

**FOR INFORMATION**

**Headquarters Agreement**

**Purpose**

To inform the Board on developments in the ongoing discussion with the Italian government on the negotiation of a headquarters agreement for the Trust and to provide an update on the relationship with FAO and Bioversity International regarding administrative issues.

**Italian Government Report**

**Background**

At its second session in October 2008, the Board was informed on further developments in the negotiations for a headquarters agreement for the Trust. The draft agreement currently under discussion in the Italian administration would provide for the Trust to be hosted on an interim basis in the Headquarters premises of FAO, but would allow for the Trust to be granted permanent headquarters premises of its own in the future should this prove more appropriate. A first interministerial meeting had been held to coordinate the views of the various ministries concerned, and the Ministry for Foreign Affairs was waiting for formal written approval from those ministries, before presenting the draft to Parliament for its approval and adoption.

The Board agreed that the Trust continue to proceed with negotiations with the Italian government.

**Issues**

There have been no substantive developments to report since the last session of the Board. The Ministry for Foreign Affairs is still waiting for formal approval of the proposed draft Headquarters Agreement from the various ministries concerned. Following a meeting between the Trust Secretariat and the Ministry for Foreign Affairs in February, the Ministry is pressuring the ministries for their responses and hopes to be in a position to report a positive outcome of these consultations to the Board at its Third Session

**FAO Report**

To be provided at the meeting.

**Bioversity International Report**

**Bioversity International: Administrative Support Provided as Co-sponsors to the Global Crop Diversity Trust**

**Introduction**

Bioversity International sees the Trust as an essential mechanism and instrument in the implementation of the International Treaty on PGRFA and also as an essential element of

the funding strategy of the Treaty. Bioversity has been a strong supporter of the Trust from its very inception and nurturing, to date. In this respect, Bioversity has made major contributions both in cash and kind, towards the establishment of the Trust. It is calculated for example that the contribution in cash that was made by and through Bioversity, in support of Phase 1 of the Trust, is in the range of \$465,000. The following points provide additional rationale for this strong attachment that Bioversity has with the Trust:

- The goals and mission of the Trust are in complete resonance with Bioversity’s mission of promoting and facilitating the conservation and sustainable use of the world’s PGRFA.
- Bioversity is therefore proud to be associated with the Trust and to be a co-sponsor, along with the FAO, to the Trust
- Bioversity’s role as co-sponsor is played on behalf of the CGIAR system, and especially representing the 15 Centres within the Alliance of Centres
- Bioversity and the FAO established an Interim Panel of Eminent Experts that supported the Trust in establishing an Executive Board. Bioversity supported the functioning of the Panel until its cessation in 2006 with the creation of this new Board.

**Headquarters location of the Trust**

- Bioversity provided office space for some components of Trust staff in the early years of establishment. The FAO provided the main operational base for the Trust headquarters.
- Since December 2007, all Trust staff has been consolidated at the FAO, and therefore Bioversity no longer houses Trust staff. However we have continued to provide admin and human resource support, among others.

**Human Resources and Administration support**

In accordance with the staffing provisions of the Memorandum of Understanding with the Trust and the FAO (Article 3), Bioversity has continued to provide significant HR services to the Trust. This has included several recruitments of staff (regular and complementary), administration of salary and benefits, and other HR support functions.

As an example, below is a summary of the support provided by Bioversity HR to the Trust in 2007.

Recruitment

No of positions	7 (1 IRS + 6 LRS)
No. of applications	362
Shortlisted candidates	24
Days of interviews	9
Telephone interviews	14
Written tests	14
Panels reports	7
General Advice on all issues pertaining to recruitment and selection	

Administration

Briefings	24
Offers	7
Contracts	7
General advice on all issues pertaining to the administration of staff	

Also in line with Articles 4 and 5 of the Memorandum of Understanding, Bioversity continues to facilitate and provide administrative and operational support to the Trust.

### Financial Services support

In line with its co-sponsorship status with the Trust, Bioversity has provided financial services and support in several domains. Overhead and support costs have been offered at discounted rates, which are below the normal Board-approved rates for Bioversity, and also lower than rates agreed for dealings among CG centres. This is seen as another evidence of Bioversity's great commitment to the Trust.

Currently the following specific services are provided by the Bioversity Corporate Services Department to the Trust:

*Accounting:* Bioversity provides accounting services to the trust. These comprise the processing of financial transactions, the monthly payroll, letters of agreement, cash disbursements and payments; production of monthly financial reports;

### *Financial management system*

The Trust financial transactions are accounted for through the Bioversity financial system. This means that from a control perspective all such transaction are subject to the overall controls of the Bioversity financial management system. Bioversity financial system is subjected to regular audits by the CGIAR Internal Audit Unit. Bioversity's financial system ensures

- That an adequate accounting system is in place which records all of the financial transactions of the Trust completely, accurately and on a timely basis.
- That a sound financial reporting system is in place which produces accurate and timely monthly financial accounts which enable the Trust management to monitor actual expenditures against budget
- That a system of internal controls is in place which ensures the production of reliable financial information and minimizes the possibility of error, fraud and misappropriation.
- financial risks have been identified and sufficient internal controls put in place to mitigate and control those risks

*Banking;* The Trust bank accounts are held in the name of Bioversity for legal reasons.

*Travel:* The Trust avails itself often of the services of the Bioversity travel unit. Services provided include bookings, obtaining visas, DSA calculations etc.

*Other Administrative services:* The Bioversity administrative services unit issues Trust staff employed through Bioversity with Italian Ministry ID cards, certificates of employment, residency and other official documentation.

The Bioversity corporate services department considers that it has a very close and good working relationship with the administrative staff of the Trust. Communication is good and any issues which arise from time to time are dealt with in a timely and cordial fashion.

### **Action**

That Members note the information in this report.