respect to: (i) Scientific direction and management; (ii) Resource mobilization; (iii) Budget and financial management; and (iv) Human Resource Management by:
  - The Fund Council and Consortium Board and their respective secretariats;
  - The Lead Center Board, Trustees and senior management;
  - The Boards and senior managements of participating Centers in addition to the Lead Centers;
  - Other participating partners;
  - The CRP management, any internal CRP committee and any external CRP governing, guidance or advisory body;
  - Oversight functions internal and external (Audit, RBM, Monitoring, Evaluation).
- **positive and negative features of existing arrangements particularly as they affect**:
  - The strategic direction and coherence of the CRP;
  - The efficiency, relevance and effectiveness of research;
  - Effective external communication and resource mobilization;
  - Inclusiveness of stakeholders;
  - Conflict avoidance and resolution;
  - The minimization of risks and transparency on (scientific, financial and human resources) consistent with efficient and effective functioning;
  - Transparency on, and minimization of, conflict of interest;
  - Consistency with recognized good practice.

A preliminary checklist of issue areas is provided as Annex 1 to the ToRs. A detailed matrix of questions will be developed in Phase 1 of the Review.

4. Approach and methodology[4]

The Review references the criteria of: legitimacy; accountability; responsibility; fairness; transparency; and efficiency[5]. In doing so the Review adopts a results-based standpoint, i.e. to what extent are the governance and management practices put in place for CRPs contributing to the effective and efficient delivery of appropriate research and capacity development outputs, while meeting international good standards of practice, including fiduciary and risk minimization standards.

Phase 1 of the Review (June to mid-July) will produce a report covering:
- An overview of the Governance and Executive Management structures and functions in the CRPs, looking at:

  - The structures and arrangements which have been developed and put in place for the CRPs
  - The role and responsibilities within these structures.

  This phase will include telephone interviews with primary stakeholders but will be principally based on written materials, including the report in final or in draft of Phase 2 of the Governance Review (the present Review will deepen the findings from the Governance Review). It will result in a preliminary summary of the new arrangements for CRPs and their correspondence to recognized good practice.
- A detailed matrix of priority issues, specific questions and the methods to develop the findings, lessons and recommendations to be covered in Phase 2.

The Phase 1 report will be peer reviewed by external senior evaluators.

Phase 2 of the Review (mid-July to mid-October) will address the priority questions developed during Phase 1 and will triangulate evidence, with application of the above reference criteria on implementation in practice and what are the implications for delivery and effectiveness. Methods for this stage are likely to include, structured questionnaires and extensive telephone interviews against check lists shared with the interviewees beforehand. It may include mini-case studies of practices which contain lessons (positive or negative). Particular questions may also be posed to the evaluation team conducting the evaluation of CRP6 to both avoid duplication and gain insights from their in-depth work on that CRP. As this stage, the work is concentrated on what actually happens in practice, much of its findings will be based on perceptions. These will be vigorously triangulated for a number of sources in each interest (stakeholder) group and differences of perception between these groups will be identified.

Phase 2 of the Review will result in a comprehensive Draft Report.

---

4 The definitions and criteria contained in "Sourcebook for Evaluating Global and Regional Partnership Programs – Indicative Principles and Standards" (2007) IEG World Bank and DAC Network on Development Evaluation and DAC Network on Development Evaluation and "Principles of Corporate Governance" (2004) OECD will be applied.

5 Sources see footnote 4

Phase 3 of the Review (mid-October to mid-November) will include discussion of the draft report, in particular its main findings, lessons and recommendations in a **workshop** with representatives of all primary stakeholders. This workshop will serve to:

- ground-truth the report findings;
- begin thinking on and dissemination of lessons and recommendations;
- consider desirable follow-up steps

There will also be the possibility for written comments from all primary stakeholders and these may be followed-up with telephone consultations.

Following the workshop the report of the Review will be finalized, including suggestions on the modalities and need for a considered formal response by the various primary stakeholder fora (Consortium - Board, CRPs and Centers - and FC) and any further requirements to disseminate and/or further develop the lessons.

5. **Roles and Responsibilities**

        a. *Review Team*

The Review will be carried out by a Senior Expert with solid experience in evaluation and international experience and recognition on non-profit governance and management systems. The Senior Expert will work under the supervision of the CGIAR-IEA Head and will have final responsibility for the report and all findings and recommendations, subject to adherence to the IEA Evaluation Standards.

Senior Expert will be supported throughout the review by the IEA Head and by a junior research assistant (IEA) who will provide support to search, facilitate and coordinate information requirements, prepare synthesis of information, conduct preliminary analysis and arrange schedules.

        b. *IEA*

The IEA will be responsible for:

- Planning, and managing the Review, including appointment of the Senior Expert;
- Provision of administrative and logistic support;
- Quality control of the evaluation process and outputs. In this it will receive inputs from a small group of peer reviewers;
- Organizing the workshop;
- Making the report and intermediate outputs publically available;
- Supporting such follow-up processes as may be agreed.

6. **Consultation and participation of stakeholders**

While maintaining independence, the Review will be carried out with a highly consultative approach, which seeks the views and assessments of all stakeholders. The methodology, in particular for Phase 2 builds this in as an integral part of the information gathering methodology and an essential role is played in Phase 3 by the workshop.

7. **Work Schedule and Responsibilities**

Activity	Main Responsibility	Deliverables	Estimated deadline
Preparatory phase	IEA	Assembly of reference material Final ToRs Recruitment of Senior consultant Identification of peer reviewers	End May 2013

Phase 1 - Desk assessment and development of detailed approach	Senior Consultant	Phase 1 Report including: • detailed matrix for issues/questions and means of evidence assembly and verification • Plan for completion of Review	Mid-July 2013
Phase 2 - Survey and Analysis	Senior Consultant	Draft Report of the Review	Mid October 2013
Phase 3 - Consultations including Workshop and Final Report	Senior Consultant	Workshop summary Summary of other consultations on Draft Report Final Report of the Review	Mid November
Follow-up	IEA		To be determined

Annex 1 Check List of Potential Issue Areas

It is envisaged that Phase 1 of the Review will allow identification of issue areas for greater concentration, while retaining a comprehensive perspective.

External Governance (Governance Bodies and their secretariats)

Strategic direction:

To what extent do the governance arrangements:
- provide the necessary leadership that optimizes the use of financial, human social and technological resources of the program?
- provide a clear vision for the CRP, including reviewing and approving strategic documents?
- foster efficient and independent decision-making and oversight[6] concerning scientific directions, including seeking up-to-date scientific and technical advice?
- allow for transparent procedures with regards to resource allocation among CRPs
- ensure program coherence among the participating Centers and other partners?
- foster a focus on impacts for ultimate beneficiaries.

Oversight of Management

To what extent do the governance arrangements provide for adequate monitoring of:
- program implementation throughout the participating Centers' partnerships?
- managerial performance and promote high performance and efficient processes?
- compliance with all applicable rules and regulations of the Consortium as well as the Lead Center and internationally recognized good practice?

Stakeholder participation

To what extent do the governance arrangements:
- reflect a fair and equitable representation of participating Centers and other partners in governance?
- effectively involve partners and country-level stakeholders in the formulation of the research agenda?
- ensure adequate consultation, communication, transparency and disclosure in relation to CRP stakeholders that do not take part in governance?

Efficiency

To what extent do governance arrangements:

6

- impose disproportionate direct costs on CGIAR bodies and/or participants in the organs of governance?
- contain duplication of responsibilities?
- lack clarity on responsibilities?
- have gaps in competencies?
- have clarity on the division of responsibilities between governance bodies and executive management?
- reflect an appropriate division of responsibilities between governance bodies and executive management, including for oversight, for policy and strategic direction and for advice?

Risk management

To what extent do the governance arrangements:
- provide for a clear policy for identifying and managing all forms of risk including scientific, reputational, human resource and efficiency risk?
- provide adequate financial oversight and risk assessment for CRP activities?
- ensure that work-plans and budgets are commensurate with available financial and human resources?
- support resource mobilization to complement funding from W1 and W2?

Conflict management

To what extent do the governance arrangements:
- monitor and manage the potential conflicts of interest of members of the CRP governing bodies and management staff?
- identify and address perceived or real conflicts of interest among the participating centers and between CRP Management and Centers' management and boards?

Competence of governance bodies

To what extent do the governance arrangements:
- have an appropriate mix of competencies among members?
- sufficiently represent stakeholders?
- have the necessary levels of competency among members?

CRP Appraisal, RBM-monitoring, Audit and Evaluation

Do (or can they be expected to as they develop) - the internal and external appraisal, RBM monitoring evaluation and audit functions:
- provide adequate assurance to governing bodies?
- foster efficiency and effectiveness?
- themselves have clarity on roles and functions which minimize duplication and maximize synergies? ?

Executive Management

Program planning
- to what extent are arrangements, strategic, efficient, transparent and inclusive?
- provide adequate basis for external governance?

Program implementation and administrative efficiency
- well-functioning planning and coordination among the participating Centers, partners and CRP teams?
- flexible and transparent process for budget allocation within CRP and adjusting to program priorities and availability of funding?
- To what extent have the management structures introduced in the CRP ensure and maintain a lean administrative cost structure?
- Minimised transaction costs recognizing that costs tend to be higher during the launch period of collaborative program?
- Have clarity on paper and in practice of executive management roles?

Monitoring, Reporting internal review (including science review) and audit

Do systems and processes provide or can they be expected to provide:

- adequate basis for executive decision making, including in the areas discussed above of ensuring scientific excellence, risk management, avoidance and resolution of conflict, response to emerging challenges and uncertainties, etc?
- adequate basis for reporting to governing bodies?
- minimize transaction costs, including streamlining reporting requirements, and duplication and maximize synergies?
- foster a strategic results based perspective?