CGIAR Fund Council

March 7-8, 2012

BMGF, Seattle, Washington

Meeting Summary
Agenda Item 1. Opening Session

The CGIAR Fund Council (FC) met at the Bill and Melinda Gates Foundation (BMGF) Headquarters, Seattle, Washington, USA on March 7 and 8, 2012. Fund Council Chair Rachel Kyte opened the meeting. She welcomed the following Fund Council members and representatives of Fund Donors attending the FC meeting for the first time: Kevin Cleaver, Associate Vice-President, Programmes, IFAD; Philippe Thevenoux, Directorate General DEVCO, European Commission; S.K. Datta, Deputy Director General Crop Sciences, ICAR; and Faisal Awawdeh, President, AARINENA. A full list of meeting participants is shown in Annex 1.

Prabhu Pingali, Deputy Director, Agricultural Development, BMGF was elected Co-Chair of the meeting.

In accordance with the FC Rules of Procedure, the Chair reminded the Fund Council members to declare any conflicts of interest regarding Fund Council business and agenda items.

The following items were added under Agenda 15, Any Other Business:
- Update on the situation in Japan one year after the earthquake and tsunami of March 11, 2011;
- Readout from Alan Tollervey on his attendance at the latest Consortium Board Meeting;
- BMGF, along with DfID and EC, requested a discussion on the arrangements for financing ex-post impact assessments;
- The Consortium Board requested an information item on ICARDA’s contingency plan in light of recent events in Syria;
- EIARD requested information on the plan and process for deciding the 2013-15 Fund Council composition;
- Selection of future venues for FC meetings.

The agenda was adopted with the addition of the above items.

Agenda Item 2. Fund Office Report and Follow-up Actions

Jonathan Wadsworth, Executive Secretary of the Fund Council and Head of the Fund Office (FO) presented the FO report. The focus of the presentation was on the performance of the Fund in its first full year of operation. The following were highlighted:
- Since initiation in December 2010 the Fund received a total of $378.8 m through the three windows and provisional account, and disbursed $251.3 m leaving a balance of $127.5 m in the account to start work in the first quarter of 2012. This accounted for over 50% of the CGIAR budget which is a significant achievement.
- Receipts in the Fund were projected at $348 m at the start of 2011, and $437 m at the end of the year. Three donors were unable to finalize their contribution agreements before the end of the year, resulting in a short fall below expectations of about $52.1 m.
- Half of the funding was received in the last three months of 2011, which impacted on decision making. Funding decisions made at mid-year were based on receipt expectations of $283 m, while decisions made two months later were based on expectations of $403 m, reflecting the wide variance of available information, on which decisions were based.
- Window 1 received the bulk of the inflows (67%), with smaller amounts received in Windows 2 (13%) and 3 (17%). Thus, the Fund was operating with two-thirds of the money from Window 1. End of year balances were $93.2 m in Window 1, $20.9 m in
Window 2, $1.4 m in Window 3, and $11.9 m in the provisional account, for a total available balance of $127.5 m.

- Looking forward, projected requirement of approved CRP budgets is approximately $100 m per quarter. Thus, using the 2011 pattern of inflows, the Fund balance could reach zero around June 2012.
- Donors were requested to provide their contributions early in the year in order to avoid cash flow issues, particularly as it is expected that the rest of the approved CRPs would go on stream in 2012.
- The 2% CSP on Windows 1, 2 and 3 raised $7.45 m, and an additional $1.15 m was raised by charging 2% on a number of bilateral projects by the Consortium. However, there was a slight under recovery of $50,000 to cover the four System Entities’ costs which amounted to $14.3 m in 2011 with $5.65 m financed from sources other than W1.
- In 2012, the overall budget of System Entities will be higher at $16.6 m due to the inclusion of GCARD2 and IEA start-up; furthermore, other sources of funding are expected to be lower than in 2011. The CSP in 2012 has been determined to be 2% based on the agreed mechanism described in the Common Operational Framework. Due to the large number of legacy bilateral projects that do not cover the CSP, under recovery on bilateral funding is likely to continue into 2012 with consequences for the 2013 CSP charge rate.
- 2012 is the third and final year of the inaugural Fund Council. The Fund Office will carry out an assessment on which to base the FC composition for the period 2013-2015. It will be done in consultation with FC members. This item was discussed further under ‘Any Other Business.’

Agenda Item 3. Consortium Report

The Consortium Board (CB) Chair, Carlos Perez del Castillo, reminded the Fund Council that the written report of the CB had been circulated ahead of the meeting. His presentation included updates on activities since distribution of the report.

Highlights mentioned were:

- The CGIAR Consortium was granted international organization status on March 2, 2012 with the signature of Denmark. The CB Chair thanked Denmark, a strong supporter of the CGIAR and the host of the Climate Change, Agriculture and Food Security (CCAFS) CRP. He encouraged country members of the Fund Council to sign the agreement and show their support to the Consortium Board.
- The Executive Committee of the Consortium Board that was formed in 2010 to temporarily undertake the functions of the CEO immediately commenced the selection of a new CEO. Four candidates were interviewed from a slate of 20 long listed candidates, of which 2 were invited to make presentations at the Consortium Board Meeting recently held in Montpellier. The CB expects to arrive at a decision soon.
- The Consortium Board created four committees for the purpose of improving communications, transparency and governance within the CGIAR. The Nominations and Evaluation Committee will evaluate the practices of the Consortium Board. Centers will participate and provide comments on the operations and effectiveness of the Consortium Board. The report is expected by end April.
- The Committee is also charged with proposing a staggered rotation plan for the Consortium Board as members’ the terms end in 2012. The Centers will vote on the slate proposed by the Nominations and Evaluation Committee.
• The Consortium working group on intellectual assets has worked very closely with the FC Working Group and the CB is pleased to report that the two working groups reached consensus on a delicate package which has been endorsed by all the CGIAR Centers. The CB Chair stressed that this agreement can be revisited in the light of lessons learned at a later date, however it was an important step forward to have this agreement as a basis for ongoing work.

• A Senior Gender Adviser is now on board and is working very closely with all CRPs. An agricultural research network on gender has been established with all 15 Centers participating and lead scientists on gender are coordinating the gender strategy in 13 of the 15 CRPs. The intention is to mainstream the gender strategy across all Centers and the System to harmonize gender strategies in all CRPs.

• The CB Chair informed FC of the Consortium Board’s participation in the Steering Committee of the Joint Comprehensive Africa Agriculture Development Program (CAADP) along with development partners such as USAID, EC, World Bank, African Union, and Forum on Agricultural Research for Africa (FARA). It is expected to provide a framework to intensify coordination and alignment between CGIAR and CAADP.

• The Consortium Board has submitted a proposal prepared by the GCARD2 Organizing Committee responding to specific comments of the CB and reflecting concerns raised at the last FC meeting. The proposal includes a revised draft program and a new budget request ($900,000) of just over half of the original proposal submitted at FC6 in Rome.

Discussion:

• Members inquired whether the Action Plan of the SRF, promised in Montpellier in 2010, would be presented at Uruguay and wished to know how the Action Plan will be derived. The CB Chair informed that work is underway on the Action Plan which will be presented at GCARD2 and at the Funders Forum. Between now and June 2012, the ISPC will collaborate in this work, specifically on foresight studies, better links between SLOs (System Level Objectives) and CRPs, and prioritization across CRPs. A first draft is expected by June, primarily for circulation to GFAR to enable them to hold regional consultations before the Action Plan is finalized.

• On the question of when the FC agreed that the Fund would provide resources for GCARD2 and whether the funding would be from Window 1 and 2 or from alternative sources, it was clarified that GCARD was always considered a part of the structure of the 2 pillar system and there was always the expectation to fund it as discussed at FC6. The CSP amount would defray what was considered the appropriate share of CGIAR costs.

• It was further clarified that a revised budget for GCARD2 was received very recently with a proposed contribution of $900,000 from the CGIAR Fund. As $800,000 was the contribution FC had agreed to at FC6 in Rome, the additional $100,000 could be entertained, but on a performance basis. The quality control on the most relevant choice of participants and on the alignment of the agenda with CGIAR needs is left to the Consortium Board.

• Fund Members expressed satisfaction on the forward movement of the gender strategy and requested information on the consultation process moving forward. The CB Chair informed that the consultations will be initiated in the very near future. He undertook to provide FC members with the planned dates and modality of the consultation.

Agenda items 4, 5, and 6 were chaired by Prabhu Pingali, co-chair of the meeting.
agenda item 4. 2011 system entities budget and expenditures

phillip chiverton, convener of the peer review team (prt), informed fc members that the 2011 budget and expenditures provided a snapshot of actual expenses of the system entities based on the 2011 budget that was approved by the fc in 2010. he reminded members that at fc6 the prt was encouraged to design a common budget table template. hence, the 2011 system entities budget and expenditures was a retro-fit of expenditures in a common budget template.

the prt felt that the common budget template was helpful. it would require further work on common sub-items, particularly overhead charges. it was agreed by the system entities to look at the cgiar financial guidelines being followed by centers and use it as a basis for defining overhead expenditures.

discussion:
• on the question of whether the present level of the ispc budget is justifiable now that most crps have been approved, ispc chair, ken cassman clarified that ispc has four roles, of which the review of crps is one. in the recent past, the role of ex-ante program evaluation constituted 90% of the new ispc’s efforts. however, the other roles in strategy and trends, mobilization of science and impact assessment through spia which is an integral part of the ispc also feed back into the ability to perform high quality ex-ante evaluation. he pointed out that the mobilization of science, strategy and trends, and impact assessment are the existing components of the ispc work plan geared to the overall improvement of the cgiar.. he added that the ispc has a constructive program laid out for 2012 and into 2013 with much more collaboration with the consortium office, and that, in his view, the ispc budget is fully justified.

agenda item 5. efficiency measures of system entities

phillip chiverton reminded fc members that there had been discussion on the importance of efficiency measures in the cgiar system. at fc6 the prt was charged to review efficiency measures for the three system entities. an in-depth teleconference on the subject took place on march 1, 2012 and a draft score card was produced by the fund office under the categories of financial, internal business, learning & growth, and client. for each category goals, performance measures and targets were identified.

the other system entities may have different performance measures for each of the above four categories. the prt opined that the scorecard model is a good one and the next step will be to develop scorecards for the consortium office and the ispc secretariat. the fund office will further work on its scorecard in consultation with the other system entities.

discussion:
• it was clarified that the fund office scorecard was a draft and that some of the targets were based on the world bank group’s corporate benchmarks. it was felt that the fc collectively needs to agree on performance measures for the three system entities that are useful to monitor.
• the consortium office pointed out that the system entities require guidance on fc’s expectations to identify a common set of performance measures. more discussion and consultation are required to build a robust system.
• members expressed caution on expectations regarding required performance measures. some members pointed out that survey results of an expanded universe of clients on
services provided, and the proportion of the total budget going to the system entities vis-a-vis research were the most important measures.

Conclusion:
- The PRT will put together draft scorecards for the Consortium Office, Fund Office and ISPC Secretariat and share them with the FC for comment by May 15, 2012.

Agenda Item 6. CRP Budgets and Expenditures


The following were highlighted:
- The focus of the Financial Report was on Center activities only.
- The CGIAR works on a calendar year and preliminary 2011 results from the Centers is now available. However, it is very early in 2012 to expect firm data from the Centers.
- There was considerable additional funding available in 2011. The relatively slow implementation of CRPs combined with the stability funding policy constrained the Center activities at 2010 levels.
- The relatively modest uptake of funding in 2011 has a positive influence on 2012 because the Fund is holding a large balance that can be drawn on in the first months of 2012.
- Comparison of 2010 and 2011 overall results reflects the growth rate in revenues, including challenge programs, at 11-12% over 2010;
- The components of the 2011 financing were:
  - CRPs for which Window 1 and Window 2 funds and bilateral funding was employed (bilateral funding is defined to be a mixture of Window 3 and pure bilateral funding outside the CGIAR fund);
  - Genebanks which were funded entirely through Window 1;
  - Non-CGIAR Research Program activity which was financed by unrestricted and bilateral funding. This category comprises of all research done outside the CRP portfolio.
  - Stability Funding which compensated for the loss of Centers’ core funding prior to CRP start up through the year.
- Five CRPs were operational in 2011 (Aquatic Systems, Maize, GRiSP, Forestry and CCAFS);
- It was realized that a new set of annual reports is required to provide the transparency in financial reporting that has been agreed to in all parts of the System. The final report, which is expected to be issued within two months, will have disaggregated information.
- In 2011 not all CRPs were operational. The System therefore required a safety net that guaranteed a flow of resources equal to the level of 2010 unrestricted funding ($208.6 m). Up to $102.6 m was approved from Windows 1 & 2 ($82.6 m of which was disbursed) for the year implying that the other $106 m came from a combination of CRP funds and those that were received by Centers outside of Windows 1 & 2.
- Centers continue to experience problems on negotiations with donors on full cost financing. In order to move forward on this, the Consortium would like to undertake a review in 2012 of three aspects:
  - specific donor policies and experience based on 2011 results;
  - obtain very clear information on the cost structures, the overhead rates, direct cost rates at the Center level and put it into simple language;
o obtain comparative information because some donors perceive the CGIAR to be inefficient and comparator information is required to elucidate on this perception.

Discussion:

- Members endorsed the Consortium’s suggestion to carry out three reviews and welcomed clarity on full cost recovery and the overhead rates charged by Centers;
- Members commented that Centers follow very different methodologies in costing overhead charges, which at times appears to result in excessively high rates;
- The Consortium informed members that overhead rates are going down because the centers are modernizing and improving their cost recovery systems, and are using rigorous cost accounting methodology to assign direct costs and overheads appropriately;
- The Consortium agreed to provide the information requested by members regarding disaggregated financial information on how CRPs overall are resourced, and mapping of bilateral funding to CRPs for 2012, and if possible for 2011;
- In response to Members’ request for clarification on the full cost recovery charge for transferring funds between Centers or to outside partners, it was conceded that the issue was difficult to resolve. The Finance Director assured Members that Centers were not adding overhead on top of overhead, and committed to change the policy or write it in a way that is easily understood;
- Members requested a one pager for each center showing the source of funding from Windows 1, 2, 3, and bilateral funding related to each CRP and bilateral funding non-related to CRPs;
- Members inquired about movements in staffing levels which represent a large proportion of fixed costs in the CGIAR at the System level, specifically whether this has increased or decreased as a result of the reform process. It was clarified that staffing numbers are going up given the growth of the programs. Such information will be available in the annual financial report. The final 2011 Financial Report is expected to be available in July 2012.

Process for CSP Amount Collection from Centers on Bilateral Funding - Gordon MacNeil also presented the process for collecting the Cost Sharing Percentage (CSP) amount on bilateral funding and an update on the CSP amount recovered from Centers in 2011.

The following points were highlighted:

- Need for a common understanding of what the issue is and a shared commitment to end the unbalanced responsibility of paying the system cost;
- Recognition by donors that full implementation of the original procedure is not immediately possible due to the large proportion of the legacy bilateral portfolio, i.e. projects started before 2011 which the Consortium has exempted from CSP collection, hence an interim compromise is required;
- Ability to accelerate the internal cost recovery procedures and lower overhead rates so that the additional CSP can be accommodated within a total that is acceptable to all parties;
- Need for a policy, a plan for way forward and a timetable accepted by all parties;
- Restricted funding is the restricted grant total that qualified for collection of the CSP, because it was negotiated between the Centres and the Consortium Office after January 1, 2011;
- Not all Centers were able to submit the CSP (2% in 2011) even from the small fraction of non-legacy programs. The total resources collected were $1.15 m from non-Fund grants, including both unrestricted and restricted.
• In 2012 system costs are projected at $14-15 m (excluding costs of IEA and GCARD2) and CGIAR funding is expected to be approximately $ 750 to $800 m; resultant CSP range is therefore about 2%. However, since a significant quantity of direct bilateral funds will continue not to pay their CSP contributions, and a lower proportion of systems costs will be met from sources other than Window 1, the CSP collected will not cover the full CSP requirement in 2012.

Discussion:
• On the question of the One Corporate System (OCS), the Consortium clarified that it is an Enterprise Resource Planning (ERP) tool which will be a financial system, a human resources management system and a project management system. It is presently in the design stage. Ten Centers and the Consortium Office have already signed up for it. All Centers but one will adopt the OCS as a common system for chart of accounts structures and financial reporting, making things simpler to administer and track.
• Members commented that the implication of the CSP figures for 2012 is that the system charge will be above 2% for Windows 1 and 2 donors because large components of total funding are for legacy projects which do not pay the full costs. Members requested to be informed of the projected percentage in the next two years.

Conclusions:
• Consortium will provide FC a short document that provides an explanation of the One Corporate System.
• Consortium will provide an estimate of long term projections to see how quickly CSP collection will reach a stable situation.
• Consortium will look at legacy projects to ascertain if full cost recovery principles can be implemented.

2012 CRP Financing Plan - Gordon MacNeil presented a summary of the 2012 CRP level financing plan. He highlighted the following points:
• The assumption is that all 15 CRPs will be operational in 2012 for a whole 12 months. This includes those CRPs that have not yet been fully approved as the Joint Agreement makes allowance for back dating CRP requests for funding by 6 months.
• The financing plan does not include funds for gene banks or the system costs, both of which are financed separately but from the same sources of funding as CRPs. However this report deals specifically with CRPs.
• Based on CRP proposals that FC has approved or is in process of approving, the CRP financial requirement in 2012 is $809 m of which 400 m will come from Windows 1 and 2;
• A harmonization process looking at differential assumptions in management costs of CRPs and a reasonable trajectory of demand of Windows 1 and 2 funding in 2012 will lead to a better allocation process in 2013. The harmonization outcome will start with the actual resources for 2012 and the approach should assist the Consortium to better plan for CRP resource allocation in future years assuming, among other things, future financing information will become more stable and predictable.
• Based on an allocation model to establish Window 1 and 2 distribution plan for 2012, all CRPs will receive at least 72% of their budget in 2012 estimated on currently available resources;
• For GRIiSP and CCAFS the year 2 allocation was maintained at year 1 level as both CRPs were approved at a growth level in 2010;
• All Centers have accepted the results of the model.
**Discussion:**
- Members requested to see the breakdown of inflows from Windows 1, 2 and 3, as it would provide transparency on the balance of the funding;
- It was clarified that the genebank funding is not included in the funding plan for CRPs in 2012, but will be included in the total requirement from Windows 1 and 2;
- It was clarified that the Generation Challenge Program is the only Challenge Program that will continue to receive exceptional funding for an additional two years, i.e. 2012 and 2013;
- On the question of the reduced level of funding established for CRPs in 2012, it was clarified that all contracts contain the clause that the contracted amounts are subject to availability of funding and hence would not require amendment to the contracts;
- Members commented that programs that were approved later than others have a lower funding rate and wondered if stability funding will be provided to the CRPs that have a higher unfunded components.
- Members queried whether the reduction in CRP budgets in 2012 would affect the contracted deliverables. It was explained that it may take longer to achieve the results. The Consortium would do some modeling to see what the long term effect would be with the reduction in resources to CRPs in 2012. This would also depend on how much Window 3 and bilateral resources go into supporting the work of the CRPs.
- On the question of re-prioritization of research objectives of FC-approved CRPs, deliverables may need to be revised. The ISPC Chair pointed out that ISPC has identified within CRPs those components that looked less likely to succeed or weaker in terms of quality of science. Hence, there is some basis of re-prioritization, if required.

**Conclusion:**
- *Consortium will provide a breakdown of inflows between Windows 1, 2 and 3. While revising the budgets to fit available funding is helpful, there may be an instance down the line where the FC may wish to allow the projected rate of growth to be maintained. Hence, a mechanism needs to be put into place for the FC to opine on the allocation of funding to CRP budgets.*

**Agenda Item 7. CRP1.2 Proposal (Revised): Humidtropics**

The CRP1.2 proposal was introduced by the Consortium Board Chair and presented by Nteranya Sanginga, Director General of IITA (the Lead Center).

The ISPC Chair gave a summary of the ISPC's written commentary previously circulated to the Fund Council. The commentary noted that “the proposal still requires substantial revision before it is considered adequate as a proposal for a long-term research program.” The ISPC recommended approval for SRT1 activities for 18 months only, with resubmission to the ISPC after 12 months.

**Discussion:**
- FC members appreciated the improvement made in the revised CRP1.2 proposal relative to the previous version; however, there was also broad agreement with the ISPC’s assessment that the proposal still requires substantial revisions;
- Members were pleased with integration of the SSA Challenge Program (CP) and the CIALCA project into CRP1.2; there are lessons to be learned from the SSA CP’s innovation platform sites;
- The proposed partnerships with non-CGIAR institutions were welcomed but would need further enhancement;
There was support for the program’s geographical scope with dominant focus on the tropical humid lowlands but also reaching out to the sub-humid tropics and tropical highlands; this view differed from ISPC’s recommendation;

The proposal should elaborate on the extent to which the proposed integrated approach to sustainable intensification of humid tropical systems differs from the earlier farming systems research and extension (FSRE) approaches and integrated agricultural and rural development initiatives; it should take into consideration the lessons learned from the long years of experience of IITA in FSRE in the humid tropical lowlands as pointed out by ISPC;

There is a need to clarify at what point the CGIAR should hand off the program activities to national programs;

The trade-offs between production intensification and environmental sustainability should be articulated;

Clarify the relationships with or contributions of the other CRPs;

On the budget, a justification for high level of overhead cost component was requested.

Proposed CRP1.2 Budget and Financing

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Conclusions:

- *FC thanked Nteranya Sanginga for presenting the revised CRP 1.2 proposal and responding to questions and comments from FC members.*

- *FC Chair thanked the ISPC for its comments and recommendation on the proposal. She noted that the recommendation was a variation of the categories of decision that were previously agreed upon for the CRP proposals. She asked the Fund Council to consider a more manageable approval process for CRP1.2, i.e. to decide to fully approve the proposal, approve it with conditions, or reject it.*

- *FC’s decision on the proposal is presented in the conclusions under Agenda Item 12.*

Agenda Item 8. CRP1.1 Proposal sub-component (Agrobiodiversity)

The Agrobiodiversity proposal was introduced by the Consortium Board Chair and presented by Emile Frison, Director General of Bioversity.

The ISPC Chair gave a summary of the ISPC’s written commentary previously circulated to the Fund Council. The ISPC recommended that the proposal be rejected (Category IV) for the following reasons:

1) the proposal does not fit as a stand-alone component within CRP1.1 to which it is only peripherally related;

2) the scientific justification and quality of the proposed work is weak; and

3) the plausibility of impact is low.”
However, the ISPC commentary noted that “the CGIAR has a role to play in research on in situ conservation and use of agrobiodiversity, but continued effort is needed to define this role and develop the research in a manner that supports the CGIAR reform.” In ISPC’s view, the Consortium Board is in a position to provide leadership in developing a unified CGIAR approach to genetic resources and global and regional arrangements for genetic resources conservation, research and policy.

Discussion:

- There was broad agreement among FC members about the importance/value of in situ conservation and management of agricultural biodiversity and a recognition that the CGIAR has a significant role to play in it;
- FC members generally share the ISPC comments on the scientific quality of the proposal, the lack of clear impact pathways and specified contribution to the CGIAR system level objectives, and the insufficient opening of participation to partners, including those in academia;
- The lack of fit within CRP 1.1 was raised as a major issue; a clear compelling demand for the services offered was not articulated;
- There was a question of whether adequate consideration was given to embedding the proposed program within the CRP3 portfolio or in other CRPs; it was suggested that that the Consortium Board should review the positioning of the agrobiodiversity proposal;
- Some FC members also suggested exploration of the possibility of combining the in situ conservation and research activities with those of the ex situ activities proposed by CGDT into a CRP on genetic resources; such a CRP is envisioned to provide leadership, coherence and support to strengthening the in situ activities within the existing CRPs and identify and address gaps through partnership and targeted funding;
- There was also a suggestion to integrate in situ conservation work within the commodity CRPs, arguing that a closer link between conservation and usage of genetic resources should be built in;
- The public good research to be done by the centers concerned needs to be made clear relative to what the national programs are able to provide;
- In responding to some of the comments, Emile Frison pointed out that:
  - there has been strong demand for in situ conservation from partners in the South (e.g. FARA, APAARI and AARINENA);
  - the international treaty on plant genetic resources for food and agriculture has relevance in terms of policy to both ex situ and in situ;
  - the important role of work in the universities is recognized; the CGIAR’s contribution is to translate the theoretical work into methodology that can be applied to conservation work;
  - it is important to maintain coherence in the program; there is doubt that the recommendation to divide the work into small pieces in different CRPs would be able to deliver the desired results; the fact that in situ conservation was not included in the specific crop CRPs that have been approved is an indication that it would not work;
  - a lot of the details are still to be developed in the process of implementation.

Conclusions:

- FC thanked Emile Frison for presenting the Agrobiodiversity proposal and responding to questions and comments from FC members.
- FC Chair summed up the key points made as follows:
there was agreement that in situ conservation is important; so important that it has not been integrated into the crop CRPs up to this point;

- some issues related to technical merits were raised by the ISPC but were not considered to be stumbling block to the reconsideration of in situ research in an alternative arrangement;

- the main question was where should the work be located; options mentioned were CRP2, CRP3 portfolio, or combined with the genebank program into one CRP on genetic resources;

- any proposal should address more specifically the comparative advantage of the CGIAR in undertaking this work;

- the Consortium Board should play a role in addressing some of the key questions raised.

- FC’s decision on the proposal is presented in the conclusions under Agenda Item 12.

### Agenda Item 9. CGIAR Principles on the Management of Intellectual Assets

Jonathan Wadsworth framed the discussion on this agenda item. He pointed out that the document “CGIAR Principles on the Management of Intellectual Assets” or “CGIAR IA Principles” tabled for consideration at FC7 was the product of many months of Fund Office-facilitated negotiation between an IA working group of the Consortium (composed of representatives from Consortium Board, Consortium Office, and Centers) and a group of Fund Donors (World Bank, USAID, BMGF, EIARD, FAO, Australia, Japan, and CIDA). It reflected a compromise that “balances trust and Center autonomy with accountability and transparency.” He also pointed out that the Consortium Board approved the CGIAR IA Principles on March 1 for inclusion in the Common Operational Framework (COF), and that consequently, if the document were also approved by the Fund Council for inclusion in the COF, it would be effective immediately (and immediately incorporated by reference in the COF).

**Discussion:**

- FC members expressed appreciation for and applauded the cooperation of all concerned (i.e. Consortium/ centers and donors) that enabled the process to move forward and produce a version of the CGIAR IA Principles document that was ready for consideration by the Fund Council;

- It was specifically highlighted that what has been achieved would assist the CGIAR System in pursuing public-private sector partnerships that are critical to agricultural research for development;

- Most of the FC members expressed support for the approval of the CGIAR IA principles as presented; however a few did raise some issues or concerns;

- Expressing concerns on the text of paragraph 2.4 of Annex 1 of the CGIAR IA Principles document, CIDA pointed out the “current authority of its grants does not extend to funding and expenditures the objective of which is to fend off legal action or address threats of legal action. As such should there be a legal action or a threat of legal action, and should the Fund Council decide to make expenditures to address the problem, CIDA could not make any financial contribution to that end unless and until it has secured additional financial and program authorizations.” In a response to these concerns, it was pointed out that the spirit of the language used in the aforementioned paragraph emphasizes the need for the Fund Council, Consortium and Center concerned to work in concert to address any potential legal action or threat of legal action in the worst case scenario of breach of confidentiality obligation; funders are not committing to any financial restitution.
• FAO expressed the view that the Principles were not ready for adoption. The concerns were on the question of authority of the Consortium to unilaterally approve any deviations to the Research and Emergency Exemptions by the Centers and on the level of transparency in connection with the “high level report” from the Consortium to the Fund Council. FAO clarified that it would not oppose a consensus on the CGIAR IA Principles. However, it requested that its concerns be reflected verbatim in the meeting summary. The full text of FAO’s statement is presented in Annex 2.

• The chair of EIARD, on behalf of the constituency of European donors, indicated that EIARD members had reached a consensus to support the adoption of the proposed CGIAR Principles on the Management of Intellectual Assets even though several European donors are still concerned about the content of this text. In particular, EIARD strongly regrets that the last "Whereas" (page 1) has been changed from its initial wording, i.e.: "Whereas these CGIAR IA Principles shall not be interpreted or applied in a way that infringes on fundamental human rights...", to a less committing "Whereas these CGIAR IA Principles are intended to be consistent with fundamental human rights...".

• Expressing concerns on behalf of its small farmer and civil society constituencies, GFAR pointed to two issues: 1) ensuring the transparency of the high level reporting process, on which it agreed with the comments made by FAO; and 2) addressing the gap in the treatment of farmers’ rights in the CGIAR IA Principles document. While it did not wish to delay the adoption of the CGIAR IA principles, GFAR was expecting that the development of implementing guidelines and the learning period allowed would provide an opportunity to satisfactorily resolve the transparency issue and the specific recognition of the farmers’ rights implications in the CGIAR IA Principles. GFAR also noted the issue of limited capacity of many national systems to deal with intellectual assets issues in their own right. It urged the CGIAR to revisit the capacity development service function provided by the former Central Advisory Service on IP (CAS-IP).

• In responding to a request for further clarification on the reasons for possible restrictions of CGIAR IAs to global accessibility, the FC Chair pointed to a set of examples described in a document provided by the Consortium/Centers;

• The importance of formulating a clear set of implementing guidelines was emphasized to address the observation that the CGIAR IA Principles document does not elaborate on “how” the stated principles will be operationalized. The principles concerning “farmers’ rights” were specifically highlighted;

• It was recommended that the Consortium should immediately reflect on its communication strategy relating to the CGIAR IA Principles.

Decision:

• The Fund Council adopted the CGIAR Principles on the Management of Intellectual Assets as part of the COF for an interim period of two reporting cycles beginning in 2012 to allow learning from the evidence base. In reaching this decision, the Fund Council noted the following:
  - The Consortium and Centers are committed to using their best efforts to making their Limited Exclusivity Agreements and Restricted Use Agreements publicly available key information about their Limited Exclusivity Agreements and Restricted Use Agreements within a policy of transparency which is only limited by the need to protect legitimate research partner interests in proprietary technology (e.g., regulatory or non-patentable technology), trade secrets and competitively sensitive commercial terms;
The Consortium agrees to maintain a publicly accessible consolidated register or platform of all publicly disclosed information on all Limited Exclusivity Agreements and Restricted Use Agreements entered into by Centers including press releases, web notices, blogs, and solicited (public) correspondence.

The Consortium will develop Implementation Guidelines that are coherent and fully consistent with the agreed CGIAR IA Principles and will be shared with the Fund Council for information.


The proposal for long-term support of CGIAR genebanks (In Trust for the International Community: Plan and Partnership for Managing and Sustaining CGIAR-held Collections of Plant Genetic Resources) was introduced by the Consortium Board Chair and presented by Cary Fowler, Executive Director of the Global Crop Diversity Trust (GCDT).

The ISPC Chair gave a summary of the ISPC’s written commentary previously circulated to the Fund Council. The ISPC recommended that the proposal be approved, pointing out that the long-term sustainability of genebank management and funding is critical to the success of the CGIAR. The commentary also suggested that the Consortium Board and the GCDT need to review the growth and adequacy of the endowment fund being developed to support ex situ conservation of crop genetic resources.

Discussion:

- There was general recognition of the need to intensify efforts to secure the required endowment to put the genebanks on a more solid footing in terms of funding;
- It was suggested that the Consortium should explore the possibility to add to the current GCDT Genebank proposal some of the in situ agrobiodiversity conservation activities, combining both ex situ and in situ into a broader CRP;
- Some members sought greater clarity on the management structure, how decisions are being taken on eligibility of Centers for Trust funding of genebanks, and on flow of funds;
- For GCDT’s campaign to increase the endowment fund, it was suggested to reference the results of previous studies on returns on investment in genebanks;
- The issue of high variation in budget allocation to Centers was raised;
- The potential overlap in costing mechanism, i.e. between those provided in the CRPs and those included in the genebank funding proposal was also flagged;
- Clarification was sought on eligibility of the genebank program for Window 2 and Window 3 funding;
- In his response to some of the questions and comments, Cary Fowler pointed out the following:
  - Increasing the endowment for genebanks is a shared responsibility with the CGIAR; the GCDT would welcome efforts to help increase the endowment fund;
  - on the possibility of combining ex situ conservation work with in situ work, the Trust has a constitutional mandate to focus on ex situ conservation of genetic resources; in its view, in situ and ex situ conservation management and research requirements have fundamental differences;
  - in most cases, variation in allocation of funding to Centers could be explained, but there are also cases where improvement in allocation is needed;
ensuring no overlap in funding is certainly an objective; the genebank program will look into the budgets and determine if allocation for genebank operation is provided within those CRPs.

- Gordon MacNeil (Consortium Office) responded to questions on the mechanism of funding and funding flows, pointing out the following:
  - financial resources are received by Bioversity on behalf of the Consortium; the Consortium Office issues the instructions to Bioversity on financial transactions; this arrangement will continue until the host country agreement for the Consortium Office is signed;
  - genebank program is eligible for Window 2 funding; Window 2 funds earmarked for genebank funding will be disbursed first;

- Jonathan Wadsworth confirmed that the genebank program could be funded as well from Window 3. However, a side agreement will need to be signed; he clarified that the Fund would not be managing the money flow to Window 3.

**Proposed Genebanks Budget and Financing**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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<tr>
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<td>18.6</td>
<td>18.7</td>
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</tr>
<tr>
<td>Window 3 &amp; Bilateral</td>
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<td>2.6</td>
<td>2.9</td>
<td>3.1</td>
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<td><strong>Total</strong></td>
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<td><strong>20.8</strong></td>
<td><strong>21.2</strong></td>
<td><strong>21.7</strong></td>
<td><strong>22.2</strong></td>
<td><strong>22.7</strong></td>
</tr>
</tbody>
</table>

**Conclusions:**

- FC thanked the Consortium and Cary Fowler for presenting the genebank proposal.
- FC’s decision on the proposal is presented in the conclusions under Agenda Item 12.

**Agenda Item 11. Update on the Establishment of IEA**

Jean Lebel made a brief presentation on the overall progress of the establishment of the IEA, and in particular, on the search and selection process for the Head of IEA. He reported that process is underway and that the search and selection committee which he co-chairs with Ann Tutwiler, Deputy DG of FAO, has began its work. He summarized the qualifications of the individual that the committee is looking for, the details of which are given in the ToR and the position vacancy announcement for the Head of IEA.

Jonathan Wadsworth also made a brief presentation clarifying the major types of independent external evaluation or assessment covered by the CGIAR evaluation policy approved by the Fund Council. The need for clarification was prompted by some questions on who is responsible for what type of evaluation or assessment. The following table was presented:
<table>
<thead>
<tr>
<th>Type</th>
<th>Managed by</th>
<th>Timing/Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Ex ante</em> assessment of CRP proposals</td>
<td>ISPC</td>
<td>Prior to Fund Council decision on the proposals</td>
</tr>
<tr>
<td>CRP-commissioned external evaluations</td>
<td>CRP management/Lead Center</td>
<td>To be agreed in the planning process</td>
</tr>
<tr>
<td>of CRP components</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Ex post</em> independent external evaluations</td>
<td>IEA</td>
<td>Once per cycle</td>
</tr>
<tr>
<td>of CRPs</td>
<td></td>
<td></td>
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<tr>
<td>Impact assessment of a research area or research issue (it is summative analysis, not a progressive evaluation)</td>
<td>SPIA</td>
<td>As per work-program approved by Fund Council</td>
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<tr>
<td>CGIAR system-wide evaluation</td>
<td>IEA</td>
<td>Every 6-7 years</td>
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</tbody>
</table>

**Discussion:**

- It was clarified that the Head of IEA is a full-time Director level position (D1) at FAO;
- The search and selection committee does not expect that FAO would impose country weightings in appointing the Head of IEA. It is clear that the Head of IEA will be reporting directly to the CGIAR Fund Council.
- It was reiterated that for credibility in the role that the individual is expected to play (i.e. as head of IEA), he/she should have outstanding credentials in evaluating agricultural research, not in evaluating development projects. He/she is not an evaluation scientist, but someone who understands the core business of the CGIAR.
- There is a need to communicate to the Consortium and Centers the evaluation capacity of IEA and how it will undertake the evaluation work. The approved ToR of the IEA Head will help in responding to the questions.
- The FC Chair pointed out that there is a need to carefully assess evaluations in a multilayered evaluation system.

**Agenda Item 12a. CRP3.5 Proposal (Revised): Grain Legumes**

The revised CRP3.5 proposal Grain Legumes submitted by the Consortium was presented for Fund Council’s virtual approval on a 'no objection' basis on Feb. 23, 2012. Subsequently, Fund Council members from the European constituency sent notification to the Fund Office of their objection to the virtual approval of this proposal. They indicated that "the reasons for this objection are detailed in the ISPC comments on the revised proposal."

In accordance with the Fund Council’s decision-making process on CRP proposals, the revised CRP3.5 proposal was included as an additional item in the FC7 agenda.

The proposal was introduced by the Consortium Board Chair. William Dar, Director General of ICRISAT (the Lead Center) joined the meeting through telephone.

The ISPC Chair gave a summary of the ISPC’s written commentary previously circulated to the Fund Council. The ISPC recommended that the proposal be substantially revised paying particular attention to a number of unmet ‘must haves’. The ISPC Chair pointed out that the question was how the FC could ensure that the ‘must haves’ would be fully addressed. In ISPC’s view, if the ‘must
haves’ are not fully met the Council would be faced with the same question three years from now (i.e. after the first cycle of implementation) on the rationale for its continued investment in the program.

Discussion:

- EIARD reiterated the reasons for its objection to the virtual approval of the proposal;
- While other FC members also agreed with most of the ISPC comments and indicated that they should be followed through, they did note and acknowledge many improvements in the proposal;
- The need to make a stronger case for prioritization, put in place processes for consultation with other CRPs particularly CRP1.1, and strengthen the M&E system were emphasized;
- Major concern was expressed about the lack of data on grain legumes that are critical for strategic decisions, leading to a suggestion to look at revisions that include time to obtain those data; however, BMGF informed the Council that it has commissioned an assessment study on grain legumes and offered to make available the data generated to the CRP3.5 proponents; the data are expected to be available in a few months;
- The limited amount of time during which the proponents had to address the ‘must haves’ was raised. However, it was clarified that the timing of the submission of the revised proposal was not imposed, rather it was a decision that the proponents made. The timing of the FC meetings this year was one of the factors considered in making that decision.
- William Dar thanked the Fund Council members for statements of support for the proposal and for the points made to guide the proponents in revising the proposal. On the issue of insufficient data, he proposed to continue to use what is available and build on them during program implementation.

Proposed CRP3.5 Budget and Financing

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Windows 1&amp;2</td>
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<td><strong>38.853</strong></td>
<td><strong>48.008</strong></td>
<td><strong>52.274</strong></td>
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</table>

Conclusions:

- **FC thanked William Dar and his co-proponents for the revised CRP3.5 proposal.**
- **FC’s decision on the proposal is presented in the conclusions under Agenda Item 12.**

Agenda Item 12b. CRP3.6 Proposal (Revised): Dryland Cereals

Like CRP3.5, the revised CRP3.6 proposal Dryland Cereals submitted by the Consortium was presented for Fund Council’s virtual approval on a ‘no objection’ basis on Feb. 23, 2012. Fund Council members from the European constituency sent notification to the Fund Office of their objection to the virtual approval of this proposal indicating that the reasons were detailed in the ISPC comments on the proposal.

In accordance with the Fund Council’s decision-making process on CRP proposals, the revised CRP3.6 proposal was included as an additional item in the FC7 agenda.

The CRP3.6 proposal was introduced by the Consortium Board Chair, William Dar, Director General of ICRISAT (the Lead Center) joined the meeting through telephone.
The ISPC Chair gave a summary of the ISPC’s written commentary previously circulated to the Fund Council. The ISPC recommended that the proposal be substantially revised paying particular attention to a number of unmet ‘must haves’. Many of the points made on CRP3.5 proposal were similar to those made by ISPC on the revised CRP3.6 proposal. However, the ISPC chair pointed to two additional aspects of CRP3.6 that were not key factors in the consideration of CRP3.5: 1) demographics of change in rural SSA and South Asia, i.e. the massive migration of population from rural to urban areas, which has significant implications on the future production and use of dryland cereals (sorghum and millet), and 2) millet and sorghum are produced in the same environment pointing to huge spillover potential of research on issues like resistance to environmental stresses, water productivity, and others.

**Discussion:**
- Two questions were asked related to the key factors that the ISPC Chair mentioned should have been considered in revising the proposal: 1) whether addressing productivity improvement issues of dryland cereals to benefit the current rural population in the areas those crops are grown is still a key objective, and 2) in the context of heat tolerance, drought tolerance, resilience, and changing climate how in his view would sorghum and millet look 10 to 15 years from now;
- In response to the above questions, the ISPC Chair acknowledged that helping the poor people in the areas mentioned remains a key objective; however, he argued that there are other interventions that could be made during the transition period to help the population in those areas. On the second question, his view is that the work on the crop traits mentioned should not be crop-specific given the complexity of those traits; although sorghum and millet are suitable for growing in dryland areas, other options for improved crop production in those areas should also be considered;
- The issue of insufficient data and analysis was also raised;
- William Dar thanked the FC members for their comments. In his response he highlighted that CRP3.6 provides an opportunity to address the underinvestment in helping the poor people in dry areas where sorghum and millet are grown.

**Proposed CRP3.6 Budget and Financing**  
(in $ million)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
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<th>Year 2</th>
<th>Year 3</th>
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<td>23.786</td>
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</table>

**Conclusions:**
- *FC thanked William Dar and his co-proponents for the revised CRP3.6 proposal.*
- *FC’s decision on the proposal is presented in the conclusions under Agenda Item 12.*

**Agenda Item 12. Decision Session on CRP Proposals**

The Chair reminded the FC of the four categories of decisions that were adopted at FC4 in the Council’s decision making process. They are as follows:

**CATEGORY I: Approval**
- Light adjustments which the Fund Council expects proponents to take into consideration
CATEGORY II: Approval with conditions
- ‘Must haves’
- ISPC review of revised CRP proposal with ‘Must haves’ addressed
- Virtual ‘no-objection’ approval of the proposal by the Fund Council
- If there is objection, decision will be taken at a face to face Fund Council Meeting

CATEGORY III: Request re-submission of the CRP proposal
- Substantial ‘must haves’
- ISPC review of revised CRP proposal with ‘Must haves’ addressed
- Decision taken at a face to face Fund Council Meeting

CATEGORY IV: Rejection

The Chair also pointed out that FC has been following a tradition of taking decisions by consensus. She also emphasized the importance of making absolutely clear the messages that the FC would like to convey to the Consortium Board and the CRP proponents.

Decisions:

❖ CRP1.2 Proposal (Revised): Humidtropics

The overall proposal (program content, total budget and its components) was approved with conditions (Cat II decision), i.e. subject to meeting fully the following ‘must haves’:

ISPC ‘must haves’:

1) Greater prioritization required, namely: a) Research questions and approaches for most important Action Sites; b) Selection of sites; c) Identify the research to be provided by others in the same zones; d) Demonstrate scientific lessons learned from prior research; and e) Means to evaluate the effectiveness of the research identified;
2) Identify impact pathways that map onto the SLOs;
3) Greater priority to tree crops; and
4) Show mechanism for transition to new place-based research (with appropriate growth rate and budget).

FC ‘must haves’:

1) Genuine cross-Center collaboration with development results;
2) Convincing case that proposal will impact on the 4 SLOs;
3) Greater clarity on needs and deliverables;
4) Elaborate on the cross linkages with other CRPs;
5) Elaborate on the extent to which the proposed integrated approach to sustainable intensification of humid tropical systems differs from the earlier farming systems research and extension (FSRE) approaches and integrated agricultural and rural development initiatives;
6) The trade-offs between production intensification and environmental sustainability should be articulated;
7) There is a need to clarify at what point the CGIAR should hand over some of the program activities to national programs; and
8) A justification for high level of overhead cost component in the budget should be included.
CRP1.1 Proposal Sub-component (Agrobiodiversity proposal): *Enhancing the in situ management of agricultural biodiversity*

Submitted as a component of CRP1.1 (Dryland Systems), the Agrobiodiversity proposal was **not acceptable to the Fund Council (Cat IV decision: Rejection).** There is a need to develop a system wide view of how to treat *in situ* agrobiodiversity that would involve not only the Centers concerned but also other institutions or alternative suppliers outside the CGIAR. It should also draw inputs from the ISPC and Fund Council members. The Consortium is requested to develop a system-wide proposal on how *in-situ* agrobiodiversity conservation and management can be best addressed taking account of the existing CRP portfolio.

Proposal for Long-Term Support of CGIAR Genebanks

The proposal for long-term support of CGIAR genebanks (*In Trust for the International Community: Plan and Partnership for Managing and Sustaining CGIAR-held Collections of Plant Genetic Resources*) was **approved (Cat I decision)** with a budget of $108.6 m for 5 years, including $92.7 m from Windows 1 and 2.

CRP 3.5 Proposal (Revised): *Grain Legumes*

The overall proposal (program content, total budget and its components) was **approved with conditions (Cat II decision), i.e. subject to meeting fully the following 'must haves':**

**ISPC 'must haves':**

1) Provide a stronger description of the potential of research on grain legumes to decrease poverty and hunger as a basis for prioritizing crop-region-constraint combinations;
2) A work plan with more focus and fewer product lines, moving from individual programs to a global program within a CRP;
3) Given limited success to date in the adoption of improved grain legume technologies, demonstrate feasible impact pathways, citing relevant references and documentation; and
4) This CRP should be closely allied to and integrated into the system CRPs, and particularly CRP 1.1;

**FC 'must haves':**

1) Further attention should be given to M&E System; and
2) There is a need for better integration of the crop improvement aspects with resource management.

CRP 3.6 Proposal (Revised): *Dryland Cereals*

The overall proposal (program content, total budget and its components) was **approved with conditions (Cat II decision), i.e. subject to meeting fully the following 'must haves':**
**ISPC ‘must haves’:**

1) Provide an improved analysis and presentation of the target populations who can realistically be expected to benefit from the CRP 3.6 research;
2) Better justify and prioritize proposed work plans on a crop-specific basis; pool research efforts in identified areas across two or more of the dryland cereals for greater efficiency;
3) Reduce the scope of research in terms of crops and target areas when likely effectiveness of the research at scale cannot be demonstrated;
4) Do an analysis of current work to identify barriers to adoption and shifting to new areas of innovative research and approaches to overcome these barriers;
5) Present new and innovative approaches to overcome constraints to adoption...;
6) Present realistic and research-specific impact pathways that carefully address the conditioning factors and incorporate feedback loops; and
7) Show better integration of CRP3.6 with CRP1.1, as well as justification for their separate identities or merger; there needs to be a plan to monitor the impact pathways for CRP 3.6 cereals research drawing lessons from both CRPs.

**FC ‘must haves’:**

1) Provide further attention to Monitoring and Evaluation system;
2) Present evidence of linkages with the Regional Fora; and
3) Provide information on formal commitment of other partners.

**Decision Matrix:**

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<thead>
<tr>
<th>CRP No</th>
<th>CRP Title</th>
<th>Lead Center/Institution</th>
<th>Total Budget ($m)</th>
<th>Funds from W1&amp;W2 ($m)</th>
<th>No of Years</th>
</tr>
</thead>
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<td>CRP3.5</td>
<td>Grain Legumes</td>
<td>ICRISAT</td>
<td>139.135</td>
<td>95.173</td>
<td>3</td>
</tr>
<tr>
<td>CRP3.6</td>
<td>Dryland Cereals</td>
<td>ICRISAT</td>
<td>84.328</td>
<td>55.898</td>
<td>3</td>
</tr>
</tbody>
</table>

**Category I Decision – Approval**

<table>
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<tr>
<th>CRP No</th>
<th>CRP Title</th>
<th>Lead Center/Institution</th>
<th>Total Budget ($m)</th>
<th>Funds from W1&amp;W2 ($m)</th>
<th>No of Years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In Trust for the International Community: Plan and Partnership for Managing and Sustaining CGIAR-held Collections (Genebanks)</td>
<td>Bioversity</td>
<td>108.600</td>
<td>92.700</td>
<td>5</td>
</tr>
</tbody>
</table>

**Category II Decision - Approval with conditions**

| CRP 1.1 SRT5 | Agrobiodiversity | ICARDA/Bioversity | 49.665 | 12.774 | 3 |

**Category IV Decision - Rejection**

- **Proponents of CRP1.2, CRP3.5 and CRP3.6 should take the necessary time to adequately address the ‘must haves’. The FC request that the ‘must haves’ are fully met. The fundamental aspects raised by ISPC on the CRP3.6 proposal should be given special attention.**
• The process for addressing the 'must haves' needs to involve the concerned Centers, which should reach out to institutions outside the CGIAR for advice and inputs. The proponents should also invite the FC members who expressed specific concerns about the proposals as well as the ISPC with the understanding that it would be for the purpose of clarifying the 'must haves'. The engagement of the ISPC would not undermine the independent role it plays in the ex ante assessment of the CRP proposals.

Agenda Item 13. Harmonized Reporting

Jonathan Wadsworth framed the discussion, which is based on the draft templates for interim Annual Reporting from the Consortium. Jonathan noted that Anne Marie Izac from the Consortium Office was the principal coordinator of this effort and he was standing in for her as she was unable to be at the FC meeting.

The following points were highlighted:

• The objective of this exercise is to get to a point where the harmonized reports would cater to all needs and provide information in a transparent and common template across the System;
• The templates used in the 2012 reporting period will be for 2011 work. This is an interim measure and a learning process. Four to six CRPs will submit reports using these templates in 2012.
• The package consists of three templates:
  o high level progress report on the overall CRP portfolio developed by the Consortium Office and Board and is based on the individual CRP progress reports;
  o CRP progress reports; one for each CRP, based on very detailed supporting documentation; and
  o externally audited annual financial report of the Consortium and Centers with elements of the operational performance incorporated into it.
• The detailed supporting documentation will be available to all donors;
• In 2012, the annual progress reports from CRPs will contain meaningful indicators some of which will be common across the different CRPs.
• The Joint Agreement, Section G stipulates certain commitments on reporting requirements. A space holder was inserted at the time as at that stage the detailed templates had not been developed.
• A comparison of the elements contained in Section G of the Joint Agreement and any deviation from that based on the templates is provided for ease of comparison (provided in Annex 3). It maps across the intent of the information which is now contained in the templates.

Discussion:

• Members wished to understand the process that will be put in place to come up with a permanent system as it was felt that the process to arrive at this stage has not been very robust. It was pointed out that the Consortium Office and the Fund Office are open to work with FC members on a better process to carry out a rigorous evaluation of the robustness of the templates and to come up with other proposals for improvement, if required;
• The Consortium Board Chair emphasized that their needs to be rules of engagement that need to be followed by donors as well as the Centers to avoid unpleasant surprises. He also pointed out that not only the first 2 fast-trackers but also 3 other CRPs that have been
functioning for at least 6 months will present reports by April 30. The Consortium will complete the cross CRP analysis and make it available to all donors in August. The information will be available online so that it is easily accessible and at the level of detail that donors wish to delve into.

- Members recognized the importance of the templates not only for reporting purposes but also for learning through the process and using the results of the reporting for advocacy within organizations;
- The work to be undertaken on developing common indicators will be valuable to help simplify and communicate coherently how the new CGIAR System is performing and how CRPs are contributing to the System as a whole;
- Members urged the Consortium to consider a system level framework that could be composed of such elements and serve as an annex to the strategy and results framework.
- Members expressed satisfaction to see the inclusion of gender equality indicators at both the output and outcome level of the reporting and encourage CRPs and the Consortium to take the opportunity to include gender aggregated data in all of its reporting to the extent possible, especially through the process of developing common indicators;
- Members were pleased to see that the Consortium monitoring principles include an openly accessible website for the monitoring of information that can be accessed by donors and would be especially useful for the different reporting cycles and to be able to draw on those preliminary results;
- Members encouraged the Consortium to include a common set of elements across CRPs to measure expected results such as smart indicators, targets, estimated timelines and means of verification and wondered whether there is a minimum frequency of updates;
- On the question of whether the reports would be available in 6 months as stated in Section G clause 19.4, it was clarified that the audited financial statement should arrive within 6 months after the calendar year. Section 20.2 in the Joint Agreement did not have a time frame for this overarching consolidated annual report which has financial and activity components. The addition of the August date is helpful because it specifies a date where none was available.
- Members emphasized that clarity is required not only on the general substance of the template but also on the form, as the experience has been of a wide variation in reporting making it very difficult to digest the information in a way that is comparable across CRPs particularly if it does not stem from common indicators;
- Members required that
  - Annual reports should conform to an agreed standard template;
  - Reports should be concise and focus on results, with links to be more detailed information on activities through web links;
  - Support the idea of a separate report targeted at a wider audience. This should include highlights of achievements;
  - Baselines need to be clearly defined and appropriate indicators, including quantitative indicators, used to record progress from the baseline (and/or previous year situation) to milestones, targets and outputs;
  - Any significant progress towards outcomes should be recorded;
  - The format should have sufficient flexibility to explain any deviations from the projected targets, such as unanticipated problems or opportunities for new lines of research;
  - The report should also mention progress in building the partnerships that are inherent to the CRP and on cross-cutting issues such as gender and capacity development.
- Indicators should build on existing frameworks for performance management and adopt common metrics where possible
- CRP management is required to develop the most appropriate indicators for their impact pathways. However, metrics used to measure progress at CRP level need to be sufficiently compatible so that the Consortium can accurately report on progress of the CGIAR system as a whole. Close coordination between the Consortium and CRPs is therefore essential for an accurate and efficient reporting system.

**Conclusions and Decisions:**

- *It is essential to have a system in place for regular reporting of CRPs and the CGIAR system on progress towards results and outcomes that meets the needs of all donors.*
- *FC approved the templates for adoption on a trial basis in 2012.*

**Agenda Item 14: Predictability of Funding**

Jonathan Wadsworth framed the discussion following on from the Donor Meeting that took place on March 6, 2012.

Jonathan commented that the donor meeting was extremely helpful and provided useful feedback to come up with a resource mobilization strategy for the overall CGIAR. The concept of a *compact* where different parts of the System work together to achieve the desired results was well received by the donors. Building on the feedback received from the donors, Jonathan highlighted the following points as a way forward:

- Funders were not receptive to a replenishment model and did not wish to go down that route at this stage;
- Concentrate on the general issue of multi-year funding as opposed to a specific way of getting there;
- CGIAR has moved from projects and Centers to programs and CRPs which leaves the System vulnerable in terms of timing on the inflow of funds, hence requires better information on donor funding and more commitment over the longer term;
- Require to concentrate very heavily on multi-year funding even if it is about multi-year promises than multi-year money inflow of funds;
- Work towards a three-year funding cycle and that donors are able to review results of CRPs, both past results and expected future results and satisfy themselves that in doing so they will get as much if not more back in terms of results which will in turn enable them to increase funding;
- The compact is fundamental, as it helps all parts of the System to create a rigor in looking for metrics, indicators, and results which will be tangible for the funders;
- The System benefits from greater funding from existing donors and new donors coming into the System;
- Endorsement of the idea of setting in motion a process which will enable the Fund Office to organize a discussion at Funders Forum among FC members and other donors about multi-year funding, and where some of the FC donor members could indicate their funding profile for the next 3-year cycle;
- Work with the Consortium to create the compact and take examples to the Funder Forum clear results frameworks at the CRP level to indicate what the System is offering those donors who are prepared to talk about multi-year funding;
- A commitment to have a conversation during the year on Window 3 which will not be mixed with the resource mobilization strategy;
Discussion:

- Some Members felt that the compact is clearly the way forward. A stronger commitment to time bound deliverables from the System as a whole is required. The harmonized reporting system presently being set up will need a convergence of views and willingness to compromise from all parts of the System. Donors will require more detail and definition of some of the indicators than currently available. Once donors have assurance on these issues, significant progress can be made towards the three-year funding period;
- Some Members indicated that their multi-year funding would be through Window 3 and, to the extent there is the ability to accept that, they could support the CGIAR in its efforts to move towards a multi-year funding profile;
- It was clarified that new funders could be eligible for a seat on the FC on contribution of $0.5 m per year. Funders would be known as CGIAR Fund Donors on contribution of $100,000 per annum;
- The Consortium inquired whether Window 3 funders would abide by the one harmonized reporting system being set up. It was explained that there was no difficulty in accepting the one harmonized reporting system as long as it was a system that all donors are comfortable with.

Conclusions:

- The Fund Council endorsed the approach to use the Funders Forum in Oct 2012 as the first collective indication session on multi-year funding for the CGIAR Fund.
- The 5 CRPs that are currently under implementation have results framework available for funders to use as basis for multi-year funding.
- There should be an effort to get other donors/funders to participate in the Funders Forum.

Agenda item 15. Any Other Business

At the opening session, the following items were requested to be added under Agenda Item 15.

- Readout from Alan Tollervey on Consortium Board Meeting
- Update from Japan one year after the Tsunami and Earthquake
- Letter from ICARDA Director General on contingency plan
- Arrangements for financing ex-post assessments
- GCARD 2 Budget
- Plan and process for 2013-2015 Fund Council Composition
- Selection of future venues for FC meetings

a) Readout from Alan Tollervey on CB Meeting

The following points were highlighted by Alan:
The 2 day board meeting was preceded by the meeting of the Consortium Board and the Center Directors General and Center Board Chairs; it was extremely positive. There were substantial issues on the agenda and it was very encouraging to see the extent to which Centers were trying to get to grips with the issues of CRP management;
- Jonathan Wadsworth’s resource mobilization strategy received a very positive response from the Centers. The effort the Fund Office is making to raise resources was recognized;
- Overall impression was of an organization identifying key challenges going forward and getting to grips with those;
At the Consortium Board Meeting, the following items were discussed:

- An interesting presentation was made on the new branding guidelines for the CGIAR as a whole;
- The SRF Action Plan was discussed. There are three elements to that going forward which are around building foresight work into the development of the new SRF, the prioritization of both among CRPs and within CRPs, both of which are key issues and between now and GCARD there is a lot of work to do;
- There was a presentation on the gender strategy which is making progress. The Senior Gender Adviser presented the strengths and the problems being faced in getting the strategy out across the whole suite of CRPs. From the presentation, CRPs are struggling to get to grips between the objective of having research focused on gender issues and mainstreaming gender in research. The most recently approved CRPs don't have their strategies in place and the gender focal points are young and inexperienced women. The presentation emphasized that senior male researchers are not taking gender issues as a key research strategy. FC may wish to track this very closely and offer support to the Consortium in their efforts to get the strategy implemented and be influential across the CRPs.
- There was a presentation from Gordon on resources which substantially has been given to the FC;
- There was a final discussion on the harmonizing of the CRPs which again is an issue of great interest to most of the donors, both in terms of financial harmonization which is an issue that the Consortium Office has to work with the lead centers but also intellectual or research harmonization.
- Monitoring and reporting was discussed. The CB recognizes the importance of having strong reporting mechanisms in place. Donors engaged in those dialogues, both in intellectual assets and on reporting, need to ensure that the relevant comments reach the Consortium on time.

b) Update from Japan one year after the Tsunami and Earthquake

Mr. Kenichiro Tanaka, Ministry of Foreign Affairs, Japan presented the Road to Recovery since the Great East Japan Earthquake.

Mr. Tanaka reminded FC members that the 9.0 magnitude earthquake, followed by innumerable aftershocks and a tsunami, resulted in over 15,800 dead, over 3,200 missing and over 6,000 persons injured. 342,000 inhabitants in the affected area were relocated.

The Government of Japan responded by providing housing facilities for displaced families, speedy reconstruction of infrastructure, spearheading voluntary reduction of energy use by 10-15%, speedy recovery of the mining and manufacturing industry and making the utmost effort to contain the spread of radioactive substances.

The Government of Japan continues a rigorous and intensive monitoring of the situation in the affected areas.

The Chair applauded the people of Japan for their voluntary social norms which allowed the country to increase its energy efficiency by 28% in 6 months and remarked that it is a testament to the resilience of the Japanese people. She requested Mr. Tanaka to convey the CGIAR Fund
Council’s best wishes to the people of Japan and its Government on the occasion of the 1st Anniversary of this terrible event.

c) Letter from ICARDA Director General on contingency plan

The Consortium Board Chair informed the Fund Council that he had been asked by the ICARDA Director General and the Chair of the Board of Trustees to bring to FC’s attention a contingency plan that has been drawn up by ICARDA following the tenuous situation presently prevailing in the Country. Although a budget was attached to the letter, there was no request for funding for the contingency plan at this stage. The letter was circulated and read at the FC.

Conclusion:
- The FC requested that the Chair write to the ICARDA Director General and to the Chairman of the Board expressing FC’s solidarity in this difficult time and wishing them well. FC will stay in contact with them and monitor the situation on the ground over the next few months.

d) Arrangements for Financing ex-post Assessments

Prabhu Pingali of BMGF framed the discussion. He informed the FC that, with the full support of DFID and EC, they would like to propose to put in place arrangements for financing ex-post assessments in the CGIAR.

The highlights of the proposal were:
- Although there is a monitoring and evaluation arrangement and an impact assessment framework that addresses CRPs, the proponents felt there is another level of impact assessment that is done at the Centers and needs to continue. Such studies may include, for example, determining impact of CGIAR crop germplasm cutting across CRPs. SPIA has conducted such impact assessments over time; however these activities are funded in an ad hoc manner by individual donors.
- It was observed that while there has been a strong track record of impact assessment work in certain areas of the CGIAR over the years, a strong ex-post impact assessment relative to the SLOs does not exist at this time.
- It was also noted that impact assessment is important for internal negotiations within donor institutions when funding priorities are determined and to demonstrate the visibility of the work that is supported. Therefore the proposal to both deepen the existing impact assessment and broaden it to cover the gaps in some areas would benefit the System as a whole.
- The proponents suggested a budget of $3 to $4 m dedicated for such activities and the Gates Foundation is willing to make a grant for the second phase of the germplasm impact assessment.
- It was proposed that FC create a mechanism for funding long term impact assessment through SPIA that is additional to the CSP and CRP evaluation that will be managed by the IEA.

Discussion:
- Donors suggested that FC be used as the mechanism for determining impact assessment studies. It was pointed out that the FC meets bi-annually and could determine the highest priority impact assessment areas with guidance from the Consortium and the ISPC.
Donors wished to see the impact assessment go beyond measuring yield productivity and pecuniary benefits to look at nutritional outcomes, household food security, health etc. Specific areas of work were suggested such as gender assessment, attribution of the international input and national input, etc.

Donors wished to ensure that whatever mechanism is worked out, it keeps the expertise in SPIA and the community of practice to which it is connected and on which it draws in performing its tasks.

ISPC Chair described the in-house staffing and out-sourcing process used by SPIA to conduct the impact assessment studies. He felt that it was critically important to have the SPIA Chair as a state of the art resource in impact assessment to draw on for CRP reviews. In acknowledging the needs for enhancing CGIAR impact assessment, the ISPC Chair made a strong plea that any augmentation of SPIA’s role should not dilute the broader aspects of the Council’s work and especially the time that the SPIA Chair can commit for other Council matters.

**Conclusions:**

- Strong support was expressed by FC members on the proposed expansion of the work on impact assessment and putting in place an appropriate financing arrangement for it.
- Ex-post assessment studies undertaken by SPIA are embedded in the ISPC and SPIA work plan; additional funding will become a part of the budgetary support to the work plan.

**e) GCARD 2 Budget**

The Chair framed the discussion by informing the FC that the GCARD 2 revised budget was very recently received with a funding request of $900,000. At FC 6 in November 2011 GFAR was informed of the FC decision to fund an indicative amount of $800,000. The Chair had proposed that the higher amount would be performance based, and relate specifically to an agenda that reflects the view of the Consortium, the FC and the needs of CGIAR and that the funding would go specifically to people with relevant skills and experience. The list as well as the agenda would be validated by the Consortium Board.

**Discussion:**

- Members noted that the plans for GCARD 2 and the budget do not fully reflect the pointed messages from the November FC meeting with regard to the purpose of the meeting, and what would success look like on the last day of GCARD2;
- Members commented on the use of funds, to what extent it contributes towards CGIAR outcomes that the CGIAR is trying to deliver, and how it feeds in to the big decision making processes; the analysis on foresight to the future thinking around research objectives continues to be vague and not clearly defined and therefore difficult to defend in home institutions;
- Members wished to see more granular line item breakdown of the funding;
- Some Members emphasized that there is a bigger objective in funding GCARD 2. Part of the reason for funding GCARD is to look at agriculture research development overall, of which CGIAR is a major component and to determine the best possible way of making the involvement of the different stakeholder groups most effective. The decision therefore needs to reflect the broader picture of how international agricultural research for development can be reformed and made more efficient and demand driven;
- It was confirmed that GCARD2 would be funded from the CSP amount as indicated in the Common Operational Framework;
• The GFAR Chair assured the FC that GFAR perceives the GCARD to be a joint venture between GFAR and the CGIAR Consortium, and has been the spirit since the start of the GCARD2 process;
• On the comment that there was little or no science built into the agenda of GCARD1, it was pointed out that the primary intention of the conference 1 was aimed at bringing constituents together and finding common ground for collaboration;
• A survey was conducted to get reaction of constituents and collaborators; GCARD 1 received very high scores, as the participants were looking at a gathering in which building partnerships was of prime importance rather than look at the science;
• It is important to evaluate GCARD2 to see if the conference meets the key issues of whether the content includes science, whether the CRPs are prominently portrayed and giving due importance to the role of the CGIAR at GCARD2.
• The GFAR Chair confirmed that more granularity will be provided in the budget and highlight the deliverables.

Decisions:
• The Fund Council approved funding of up to $100,000 for GCARD2 in addition to $800,000, provided that the requests for granularity of budget and specificity of deliverables are met. The payment of the additional amount will be performance-based. FC requested GFAR to outline specific deliverables that would come out of GCARD2 and meet the needs of the Fund Council and the Consortium.
• Fund Council members have been requested to provide feedback on the GCARD2 agenda in the next few days which the Fund Office will collate and submit to the Consortium Office.
• Both the Consortium Board and the Fund Council are committed to ensure that individuals funded with the additional $100,000 are highly relevant and will participate actively in GCARD2, giving accurate feedback to the Centers and the Consortium. It was also agreed that at GCARD2, the FC would think on how it engages as a System with the different constituencies and stakeholders on an ongoing basis.

f) Plan and Process for 2013-2015 Fund Council Composition


It was explained that the Joint Agreement provides the eligibility criteria as follows:
• a Fund Donor who has contributed an average of $0.5m in the preceding 2 years would be eligible for representation of membership of the FC;

The FC needs to review Window 3 prior to the donor eligibility determinations for 2013 to 2015 and address various issues such as of minimum contributions, type of contributions etc.

The Fund Office will start a process shortly which will involve drawing up a draft paper which will be circulated and discussed with the FC, enabling the Fund Office to provide FC some options to deliberate.

The Fund Office will initiate a Fund Council survey to look at lessons learned and determine options for the appropriate number of FC members, representation from different regions, types of donors etc. The Rules of Procedures will also be examined to see whether they are still valid and identify
areas where the FC can improve its performance, and Fund Donors can provide suggestions to the Fund Office where it can improve its performance.

- One Member pointed out that it took a long time to agree to the current rules for configuration of the Fund Council and there needs to be strong reasons for changing the rules at this stage.

**Conclusions:**
- **Clear indication will be given to donors on the timeline and format for inputs.**
- **FC8 will have a decision item on the 2013-15 Fund Council composition.**

**g) Future Venues for FC Meeting**

The Chair framed the discussion by informing the FC that she recommends that the Fund Office iterate a series of principles on how we decide where to meet, following which the FO will solicit invitations or offers or suggestions for FC meetings in 2013. Many members have opined that at least one meeting be held at a Center to both use the opportunity to understand key client perspectives but also enable scientists to understand the roles and workings of the FC.

A decision on approximate dates and venues of meetings in 2013 can be made at FC 8 in Uruguay.

**Conclusion:**
- **Fund Office will send a note following FC 7 to FC requesting suggestions for venues of FC meetings in 2013. An open and transparent process on deciding where FC meets will be followed henceforth.**

**Closing**

The Chair commented that a momentous decision was reached on intellectual assets and informed the FC that the Fund Office and Consortium Office staffs have worked out talking points to explain the decisions reached and to give examples of situations that this decision would address. The talking points will be posted on the website immediately, so that it is accessible to all. The Chair felt this would be a test for the FC because the spirit in which the consensus is articulated on a difficult issue will be a real sign of the cohesiveness of the FC.

The Chair reminded FC Members that a survey questionnaire will be circulated shortly, and members will be given clear guidance on the timeline to respond to the survey as it is important that all members engage in the survey and inform the Fund Office in case of difficulty, so that assistance can be provided.

The Fund Council was also informed that all presentations at FC 7 will be posted on the web.

The Chair thanked the Bill and Melinda Gates Foundation for its hospitality and for the use of its excellent facilities and support. The Chair expressed FC’s appreciation to the BMGF Co-Chair’s making the time to speak to the FC.

The Chair thanked FC Members and felt honored to experience the spirit of collegiality and convergence that was displayed at FC7. She observed that Members made an effort to find constructive and collective outcomes on every item.
She also thanked the ISPC, Consortium, and the Directors General present at the meeting. She requested the Directors General to thank Center staff and scientists for their hard work. She remarked that everything the FC does is to try to support the Centers and help achieve the desired results of their work. She also thanked the Fund Office staff for their contributions in making FC7 a success.
### Annex 1

#### List of Participants

**7th CGIAR Fund Council Meeting**  
**BMGF Headquarters**  
**Seattle, Washington – March 7-8, 2012**

<table>
<thead>
<tr>
<th><strong>FC Members</strong></th>
<th><strong>FC Member Representatives</strong></th>
<th><strong>FC Member Representative Alternates</strong></th>
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<tbody>
<tr>
<td>AARINENA</td>
<td>Faisal Awawdeh</td>
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<tr>
<td>Australia</td>
<td>Nick Austin</td>
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</table>
| Bill and Melinda Gates Foundation | Prabhu Pingali (Meeting Co-Chair) | David Bergvinson  
|                      |                                             | Aline Flowers                            |
| Brazil               | Luciano Nass                                |                                          |
| Canada               | Rebecca Smart                               |                                          |
| China                | Anping Ye                                   |                                          |
| European Commission  | Philippe Thevenoux                          | David Radcliffe                           |
| FAO                  | Xianguin Yao                                |                                          |
| GFAR                 | Monty Jones                                 | Mark Holderness                           |
| IDRC                 | Jean Lebel                                  | Susan Robertson                           |
| IFAD                 | Kevin Cleaver                               | Rodney Cooke  
|                      |                                             | Shantanu Mathur                           |
| India                | S.K. Datta                                  |                                          |
| Japan                | Kenichiro Tanaka                            | Akiko Nagano                              |
| Kenya                | Romano Kiome                                |                                          |
| Papua New Guinea     | Raghunath Ghodake                            |                                          |
| Sweden               | Philip Chiverton                            | David Lymer                               |
| Switzerland          | Carmen Thoenissen                           |                                          |
| U.S.A                | Julie Howard                                | Robert Bertram  
|                      |                                             | Eric Witte, Paul Figueroa                 |
| United Kingdom       | Alan Tollervey                              | Rachel Lambert                            |
| World Bank           | Juergen Voegele                             | Fionna Douglas                            |

**FC Standing Observers**

- **Consortium Board Chair**: Carlos Perez del Castillo  
- **Consortium CEO (Vacant)**: Gordon MacNeil (Alternate)  
- **ISPC Chair**: Ken Cassman  
- **Fund Trustee**: Pamela Crivelli
<table>
<thead>
<tr>
<th>Donor Observers</th>
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<tbody>
<tr>
<td>Belgium</td>
<td>Joseph Kalders</td>
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<tr>
<td>China</td>
<td>Lubiao Zhao</td>
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<tr>
<td>European Commission/EIARD</td>
<td>Philippe Petithuguenin</td>
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<tr>
<td>France</td>
<td>Frederic Lapeyrie</td>
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<tr>
<td>Netherlands</td>
<td>Armand Evers</td>
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<tr>
<td>Norway</td>
<td>Ruth Haug</td>
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<tr>
<td>Norway</td>
<td>Daniel van Gilst</td>
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<th>Non-Donor Observers</th>
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<tbody>
<tr>
<td>Emile Frison</td>
<td>Bioversity</td>
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<tr>
<td>Nteranya Sanginga</td>
<td>IITA</td>
</tr>
<tr>
<td>Peter Gardiner</td>
<td>ISPC Secretariat</td>
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<tr>
<td>Elise Perset</td>
<td>Consortium Office</td>
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<tr>
<td>Andrea Stumpf</td>
<td>World Bank</td>
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<tr>
<td>Aggrey Agumya</td>
<td>FARA</td>
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<tr>
<td>Iftikhar Mostafa</td>
<td>Fund Office</td>
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<tr>
<td>Lystra Antoine</td>
<td>Fund Office</td>
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<tr>
<td>Manuel Lantin</td>
<td>Fund Office</td>
</tr>
<tr>
<td>Feroza Vatcha</td>
<td>Fund Office</td>
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<tr>
<td>Manuel Penalver-Quesada</td>
<td>Fund Office (Consultant)</td>
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FAO welcomes that the proposed CGIAR Principles on Intellectual Assets (IA) are committed to the principle of international public goods.

However, we do not believe that the Principles are ready for adoption. Yes, a lot of time has been spent on them. But the issues are complex and all the implications need to be considered carefully before we adopt the Principles.

- The proposed CGIAR IA Principles would allow the Consortium to approve “in certain cases” deviations by the Centers from the IA Principles. Without prior consultation with the Fund Council, the Consortium could authorize a Center to go beyond the exceptions sanctioned by the IA Principles. FAO has full confidence in the Consortium and its ability to handle requests for waivers. But we believe this is a very sensitive issue and the Consortium should not be authorized to unilaterally approve deviations from the Principles.

- Our main concern is that the IA Principles score extremely low on transparency. Article 10.3 would require the Consortium to provide annually a “high-level report” that would contain only “general and aggregated information.” More detailed information, including agreement-specific information, would be made available to a small Fund Council sub-group only, the “FC IP Group”. However, the FC IP Group would work under the conditions of complete confidentiality and it is unclear which substantive information, if any, the FC IP Group could make available to the Fund Council without violating its confidentiality obligations.

Chair, the IA Principles, if adopted as proposed, could seriously damage the reputation of the CGIAR as an open and transparent public sector research network whose mandate is the creation of international public goods, rather than the generation of secrets and confidential information.

We will not stand in the way of consensus on the IA Principles. However, we would request that our concerns be kindly reflected verbatim in the report of the meeting, should the Fund Council adopt the IA principles today. In addition, we recommend that the Fund Council express its hope that the Consortium and the Centers interpret the Principles in a way that facilitates the CG policy of transparency and accountability and that they will make as much information as possible publicly available, including agreement-specific information on IA. Finally we suggest that the Fund Council encourage the Consortium to consult broadly, including, in particular with the FC IP Group, on deviations from Article 6.2.1.
Annex 3

RELEVANCE OF THE HARMONIZED REPORTING PROPOSAL TO THE JOINT AGREEMENT, SECTION G. REPORTING

Issue: The Consortium’s harmonized reporting proposal does not spell out its effects on Section G.

Solution: Following Consortium clarification, if the FC agrees to the proposal, it would be on the basis of the effects on Section G laid out in the chart below, as summarized by the following statement.

*With reference to Section G of the Joint Agreement between the Consortium and the Fund Council, this document is approved for all reports to be provided within calendar year 2012 with the intention of superseding subsections 19.2, 19.3, 19.4 and 20.2; all other subsections of Section G remain unchanged.*

<table>
<thead>
<tr>
<th>Joint Agreement, Section G</th>
<th>Consortium Proposal and Templates</th>
<th>Consortium Clarification</th>
<th>FC Approval Means:</th>
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<tbody>
<tr>
<td>19</td>
<td>Financial Reporting</td>
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<tr>
<td>19.1</td>
<td>Maintenance of records</td>
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<tr>
<td>19.2</td>
<td>a) Quarterly consolidated unaudited financial reports for System Costs (60 d after Q)</td>
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<tr>
<td>19.2</td>
<td>b) Quarterly consolidated unaudited financial reports (re all funds) for each CRP (60 d after Q)</td>
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<tr>
<td>19.3</td>
<td>a) Annual audited financial statements for Consortium (6 m after CY)</td>
<td>Yes</td>
<td>Superseded but no substantive change</td>
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<tr>
<td>19.3</td>
<td>b) Annual audited financial statements for each Center (6 m after CY)</td>
<td>Yes</td>
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<tr>
<td>19.4</td>
<td>Annual consolidated financial report for the Consortium and Centers (6 m after CY)</td>
<td>Yes</td>
<td>Superseded</td>
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<td>Right to request external audit for any W1 / W2 funds</td>
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<td>19.6</td>
<td>Right to request separate</td>
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<td>audited financials or reports for W1 / W2 funds</td>
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<td>19.7</td>
<td>Record retention and access</td>
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## 20 Activity Reporting

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<tr>
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<th>Report with sufficient granularity</th>
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<td>20.1</td>
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20.2 a) Annual report on Consortium operations (no time frame)
- Results re SRF
- Use of funds from CGIAR Fund (incl W3)
- Operational performance of Centers
- Significant Consortium actions re Centers (incl common services)
- Consortium-level risk analysis and mitigation
- Other activities relevant to Consortium / Center operations or CRP performance

  Partially covered, but limited to SRF implementation (full CRP portfolio plus whatever else Centers have to implement SRF)

  May or may not include other italicized topics depending on year – although not specified in proposal, Consortium plans to report on activities for greater collaboration among CRPs, greater research synergies, greater savings through sharing of research site, etc.

  Superseded

  Agree to limit scope of CGIAR annual report to SRF, with Consortium discretion re when to report on other italicized topics

  NB: Report will cover all that was done under SRF – unclear at this point how much will be outside CRPs, but can expect something around 5-8% of total budget (e.g., blue sky research)

20.2 b) Annual report for each CRP (no time frame in Sect G)
- Progress on CRP (incl re targets and re SRF)

  Yes

  Superseded, but no substantive change

  Agree to proposed template approach

20.3 Final CRP report (6 m after completion)

  Not mentioned | Unchanged