

DRAFT Terms of Reference for ExCo Ad hoc Committee on Finance
(January 18, 2008)

The overall purpose of the ExCo Ad hoc Committee on Finance (AHCF) is to facilitate and enhance ExCo's function in providing oversight and strategic advice to the System (Members and Centers) on fiduciary matters in order to promote the System's financial health and the efficient use of financial resources. The Ad Hoc Committee also aims to raise awareness among Members of resource needs associated with implementation of approved programs, highlighting areas of special interest or concern, and helping to prevent or mitigate financial crises.

The AHCF is appointed by and reports to ExCo, and will provide leadership and oversight in the following specific areas:

1. Financial Policies and Fiduciary Standards

- (a) Provide strategic guidance to the CGIAR finance community in developing best practice fiduciary standards, and recommending them for approval by ExCo and the CGIAR;
- (b) Promote and ensure adoption of these policies and standards by CGIAR Centers and Challenge Programs;
- (c) Raise awareness within the CGIAR community on fiduciary responsibility and standards and how they are practiced within the CGIAR.

2. System's Financial Health

- (a) Advise ExCo on emerging strategic financial risks (e.g., policy risk) that have the potential for System-level impact; and recommend specific system-wide measures to manage the identified risks in a timely manner;
- (b) Interact closely with the board and management of CGIAR Centers and the governing units of Challenge Programs to provide timely strategic guidance to prevent and/or address financial crises;
- (c) Advise ExCo, and through ExCo the CGIAR System, on funding trends and recommend strategies and measures to address emerging challenges and capture opportunities.

3. Financial Planning and Budgeting

- (a) Review the CGIAR Financing Plan, provide actionable suggestions for improving analytical rigor, and recommend Plan for endorsement by ExCo;
- (b) Facilitate, where necessary, the gathering of quality financial information to strengthen financial planning;
- (c) Recommend a System approach for addressing any mismatch between funding requirements and availability, and facilitate the harmonization of Member actions to fill gaps, if any.

4. Review findings from evaluations of financial performance by Centers and CPs, including those from the CGIAR performance measurement system, and recommend follow-up action by the CGIAR, including action to promote a Member Code of Conduct.

Composition and principles of *modus operandi*

The Ad Hoc Committee will consist of nine members including the Chair. Two members will be from the co-sponsor organizations. All other members will be elected from among CGIAR Members making an annual contribution of at least US\$1 million to the core budget of the CGIAR.

The Ad Hoc Committee should include at least two member representatives who have financial management or auditing expertise. It should also include at least one Member from developing countries.

Meetings of the Ad Hoc Committee will be open to any CGIAR Member to attend as observer, and participation of observers in the work of the Ad Hoc Committee will be encouraged. To promote this, the agendas of the Ad hoc Committee's meetings would be distributed to all CGIAR Members in advance.

Members interested in serving on the ExCo Ad hoc Committee on Finance should express their interest to the CGIAR Director. The Ad Hoc Committee would be appointed by the CGIAR Chair, after consultation with ExCo members.

The term of membership of the first AHCF is one year. ExCo would review the experience of this pilot year and take a decision on its continuity and/or changes to its terms of reference, taking into account CGIAR-endorsed recommendations emerging from the change management process.

The Ad Hoc Committee would be chaired by the World Bank during the pilot year. It would be backstopped by the CGIAR Secretariat.

Recommended composition for the pilot year:

1. World Bank (Chair)
2. Australia
3. Brazil
4. Canada
5. EC
6. IFAD
7. India
8. UK
9. USA