

# Global Agriculture and Food Security Program (GAFSP) Governance Document

Adopted on May 14, 2010

The GAFSP is a multilateral financing mechanism to allow the immediate targeting and delivery of additional funding to public and private entities to support national and regional strategic plans for agriculture and food security in poor countries. These plans are designed by developing country governments and their regional partners and are country-owned.

The purpose of this Governance Document is to establish the operating procedures for the GAFSP. In case of any conflicts, the provisions of this Governance Document once adopted shall supersede the provisions of the Framework Document.

Capitalized terms used hereinafter shall have the meanings ascribed to them below:

- (a) **“Administrative Costs”** means the administrative and other costs incurred by the Trustee, the Coordination Unit or the Technical Advisory Committee, in connection with the performance of their administrative services and other activities in support of the Trust Fund;
- (b) **“Administrative Fees”** means the administrative and other costs, including but not limited to, costs for Project preparation, Project supervision, preparation of reports and unaudited or audited financial reports, incurred by the Supervising Entities in connection with the management of the Projects;
- (c) **“Allocation”** means the portion of the Trust Fund funds, including the Contributions, that has been allocated to Projects, Administrative Costs and Administrative Fees that have been approved by the Steering Committee;
- (d) **“Civil Society Organizations”** or **“CSOs”** mean non-governmental organizations, farmer organizations, trade unions, indigenous peoples movements, foundations and any others as agreed by the Steering Committee;
- (e) **“Contribution”** means each Contributor’s respective contribution to the Trust Fund, and **“Contributions”** means the aggregate of all the contributions to the Trust Fund;
- (f) **“Contribution Agreement”** means any contribution agreement entered into between the Trustee and any Contributor in respect of the Contributor’s Contribution;
- (g) **“Contributor”** means any country (including any ministry and agency thereof) or, if agreed by the Steering Committee and the Trustee, such other entity, that provides a Contribution;

- (h) **“Coordination Unit”** means the coordination unit established within IBRD to support the work of the Steering Committee and the Technical Advisory Committee;
- (i) **“End Contribution Date”** means June 30, 2015, unless otherwise determined by the Steering Committee;
- (j) **“FAO”** means the Food and Agriculture Organization of the United Nations;
- (k) **“Framework Document”** means the document dated December 7, 2009, approved by the Board of Directors of IBRD on January 12, 2010, as amended;
- (l) **“Governance Document”** means this document when adopted by the Steering Committee, as may be amended from time to time in accordance with its terms;
- (m) **“IBRD”** means the International Bank for Reconstruction and Development;
- (n) **“IDA”** means the International Development Association;
- (o) **“IFAD”** means the International Fund for Agricultural Development;
- (p) **“IFC”** means the International Finance Corporation;
- (q) **“Initial Contributors”** means the Bill & Melinda Gates Foundation, Canada, the Republic of Korea, Spain and the United States of America;
- (r) **“MDBs”** means multilateral development banks;
- (s) **“MOU”** means the memorandum of understanding entered into between the Trustee and the IBRD in its role as the Coordination Unit in the form approved by the Steering Committee;
- (t) **“Non-Voting Members”** means the SC Members who do not have the right to make decisions;
- (u) **“Private Sector Window”** means the private sector window established under the Trust Fund;
- (v) **“Project”** means a project, program or activity, or a part thereof, which is to be financed with funds from the Trust Fund, as approved by the Steering Committee based upon a Proposal.
- (w) **“Proposal”** means any proposal submitted by, or on behalf of, countries and regional organizations with legal personality, to the Steering Committee seeking an Allocation of funds from the Trust Fund;

- (x) **“Public Sector Window”** means the public sector window established under the Trust Fund;
- (y) **“Recipient Countries”** means (i) countries which are members of IDA that are eligible to receive financing from IDA and not IBRD and that are not in non-accrual; and (ii) where there is a compelling case and when and if additional funding for the Trust Fund becomes available, countries which are members of IDA that are eligible to receive financing from IDA but credit-worthy enough to borrow from IBRD, and non-members of the World Bank, as approved by the Steering Committee;
- (z) **“SC Members”** means the members of the Steering Committee;
- (aa) **“Steering Committee”** means the committee of the Trust Fund that shall oversee the operations and activities of the GAFSP and act as the decision-making body of the GAFSP;
- (bb) **“Supervising Entities”** means IFAD, FAO, WFP, the World Bank and other MDBs;
- (cc) **“Technical Advisory Committee”** or **“TAC”** mean the external committee to be established and appointed by the Steering Committee to provide technical input for decisions to be taken by the Steering Committee;
- (dd) **“Transfer Agreements”** means any transfer agreement to be entered into between the Trustee and any Supervising Entity in the form approved by the Steering Committee;
- (ee) **“Trust Fund”** means the GAFSP trust fund;
- (ff) **“Voting Members”** means the SC Members who have the right to make decisions in all matters relevant to the Steering Committee;
- (gg) **“WFP”** means the World Food Programme; and
- (hh) **“World Bank”** means IBRD and IDA.

## **1. Governance and Organizational Structure**

The governance and organizational structure of the Trust Fund includes a Steering Committee, a Technical Advisory Committee, a Coordination Unit and a Trustee.

## **2. Steering Committee**

### *(i) Steering Committee Members*

The Steering Committee will be established to oversee the overall activities of the Trust Fund, and will consist of the following Voting Members and Non-Voting Members:

#### (A) Voting Members

The Voting Members comprise:

- (a) a representative from each of the five (5) Initial Contributors to the Trust Fund; and
- (b) an equal number of representatives from Recipient Countries, of which at least one (1) would represent Africa.

#### (B) Non-Voting Members

The Non-Voting Members comprise:

- (a) a representative from the United Nations Secretary General's Special Representative on Food Security and Nutrition;
- (b) a representative of the Trustee;
- (c) representatives from the Supervising Entities and the IFC as agreed by the Steering Committee; and
- (d) three (3) representatives from CSOs, two (2) of whom represent CSOs headquartered in countries eligible to receive financing from IDA and the other who represents CSOs headquartered in a Organization for Economic Co-operation and Development country.

### *(ii) Selection of Recipient Country Representatives*

The Recipient Country representatives under paragraph 2(i)(A)(b) above will be nominated through the Executive Directors of the World Bank that represent IDA countries at the request of the Steering Committee. In selecting the Recipient Country representatives, the Executive Directors will take into account appropriate geographic balance.

### *(iii) Chair of the Steering Committee*

The Voting Members will choose one (1) Voting Member to serve as Chair of the Steering Committee (the "Chair"). The Chair will not have voting rights and the Chair's alternate will exercise voting rights on behalf of that Contributor. The term of appointment of the Chair shall be one (1) year subject to renewal.

(iv) *Selection of CSO Representatives*

The Steering Committee will invite CSOs to nominate representatives through CSO consultation and coordination mechanisms that will be shared with the Steering Committee. These nominees will become CSO representatives on the Steering Committee subject to their ratification by the Steering Committee, based on factors, including but not limited to, geographical and topical representation.

(v) *Size and Composition of the Steering Committee*

The size of the Steering Committee and mechanisms for rotation, as needed, as well as any Contribution threshold to become a Voting Member will be decided by the Steering Committee. The composition and selection process of the Voting Members and the Non-Voting Members may be adjusted by the Steering Committee, if needed, to balance participation and the efficient functioning of the Steering Committee.

(vi) *The Steering Committee will be responsible for:*

- (a) ensuring that the strategic orientation of the Trust Fund is consistent with the purpose and objectives of the GAFSP as set forth in the Framework Document;
- (b) approving an entity or country as an additional Contributor as agreed with the Trustee;
- (c) developing operating procedures for the Steering Committee that balance participation and the efficient functioning of the Steering Committee;
- (d) developing a communications protocol to be followed by all Contributors and SC Members;
- (e) organizing an annual workshop with stakeholders and Supervising Entities for knowledge sharing of results;
- (f) determining the type of decisions that may be made by virtual (email) correspondence through no objection;
- (g) exercising such other functions as the Steering Committee may deem appropriate to fulfill the purposes of the Trust Fund;
- (h) For the Public Sector Window:
  - (i) approving operational guidelines relating to the solicitation, preparation and content of Proposals prepared and submitted by the Coordination Unit;
  - (ii) issuing calls for Proposals to selected national governments and regional organizations with legal personality for stand-alone investment and investment and technical assistance Proposals;

- (iii) inviting one (1) or more regional organizations with legal personality to submit a stand-alone technical assistance Proposal for defined Projects in partnership with one of the Supervising Entities;
- (iv) approving Projects and rejecting or sending back for revision the Proposals submitted through the Coordination Unit and reviewed by the Technical Advisory Committee;
- (v) approving all Allocations and informing the Coordination Unit and the Trustee thereof;
- (vi) ensuring that the Allocations are consistent with the purpose and objectives of the GAFSP as set forth in the Framework Document;
- (vii) selecting one (1) or more Supervising Entities for each Proposal;
- (viii) approving the proposed fee structure for the Administrative Fees submitted by the Supervising Entities through the Coordination Unit;
- (ix) approving the form of the Transfer Agreement and the MOU;
- (x) appointing the members of the Technical Advisory Committee;
- (xi) approving, modifying or declining recommendations by the Technical Advisory Committee in whole or in part with regards to the size of country or regional allocations or the Allocations to the different Supervising Entities;
- (xii) reviewing (i) periodic financial reports including annual audited financial statements and auditor's reports on the finances of the Trust Fund received from the Trustee; (ii) copies of all unaudited or audited financial reports received from the Supervising Entities through the Trustee pursuant to the Transfer Agreements and from the IFC; and (iii) any other financial information, received from the Supervising Entities through the Trustee pursuant to the Transfer Agreements and from the IFC;
- (xiii) reviewing annual implementation results reports and mid-year progress narrative reports submitted by the Coordination Unit;
- (xiv) approving a common format to be used by each Supervising Entity for reporting implementation results on each Project;
- (xv) determining the End Contribution Date and determining when to cease making Allocations;

- (xvi) deciding to instruct the Trustee to send notices to the Supervising Entities pursuant to the Transfer Agreements;
  - (xvii) deciding to direct the Trustee to suspend any further commitment and/or withhold disbursements of the Trust Fund funds to Supervising Entities pursuant to the Transfer Agreements for reasons, including but not limited to: (i) a substantial deviation from Project work plans and budgets approved by the Steering Committee; (ii) failure of the Supervising Entity to comply with any of the terms of the Transfer Agreement and to remedy or cause to be remedied such non-compliance in accordance with the terms of the Transfer Agreement; or (iii) evidence of financial mismanagement in Projects;
  - (xviii) deciding to direct the Trustee to claim repayment of the Trust Fund funds in full or in part directly from the Supervising Entity to the extent the Supervising Entity has been able to obtain repayment of the same from the negligent party if the Trust Fund funds are found to be misused or not satisfactorily accounted for;
  - (xix) deciding whether to cancel all or part of a Project or Projects for reasons, including but not limited to, the reasons set forth in sub-paragraph (xvi), and informing the Coordination Unit and the Trustee thereof; and
  - (xx) deciding the procedures for the Contributors seeking direct recourse against the relevant Supervising Entity or Supervising Entities as third party beneficiaries under the Transfer Agreement or Transfer Agreements.
- (i) For the Private Sector Window:
- (i) receiving the IFC's annual investment plan with respect to the Recipient Countries (the "IFC Plan") and determining whether to endorse the IFC Plan;
  - (ii) approving additional eligible supervising entities and developing procedures for the approval of projects; and
  - (iii) approving any other responsibilities of the Steering Committee with respect to the governance of the Private Sector Window, including but not limited to, actions intended to maximize ownership of agricultural development and food security plans in Recipient Countries.

Decisions by the Steering Committee will be made by consensus of its Voting Members. Consensus is a procedure for adopting a decision when no participant in the decision-making process blocks a proposed decision. For the purposes of the Trust Fund, consensus does not necessarily imply unanimity. A dissenting Voting Member, who does not wish to block a decision, may state an objection by attaching a statement or note to the decision. If one or more dissenting Voting Members wish to block a decision, consensus will not be possible, and a proposed decision will be postponed or withdrawn.

The Steering Committee will meet at such frequency as it may decide, but at least once a year. Decisions may be made by means of telephone conference or electronic communication media including email and facsimile. Any decisions of the Steering Committee will be made by (i) consensus of all its Voting Members participating in a meeting; or (ii) affirmative approval or no objection within ten (10) days on the part of all the Voting Members by email correspondence.

A member of the Coordination Unit will serve as secretary to the Steering Committee to facilitate the role of the Chair in coordinating activities and recording Steering Committee decisions.

### **3. Technical Advisory Committee**

The Technical Advisory Committee will be established to provide advice on Proposals to the Steering Committee for the Public Sector Window. Its members, composition, size (not to exceed twelve (12)) and functions will be decided upon by the Steering Committee. Members will have a high level of experience and technical expertise in agriculture and food security issues, and have familiarity with the processes of the Comprehensive African Agricultural Development Programme (“CAADP”) for those members reviewing Proposals submitted by African countries.

*The TAC will be responsible for:*

- (a) providing due diligence to the Steering Committee to ensure that Proposals are consistent with the objectives, modalities and procedures of the Trust Fund, and that Allocations to countries and regional organizations are for activities within the purpose of the Trust Fund;
- (b) screening country and regional applications with regard to (a) the quality assurance process used for the national and regional agricultural and food security plans of Recipient Countries and regions respectively; (b) the level and composition of public and other contributor expenditures on agriculture and food security; (c) the conduciveness of national and regional policy frameworks to broad based agricultural development and sustainable safety nets; (d) alternative sources of support for implementing food security and agricultural investments; and (e) the relative magnitudes of need;
- (c) informing the Steering Committee whether Proposals meet the eligibility criteria as established in the Framework Document and other further written guidelines for Proposal selection or evaluation as approved by the Steering Committee;
- (d) recommending to the Steering Committee a set of indicative allocations of financial support to countries through the selected Supervising Entity in support of investment and/or technical assistance Proposals submitted, as well as an appropriate Supervising Entity;

- (e) recommending to the Steering Committee a set of indicative allocations of financial support to regional organizations through the selected Supervising Entity in support of investment and/or technical assistance Proposals submitted, as well as an appropriate Supervising Entity; and
- (f) determining whether Proposals submitted by African countries and regional organizations have been through a CAADP or CAADP-like due diligence process, and are aligned to the four (4) CAADP pillars.

The head of the Coordination Unit will be the secretary to the TAC (“TAC Secretary”). The TAC Secretary will not be a member of the TAC and will not be involved in evaluating or making any recommendations to the TAC with respect to any of the Proposals that the TAC receives from the Coordination Unit.

#### **4. Coordination Unit**

The Coordination Unit will be established to support the work of the Steering Committee. The Coordination Unit will be housed in the Washington, DC offices of the World Bank and will comprise a small team of professional and administrative staff employed by the World Bank. The Coordination Unit will be headed by a program manager in the Agriculture and Rural Development Department at the World Bank.

*The Coordination Unit will be responsible for:*

- (a) preparing operational guidelines relating to the solicitation, preparation and content of Proposals for approval by the Steering Committee;
- (b) receiving Proposals and funding requests for review by the Steering Committee and the TAC;
- (c) ensuring that Proposals contain the necessary information for review by the TAC;
- (d) notifying the Trustee of funding requests and payment schedules approved by the Steering Committee;
- (e) organizing meetings of the TAC and the Steering Committee;
- (f) drafting and circulating minutes of the TAC and the Steering Committee discussions;
- (g) providing public information on the Trust Fund activities on a website to be created;
- (h) offering guidance to the Supervising Entities on the processes and requirements as laid out by the Steering Committee;
- (i) receiving the annual investment plan from the IFC for the Private Sector Window and submitting it to the Steering Committee;

- (j) receiving and consolidating annual implementation results reports based on the common format for reporting on implementation results for each Project approved by the Steering Committee which are submitted by the Supervising Entities and the IFC for distribution to the Steering Committee and the Contributors;
- (k) receiving and consolidating mid-year progress narrative reports which are submitted by the Supervising Entities for distribution to the Steering Committee and the Contributors;
- (l) collaborating with the Trustee to ensure that the Trustee has all the information necessary to carry out its responsibilities; and
- (m) performing any other functions assigned to it by a decision of the Steering Committee.

## **5. Trustee**

- (a) The IBRD will serve as Trustee for the Trust Fund.
- (b) The IBRD, in its capacity as the Trustee, will establish the Trust Fund to receive Contributions for the Public Sector Window, and will hold in trust, as a legal owner, and administer the funds, assets and receipts that constitute the Trust Fund, pursuant to the terms of the Contribution Agreements.
- (c) The Trustee will, subject to the availability of applicable funds held in the Trust Fund as determined by the Trustee and subject to the terms of the Contribution Agreements, commit, transfer and/or use the Trust Fund funds for any purpose approved and in the amount allocated by the Steering Committee, in accordance with the terms of this Governance Document and the Contribution Agreements. Commitments and transfers of the Trust Fund funds to the Supervising Entities will be made pursuant to the Transfer Agreements.
- (d) Upon the transfer of such funds to the relevant Supervising Entity, the Trustee shall have no responsibility, fiduciary or otherwise, to the Supervising Entity for the use of these funds including the implementation or supervision of Projects financed by such funds.
- (e) The Trustee will require, and accept from, the Supervising Entities and the IFC certain periodic financial reports, as agreed between the Trustee and the Steering Committee.
- (f) The Trustee will provide to the Steering Committee regular reports on the financial status of the Trust Fund, as set forth in the Contribution Agreements. If any Contributor decides to contribute funds to the Trust Fund for both the Public Sector Window and the Private Sector Window, such reports will include the portion of the Contribution for the Private Sector Window.
- (g) The Trustee shall, as directed by the Steering Committee, claim repayment of the Trust Fund funds in full or in part directly from the Supervising Entities, and suspend any

further commitments and/or withhold disbursements of the Trust Fund funds to the Supervising Entities to the extent set forth in the Contribution Agreements and the Transfer Agreements.

- (h) The Trustee shall send notices to the Supervising Entities as instructed by the Steering Committee and pursuant to the Transfer Agreements.
- (i) The Trustee will be accountable to the Steering Committee for the performance of its functions.
- (j) The Trustee will collaborate with the Coordination Unit to ensure that the Coordination Unit has all the information necessary to carry out its responsibilities.

## **6. Supervising Entities**

### *(i) For the Public Sector Window*

The Supervising Entity (IFAD and MDBs for investment operations and/or technical assistance; FAO and WFP for technical assistance only) can be proposed by countries or regional organizations, but are ultimately selected by the Steering Committee.

*Each Supervising Entity will be responsible for:*

- (a) the use of the Trust Fund funds transferred by the Trustee and Projects carried out therewith in accordance with (i) its own policies and procedures including those related to eligible expenditures, employment and supervision of consultants and the procurement of goods and works; and (ii) the applicable decisions of the Steering Committee, including the purpose for which the specific Allocations have been approved by the Steering Committee;
- (b) assisting the selected Recipient Countries and/or regional organizations in the design of the Projects and providing support to them with respect to the implementation of the Projects; and
- (c) entering into grant agreements with the selected recipients, including but not limited to, Recipient Countries and/or regional organizations, which will own the plans for and implement the Projects.

### *(ii) For the Private Sector Window*

The IFC will be the initial supervising entity for the Private Sector Window, subject to paragraph 2(vi)(i)(ii).

## **7. Amendments**

This Governance Document may be amended by agreement of the Voting Members, provided however that no amendment may be inconsistent with the general purpose and objectives set forth in the Framework Document.