

## **Terms of Reference**

### **Design and Establishment of the Consortium of CGIAR Centres**

February 09, 2009

## **1. BACKGROUND**

### **1.1. The CGIAR, the Centres and the Alliance**

The Consultative Group on International Agricultural Research (CGIAR, [www.cgiar.org](http://www.cgiar.org)), established in 1971, is a strategic partnership, whose 64 Members support 15 international Centres, working in collaboration with many hundreds of government and civil society organizations as well as private businesses around the world. CGIAR Members include 21 developing and 26 industrialized countries, four co-sponsors as well as 13 other international organizations. Today, more than 8,000 CGIAR scientists and staff are active in over 100 countries throughout the world.

The CGIAR generates cutting-edge science to foster sustainable agricultural growth that benefits the poor through stronger food security, better human nutrition and health, higher incomes and improved management of natural resources. The new crop varieties, knowledge and other products resulting from the CGIAR's collaborative research are made widely available to individuals and organizations working for sustainable agricultural development throughout the world.

The CGIAR is chaired by the World Bank. Until today, the CGIAR makes decisions by consensus in its Annual General Meetings (AGM). In between meetings, a 14-member Executive Committee (ExCo) examines matters arising and makes executive decisions and recommendations to the AGM.

The 15 Centres of the CGIAR are independent organizations, established under different legal arrangements in the same number of host countries (Annex 1 – list of CGIAR Centres and their web pages). All the centres are research for development organizations, but their specific mandates vary; some are focused on certain crops, other on different types of natural resources, and other have a strong regional identity (e.g., West Africa). The Centres are not formal members of the CGIAR- the CGIAR is an institution that aims at supporting the work of the Centres.

The Alliance of CGIAR Centres is a centre-driven coalition created by the 15 Centres in 2006 to enhance collective action among the members and between the Centres and their partners. By joining forces to enhance impact and deliver better, more rapid results, it enables the Centres and their partners to make the most of available resources and increase their impact for the benefit of the poor in developing countries. The goals of the Alliance are to enhance Centres' ability to fulfil the mission of the CGIAR through programmatic collective actions to increase overall impact on poverty alleviation and the environment and institutional collective actions to increase efficiency with which this impact is produced.

### **1.2. The external evaluation and the reform process**

A recent independent external evaluation of the CGIAR has highlighted the strengths and weaknesses of the CGIAR (Annex 2 – executive summary of the evaluation report). The CGIAR through the Centres has an

outstanding track record –starting in the 1960s- of harnessing the best of science and technology to improve food security, reduce poverty and sustain ecosystems and natural resources. Tens of millions of poor people have benefited directly and indirectly from the work of the CGIAR. The work of the CGIAR has been only possible because it has been carried out through strong partnerships with a broad range of organizations and institutions throughout the world, from advanced research institutes to producers' organizations.

The current food crisis, the growing awareness of climate change and its consequences, the persistence of rural poverty, and the continued deterioration of some of the world's most precious ecosystems, have highlighted that the CGIAR is in need of reforming itself to increase its capacity to make a substantial contribution to meeting these complex challenges. In addition, an organization that is almost 40 years old has gradually developed cultures, institutions and organizations that hamper its ability to deliver on its mission.

Concurrently with the independent external evaluation, the members of the CGIAR launched an initiative to reform and revitalize the Group, so that it can continue to serve humanity in the years to come. A Change Steering Team and several Working Groups were established in early 2008. Dozens, perhaps hundreds of persons became involved in giving form to the basic elements and directions of the change process. The documentation generated by these groups is available at <http://www.cgiar.org/changemanagement/index.html>, including a final synthesis document which is included in Annex 3.

In its 2008 Annual General Meeting, the CGIAR approved the basic foundations of the reform, including a time line for defining the new elements and for decision making (Annex 4 – Resolutions of AGM 2008 concerning the reform of the CGIAR). The decisions of the CGIAR have the support of the Alliance of Centres. These decisions integrate the key recommendations coming out of the external evaluation and of the change management process. These decisions are:

1. A new vision statement and three Strategic Objectives have been defined: (a) Food for people; (b) Environment for people; (c) Policies for people.
2. A Consortium of Centres will be created that is a legal entity with a Board and CEO. There will be an executive office that provides services to the centres in such areas (to be decided) as intellectual property rights, audit, or Tics. This will replace the current Alliance, and many different committees and secretariats that provide specific services to the system.
3. A CGIAR Fund will be created, through which investors can provide multi-year financing to the Centres. The Fund will have a Funders Summit and a decision-making Fund Council, chaired by the World Bank.
4. CGIAR investments will be results focused and time bound through a Strategy and Results Framework (SRF), to be developed by the Consortium in consultation with partners and stakeholders. An essential element of the SRF will be “mega-programs” that will be determine the major domains of development- and impact-oriented activity of the Consortium and of the Centres.
5. The Funders Summit will approve the Strategy and Results Framework.
6. A system of mutual accountability between the Fund and the Consortium will be in place. It will be operationalized through performance contracts. In turn, the Consortium will also sign performance contracts with one or more Centres for implementing each mega-program
7. Partnerships are going to be enhanced and will be an essential element of the new way of doing business.
8. An Independent Science and Partnerships Council will support the Fund and will advise the Consortium.
9. An independent evaluation system will be put in place at the program and at the system level.
10. A global Conference on Agricultural Research for Development will replace the AGMs.

The reform recognizes that today much of the funding to the Centres flows through bilateral projects, between one centre and one contracting agency. While the goal is to increase the share of resources that will flow through the new Fund to support work that is part of mega-programs, the situation at present is that two thirds of the funding is being channelled through bilateral mechanisms and is, therefore, outside the *authority* of the new structures being designed. However, it is expected that the Strategy and Results Framework will be able to *influence* the nature of whatever bilateral funding remains in the future.

The CGIAR members delegated to ExCo the decision making power. This means that the products prepared by the consultant will need to be approved first by at least 2/3 of the 15 Centres, and then by ExCo.

## **2. THE TASK OF THE CONSULTANT**

The present Terms of Reference relate to some of the most important responsibilities delegated to the Centres and to the Alliance, as part of the process to carry forward the reform:

1. Establishment of the Consortium as a legal entity with an international legal persona, with the Centres as "shareholders" or members. This includes the governance (Board) and management (CEO or Executive Director) of the Consortium. Determine the feasibility of different levels of participation in the Consortium (much like there are different levels of participation in the European Community).
2. Establishment of the Consortium's executive office, whose responsibilities include: (a) the provision of common services to the centres and, (b) the management of the performance contracts between the Fund and the Consortium, and (c) the management of the performance contracts between the Consortium and one or more specific centres for implementing each mega-program (or particular projects within one mega-program).
3. Detail the process, mechanisms and time lines for transitioning from the old system to the new one.,
4. Costing, including the budget for: (a) putting in place the Consortium with all of its elements, systems and institutions; (c) transitioning from the old system to the new one (e.g., costs of closing down different structures, transferring responsibilities and resources, finalizing existing legal agreements of the Alliance, etc.), and, (d) operating the Consortium (estimated annual budget).

The responsibility of the consultant is to produce in time specific design solutions to each of the four elements above. These solutions must:

1. Meet international standards of best practice and bring about effective innovations to the culture, organization and management of the collective action of the 15 centres. The Consortium must be a leading example of an international 21st Century research for development organization.
2. Be cost effective and substantially reduce bureaucracies and transaction costs relative to the current way of doing business. The Consortium must be an organization that works in such a way as to maximize the share of resources that can be applied to the core business of the system, and that will have at the core of its mission facilitating and making easier the work of the scientists, the centres, and our partners.
3. Strike a balance between the need take into consideration the expectations, capacities and limitations of the Centres, and the need to constantly challenge them to improve their performance. The consultant will recognize that there are 40 years of history behind many of the Centres and the CGIAR. The challenge is to put in place a system that will provide clear incentives to change for the better, while retaining the assets and capacities that are at the core of the CGIAR's tremendous contributions to humanity.
4. Strike a balance between the need for greater system-wide coherence, which may imply greater centralization and system-wide authority, and the principle of subsidiarity and the fact that the business of the system is innovation for impact, which thrives under conditions of flexibility, rapid response to opportunities and decentralized decision-making.

## **3. STAGES, PRODUCTS, AND TIME LINE**

The consultant will deliver in a first phase:

**Consortium constitution or charter, charter of the Consortium Board and job description of the Consortium CEO or Executive Director.**

In addition to allowing the Consortium to meet its mission and objectives, and perform all of its responsibilities and tasks, the Consortium constitution needs to be of such nature that it can be legally endorsed by each one of the 15 independent Centres, so that they all become members with equal rights and obligations. The Consortium

constitution will also consider mechanisms to facilitate adjustments as we learn during the life of the Consortium.

The following are important elements that the Centres want to include in the design of the consortium, the Board and the CEO/MD:

(A) The Consortium:

- *The purpose of the Consortium is to increase the capacity of the Centres to deal with global issues, catalysing innovation and harnessing synergies and collective strengths of the centres and partners to achieve at global scale the mission of the CGLAR.*
- It is owned by the Centres and is responsive to the Centre's needs and mandates
- It is an instrument to increase the capacity of the Centres to deal with global issues, as such differences among centres could result in differing levels of participation in the Consortium.
- The Consortium will provide a strong system voice in international debates and will be an effective entry point into the System. The Consortium adds value to the Centres. It is a mechanism to increase the coherence of the system through an integrated and multidisciplinary approach to complex and large problems. It generates research synergies and greater impacts, at larger scale than would be possible without a consortium approach. It provides a unified entry point into the system.
- The Consortium will lead the development of the strategy and results framework for the whole system, in close collaboration with partners.

(B) The Consortium Board:

- It is a competency based Board, where individuals are members in their personal capacity. The Board is appointed by the Centres, as shareholders.
- The Consortium Board will be accountable and responsible to the shareholders for what the Consortium does. The shareholders are represented by the Centre Board Chairs.
- The Board has the duty of and authority to:
  - Appoint the CEO/Executive Director
  - Set standards for Centre performance and monitoring them
  - Make structural adjustments at the level of Centres and of delivery systems (e.g., programs) to enhance net efficiency, effectiveness and relevance,
  - Ensure compliance with its decisions and manages risks
  - Resolve conflicts among the Centres
  - Lead a bottom up process to develop the Strategy and Results framework and revise this when necessary
- The Board makes decisions and conducts its business in full respect of two principles: subsidiarity and search of excellence.
- The Board will assess Centre capacity to perform (due diligence) and have a graduated set of responses in the case of non-performance.
- It should not be an added layer of bureaucracy.

(C) The CEO or Managing Director

- The Centres want to consider both options before making a decision about the kind of top leadership for the Consortium. This refers to the relative powers between the executive and the Board.

(D) The Centres as members or shareholders have the responsibilities of:

- Appointing the Board of the Consortium following a broad and transparent process
- Establishing and amending the Consortium Constitution and approve any changes in the Constitution
- Approving entry of new members to the Consortium as well as exclusion from the Consortium
- Assessing the collective performance of the Board
- Dissolving the Consortium

Key milestones that have been agreed to in the System are:

- a) 17-20 February 09: meeting of the DDGs-Research with the Alliance task force which is steering the change process at Alliance level (CPT) to discuss the Strategy and Results Framework (SRF)
- b) March/April 09 (exact date to be determined): meeting of the DDGs-Research and Alliance Executive to continue with the discussion of the SRF and mega-programs
- c) May 11-13: Alliance Board and Alliance Executive meeting, most likely in Rome
- d) June 4-5: ExCo in Cali, Columbia. ExCo will provide feedback on progress on the design of the Consortium, the SRF and mega-programs
- e) November/December 09: last ExCo, time and place to be defined by the Chair of the CGIAR. ExCo will approve the constituting elements of the Consortium, and the overall design of the SRF and mega-programs
- f) February 2010, Montpellier, France: first Global Conference on Agricultural Research for Development where the SRF and mega-programs are endorsed by the full membership of the CGIAR and by partners (this conference is co-organised by GFAR and the Alliance/Consortium).

The Consultant's timeline within this overall timeline and for the first phase of the consultancy is as follows:

- (A) Support the CPT in the planning and facilitation of a meeting on February 17-20 2009, in Rome. The participants will include: the directors of Research of the 15 Centres, the CPT, other Directors General and Board Chairs interested, plus a few external participants chosen for their expertise and knowledge of the system. The purpose of the meeting is to agree on: (i) a plan about how we will develop the Strategy and Results Framework (research agenda) of the Consortium, including the identification of the mega-programs within the SRF, and (ii) lessons on what has worked and not worked in our on-going collective programmatic work (the challenge programs and the system-wide programs). This meeting will be key in developing a plan for arriving at a credible and innovative SRF and mega-programs.
- (B) Support the CPT in the planning and facilitation of the follow up meeting in March/April (see above timeline) to address pending issues from the February meeting and ensure that the SRF and mega-programs are on track. Venue of the meeting to be decided.
- (C) By April 2 2009, the consultant will submit a first report or "Options Paper". The document will outline two or more models for the Consortium, including the Board and CEO/MD/ED. Each option will be described in terms of benefits and costs in the following dimensions:
  - Relationship between the individual Centres and the Consortium
  - Governance
  - Management
  - Options for different levels of participation
  - Structural and operational complexity, in particular vis-à-vis the provision of common services and the management of contracts
  - Costs (relative, qualitative categories, to compare across options, not actual figures)
- (D) The Centres will provide their comments through the CPT.
- (E) The final documents, integrating Centres inputs, must be submitted by the Consultant by April 10<sup>th</sup> 2009.
- (F) Support the CPT in the facilitation of the Alliance May meeting (May 11-13, 2009) where the final document will be discussed.

When describing the process that it will use to discharge the above responsibilities, the Consultant is asked to explain:

- What is unique about this consultancy, by comparison with other work the Consultant has done on Consortium creation
- What is similar to other work they have undertaken?
- How does the Consultant plan to handle the unique elements of our situation?

- What does the Consultant think can be achieved by the May meeting of the Alliance Board and Alliance Executive, by ExCo in June, and by other milestones? Is our timeline for the SRF and the mega-programmes realistic?
- What process would the Consultant propose for the design of the SRF and mega-programs?
- How can we manage the expectations of some CGIAR members (donors) that both the Consortium and the SFR and mega-programs can be put in place rapidly? How can the Consultant support us in managing these expectations?

The following phase in the consultancy will build upon this first phase and will be co-designed with the Consultant. One element of the Consortium that will have to be addressed in the second phase concerns the design of effective delivery mechanisms for shared administrative, financial and research support services (if these are needed) across the Centres. The Consultant should explain whether it has in-house expertise to deal with shared services, and if not, how it would propose to handle this aspect of phase 2.

#### **4. CONSULTATION AND REPORTING**

At all times, it is essential that the Consultant establish effective channels of communication and consultation with major partners and stakeholders in this exercise. These include:

- The Transition Management Team (TMT) and each of its members
- The Alliance members (the 15 Centres)

The consultant will report to the CPT within the Alliance.

#### **5. SUPPORT**

The consultant will receive appropriate support (e.g., documentation, data, access to key contacts) from the Alliance Office. The responsibility that such support is forthcoming ultimately rests with the head of the Alliance Executive.