The third meeting of the Interim Executive Council (IEC) was held at the World Bank, Washington DC, on October 29, 2001. IEC members, task force co-chairs, and observers attended. CGIAR Chairman Ian Johnson presided.

**Agenda Item 1. Opening Session**

**Chairman’s Introduction:** Ian Johnson welcomed participants, briefly outlined the purpose of the meeting and commented on how its outcome would feed into the annual general meeting. He thanked the IEC and task forces for the tremendous effort they had made to produce an integrated proposal with twelve clear-cut recommendations. He stressed that decisions on these would be made by the CGIAR at the Business Meeting on Thursday, November 1.

**Adoption of Agenda:** The draft agenda was adopted without change.

**Agenda Item 2: Finance**

**Financing Plan:** Details of the financing plan were presented by Shey Tata, Senior Finance Officer, CGIAR Secretariat. IEC endorsed the proposed 2002 financing plan requiring $340 million in funding support. IEC agreed that with the elimination of the Mid-Term Meeting, the existing two-step financial planning calendar (approval of medium term work plans at MTM, followed by approval of financing plans at ICW) should be replaced by simultaneous approval of the medium term work plans and financial plans at each AGM. The future Program Committee could play an important role in the review of operational plans. The respective roles of the Program Committee and the Science Council in the resource allocation process would need to be studied further (see Agenda Item 4, below).

Commissioning of the 2003 planning process, under the overall guidance of the Executive Council, was endorsed. The Secretariat was asked to provide more detailed breakdowns in future financing plans.

**Financial Guidelines:** The continuing issuance by the CGIAR Secretariat of guidelines prepared in consultation with Centers and external experts in the interests of greater accountability and System harmony was welcomed. It was noted that the
guidelines reflect best practice and it is up to the individual boards to adopt them, with appropriate modifications, as center policy.

**Agenda Item 3: CGIAR Governance**

**Gender and Diversity in the System:** Vicky Wilde, Leader, CGIAR Gender and Diversity Program, presented a report on gender and diversity in the CGIAR System, including lessons learned from recent Director General search processes. She noted progress as well as problem areas that need further attention. IEC congratulated V. Wilde for an excellent study. IEC decided that:

- The Gender and Diversity Program should continue and broaden its analysis of diversity issues, examining issues such as age;
- CDC, CBC, G&D Program and the CGIAR Secretariat should collaborate in developing guidelines outlining best practice in this area;
- There is need for continued attention to training and leadership development. In addition, the Board Orientation Programs should regularly include discussion of G&D issues;
- The yet-to-be-established ExCo should monitor progress on G&D actions.

**Secretariat Business Plan:** IEC welcomed the publication and dissemination of the CGIAR Secretariat Business Plan as a commendable exercise in transparency. It recognized the need for flexibility as the work program of the Secretariat evolves along with the changes taking place in the System. The need to link budget with outputs and objectives—with associated indicators— and to make development of the work program more interactive, through consultation with CBC and CDC for instance, was endorsed. IEC members undertook to convey any other comments to the CGIAR Director.

**Agenda Item 4: Change Design and Management -- Draft Integrated Proposal**

Prior to the IEC meeting comments on the Draft Integrated Proposal were received from several Council members. The IEC discussion focused on confirming or modifying the twelve recommendations contained in the draft proposal for consideration of the CGIAR at AGM2001. The outcome of the discussion is noted below for each recommendation.

**Executive Council**

**Recommendation 1.**
*The ExCo should have authority to act on behalf of the Group between AGMs on matters delegated to it by the Group. The AGM should delegate to the ExCo the functions necessary for carrying out the regular, day-to-day business of the CGIAR, as specified in Attachment 1. In addition, the ExCo should facilitate decision-making by the AGM and provide oversight during their implementation. The ExCo should report to the Group regularly, using electronic and other means.*
Outcome: Recommendation Confirmed

Recommendation 2.
The ExCo should be a committee of stakeholders, incorporating perspectives from all components of the CGIAR System. [In case a decision requires shareholder participation only, shareholder members of the ExCo will meet in closed session.]

The composition of the ExCo should be as follows:

Non-rotating ExCo Members:
- CGIAR Chairman 1
- Co-sponsors (FAO, WB, UNDP and IFAD\(^1\)) 3\(^2\)
- CBC, CDC and SC Chairs 3

Rotating ExCo Members:
- OECD/DAC Country Representatives 5
- Developing Country Representatives 5
- Foundation/Regional Bank Representatives 1
- Partner Representatives 2

Total 20

The CGIAR Director will serve as Executive Secretary of the ExCo.

Outcome: Recommendation confirmed with the following modifications:
- Delete second sentence of first para (shown in brackets, above).
- Add to the ExCo Rules of Procedure: Each group with rotating representation would jointly identify its representatives, who would be proposed to the CGIAR Chair for cooptation. Each group would also agree on a system of alternates.
- In groups with rotating representation, members would rotate every two years.
- Consideration should be given to the following: (a) GFAR incorporates all stakeholders and should not be put in a position of competing with them for inclusion in the ExCo; (b) NGOC and PSC could not represent each other’s perspectives.
- Include a full set of definitions in Attachment 1.

Recommendation 3.
The ExCo should operate under the rules of procedure outlined in Attachment 2. At AGM2001 the CGIAR should approve the establishment of two standing

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\(1\) On October 10, 2001 the CGIAR Secretariat was informed of IFAD’s decision to accept the CGIAR Chair’s invitation to become a Cosponsor of the CGIAR.

\(2\) Cosponsors hosting a System governance unit (such as the Science Council Secretariat and the CGIAR Secretariat) would maintain a continuous membership on the ExCo. Rotation would apply to Cosponsors not hosting such a mechanism.
committees of the ExCo: a Standing Committee on Programs and a Standing Committee on Finance.

Outcome: **Recommendation confirmed with the following modifications:**
- The standing committees on programs and finance could have membership beyond the membership of the ExCo.
- The standing committees should have clear terms-of-reference. The TORs for the Program Committee and the Finance Committee should be aligned with that of the Science Council.
- The ExCo should consider establishing mechanisms for improved dialogue with farmers’ organizations, including establishment of a separate CGIAR committee of farmers’ organizations.

**Challenge Programs**

**Recommendation 4.**
The CGIAR should adopt a flexible and learning-by-doing approach to designing Challenge Programs (CPs). The CPs should complement the Centers’ core competencies and all should satisfy a minimum set of principles and criteria, as listed in Attachment 3.

**Outcome:** Recommendation confirmed.

**Recommendation 5.**
The CGIAR should have final decision authority in identification of CP themes and approval of full proposals. The ExCo and the Science Council should help facilitate the process as described in Attachment 4.

Governance and management arrangements should be flexible and adaptable to the specific needs of each CP and should be spelled out in full in the specific business plan. Each CP should be accountable to the CGIAR through the ExCo. In most cases, a CP would be coordinated by a CP Coordinator, with CP-wide oversight provided by a Steering Group (SG) and component oversight provided by each core party, as described in Attachment 4.

**Outcome:** **Recommendation confirmed with the following modification:**
- The governance and accountability of CPs should only be attached to a legal entity, either through a CGIAR Center or through the Boards of participating institutions. ExCo should closely monitor the governance and management arrangements for each CP.

**Recommendation 6.**
The CGIAR should immediately initiate the CP process by starting Phase 1 (idea generation) and by fast tracking a few CPs during this initial year. The fast-tracked CPs would start the process at the Pre-Proposal Development phase, with more advanced CPs closer to Full Proposal Development. Fast-tracked CPs should satisfy the criteria applicable to CP development.

Of the CP proposals
which clearly demonstrate the importance of the program in fulfilling the mission of the CGIAR, only those which have identified significant additional funding should be considered for fast tracking.

At AGM 2001 the CGIAR should choose from among existing proposals for CP themes those that should be fast-tracked. Candidate themes include the following, on which there has been significant preparatory work and prior discussion within the CGIAR and among the stakeholders (and which have already identified or have potential for significant additional funding):

- Water and Agriculture
- Climate Change
- Animal Diseases, Food Safety and Trade
- Agriculture and Combating Desertification
- Other potential themes on which there is significant preparatory work.

**Outcome:** IEC confirmed the first part of this recommendation (“The CGIAR should immediately initiate the CP process by starting Phase 1--idea generation...”). In addition, it stressed that the regular process for developing CPs should also be “accelerated” (a term preferred over “fast-tracking”).

The IEC did not have a consensus view on the remainder of the recommendation. Those who preferred no “fast-tracking” noted that pre-selection of CPs would be perceived as “top-down,” not benefiting from the results of regional priority setting and wide stakeholder involvement. Members favoring “acceleration” argued that the CGIAR needs to demonstrate that it is willing to change and that early experimentation is necessary to help improve the CP process because much of this is new territory for the CGIAR. Those who favored acceleration argued that accelerated CPs should start in Phase 2, with some strongly convinced that this should be at the beginning of Phase 2.

In summarizing the discussion Ian Johnson offered his view on how the CGIAR could move forward. He cautioned that “the search for the perfect can be the enemy of the good” and made the following suggestions:

- The CP concept should be implemented on a pilot basis so that the System can explore ways of improving CP design and implementation.
- Pilot CPs, with one embryonic consortium per theme, should begin their development in Phase 2 (Pre-Proposal Development) to enable non-traditional partners to collaborate with the existing consortia during full proposal development. Resources should be provided to pilot CP proponents to move the process forward and maintain the momentum of the reform program.
- ExCo should provide close oversight of the development of the pilot CPs.
Recommendations 7, 8, and 9 were considered together.

**Recommendation 7.**
The primary responsibilities of the Science Council should be to advise the CGIAR on science policy issues and broad strategic questions relevant to the Group’s goals and mission and to ensure the quality and relevance of the science practiced in CGIAR centers and programs. The roles and responsibilities of the SC in relation to CPs is described in Attachment 4.

**Recommendation 8.**
The SC should be composed of up to eight (8) individuals plus the Chair. The members should be eminent scientists in relevant disciplines in the biological, physical, and social sciences. While solid scientific stature should be a major selection criterion, the members of the Council should all have strong science policy and development experience.

**Recommendation 9.**
The SC and its Secretariat should have its operational costs covered by the Cosponsors and should be hosted by FAO. An agreement among Cosponsors covering the terms of FAO’s hosting of the SC Secretariat should be prepared and formalized. This agreement should cover, among others, an institutional arrangement permitting greater latitude to the SC in recruitment of staff and provision of services to SC members while satisfying any legal obligations of FAO as host organization.

The present TAC should be phased out as of December 31, 2001 and an interim SC should be constituted at the beginning of 2002, when the transition from the TAC Secretariat to SC Secretariat would commence. The recommended transition arrangements are described in Attachment 5.

**Outcome of IEC discussion on Recommendations 7, 8, and 9:**  
IEC confirmed these recommendations with the following modifications:

- The ExCo should establish a working group to prepare a detailed proposal on the SC’s composition, functions, alignments with the CGIAR’s governance units, and the financial, operational, conceptual, and administrative aspects of the transition from TAC to the SC, including its cost structure and mechanisms of financing;
- SC should be established as an 8-member body, but its size, and the range of skills required of SC members, should be kept under review;
- The SC should be the guardian of relevance and quality of science in the CGIAR, with its composition reflecting diversity in forms of science and understanding of science management;
- SC should ensure that a system of peer reviews is in place across the System and not only for Challenge Programs;
• SC should function as a strategic adviser to ExCo and its Program and Finance Committees and this should be fully reflected in the TOR of these Committees;
• The exact date of phasing out present TAC should be determined by the ExCo (i.e., this date could be later than December 31, 2001);
• The existing work obligations of TAC should be continued by the SC, e.g., on the regional priority setting process.

Recommendations 10, 11, and 12 were considered together.

Recommendation 10.
The System Office should be composed of and integrate the activities carried out by the CGIAR Secretariat, Science Council Secretariat, entities providing common services to the Centers, and the Future Harvest Foundation. It should serve the entire System and help it function in an integrated and responsive manner, implementing a compelling vision, mission and strategy. Its specific functions (described in detail in Attachment 6) should be developed gradually.

Recommendation 11.
The System Office should operate in a “virtual” and decentralized mode, with its components located where it makes the most business sense. The primary accountability of each component should be to its principal client(s), e.g., SC Secretariat to the SC, CGIAR Secretariat to the Chairman and the CGIAR, units carrying out common services to centers to the CDC/CBC, and Future Harvest to its Board. As part of the System Office, each component should also be accountable to the Executive Council, through the CGIAR Director. Relations among the components, in particular formal commitments, should be defined through contracts or agreement memoranda.

Recommendation 12.
An integrated business plan should be prepared, covering all the activities of the System Office, by the various components under the overall direction of the CGIAR Director. The business plan should serve as the basis for approval of annual work plans and performance targets for each component. It should also serve as a mechanism for accountability reporting to the ExCo.

Current financing levels by all parties should be maintained until the preparation of the initial business plan which should specify future resource needs. The ExCo should explore all financing options, including alternative forms of burden-sharing.

Outcome of IEC discussion on Recommendations 10, 11, and 12: The IEC confirmed these recommendations with the following modifications:
• The recommendations on the System Office are but a first step in the direction of creating a more integrated, cohesive and coherent System.
• The Business Plan should include estimates of the full costs of System Office operations.
• The direct accountability of each System Office component, in a fiduciary and service performance sense, would be to its own governing authority, but, at the same time, each component—as part of an integrated effort—would be accountable in a larger sense also to the ExCo, this accountability being coordinated through the CGIAR Director.
• The linkage between Future Harvest Board and CDC should be made explicit in the diagram illustrating the components of the System Office.

**Agenda Item 5. IEC Action Plan**

IEC decided to circulate a draft IEC3 minutes at AGM01 to facilitate discussion at the Business Meeting.

**Agenda Item 6. Other Business**

IEC noted CDC’s proposal to continue to fund the Central Advisory Service for Intellectual Property (CAS). The CAS will continue to be accountable to the CDC through the CDC IP Committee. CAS will continue to be located at one of the Centers for day-to-day oversight and support. A CDC Task Force will draw up the new ToR and operating guidelines for CAS.

November 27, 2001
CGIAR Secretariat