CGIAR Fund Council

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Mexico City, Mexico

Meeting Summary

FINAL

CGIAR Fund Office

July 12, 2014
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FC11 Meeting Minutes

Agenda Item 1: Opening Session of FC11

The Fund Council Chair opened the 11th Meeting of the CGIAR Fund Council, thanked the Mexican hosts, and welcomed all participants, particularly the new members (Kazuyuki Shimamura from Japan, Mojtaba Rajab Beigi from Iran, Eddie Brannigan from Ireland, Tatiana Simakova from Russia, and Vangile Titi-Msumza from South Africa). The FC Chair also welcomed and congratulated the new ISPC Chair, Maggie Gill, noting the need for the wisdom of the ISPC, and welcomed new alternates.

Following the Chair’s call for nominations, Raúl Urteaga from Mexico was elected co-chair of the meeting.

The Chair called for Any Other Business, and an additional agenda item on the Grantmaking Facility of the World Bank was proposed and included in day two of the agenda. The agenda was adopted as amended.

Fund Council (“FC”) members were asked to declare any conflict of interest regarding FC business and agenda items. No conflict of interest was reported.

Conclusions and Decisions:

1. The representative from Mexico was elected co-chair of the meeting.
2. An additional agenda item on the grant making facility of the World Bank was added for the second day of the FC meeting.
3. The agenda was adopted as amended.

Agenda Item 2: System Entity Reports and Scorecards

The Chair noted that the Fund Council is being asked to adopt the reports of the Fund Office (“FO”), Consortium Office (“CO”), IEA, and ISPC.

The convener of the Peer Review Team (PRT) framed the discussion by summarizing the PRT’s examination of actual budget expenditures for 2013. He noted two budgetary matters:

- The Consortium Office had withdrawn its request for $500,000 of additional funding which was originally to be allocated as $150,000 for the gender and diversity strategy and $350,000 for the development of the revised SRF. Instead the Consortium was asking for FC’s approval that $400,000 which had been approved for project funding in its 2014 budget (and approved at FC10) could be redeployed to be used for both the gender strategy and SRF development activities.
- The IEA has requested to carry over $85,000 of its underspend in 2013 (which resulted from some expenditure delays, including in staffing) to be used in 2014.

The PRT convener also:

- reported some bottlenecks in the cash-flow movements and suggested mapping cash-flow from donor to target in order to identify and remedy bottlenecks in the system;
• emphasized that the system entities’ scorecards are in dire need of harmonization and expressed concern about the Fund Office scorecard with regard to the large degree of dissatisfaction on the part of Center Directors General, as reported in the client survey;
• noted that the Trustees’ report was not included in the presentation;
• reported that the PRT has drafted Terms of Reference, which will be circulated to the entire Fund Council following approval by the PRT members; and
• suggested that the Fund Council may want to consider whether upholding the Cost Sharing Percentage (CSP) at 2 percent should remain a relevant part of the PRT’s Terms of Reference.

Before opening up the floor to questions and discussion, the Chair asked for a volunteer to fill a vacancy on the PRT, emphasizing that it’s a fundamentally important committee.

**Discussion:**

a) Noting that the Fund Office has joined the Alliance to End Hunger and the Clinton Global Initiative, a member requested clarification on: i) what joining actually means, especially since the Fund Office is not a legal entity, and ii) the distinction and rationale regarding which parts of the CGIAR system join certain initiatives or organizations.

b) Many members expressed concern over the low level of recovery of the CSP from bilateral donors and the relatively weak reasons for lack of full cost recovery, noting a perverse incentive for keeping money out of the Fund as a way of avoiding paying the CSP.

c) Some members asked the Consortium CEO to share plans to ensure full recovery of the CSP from bilateral donors in future, suggested that a tougher approach to collection might be in order, and requested a list of those donors who do not accept the CSP.

d) Some members requested the Fund Office to clarify discrepancies in 2014 funding figures as noted in different documents related to the calculation of the CSP (i.e., $875 million in projected contributions versus a funding estimate of $1.02 billion).

e) While appreciating the thorough review of the small grants that the CGIAR system receives, a member expressed shock that there are 2,000 grants providing about 20% of the income and asked the Consortium if it has a strategy to move away from small grant-making for improved system efficiency.

f) Expressing appreciation for efforts on and value of the bilateral grants database, a member asked when the database will be available and if it will be searchable and publicly accessible.

g) Some members requested clarification as to whether the “Funders’ Forum” envisaged in the context of the CGIAR Development Dialogue would be different in scope or nature to the standard Funders’ Forum, which would be convened to approve the revised SRF.

h) Regarding the IEA report, some members expressed concern regarding the establishment of a Quality Assurance Advisory Panel for two reasons: i) adding another layer could make the system more complex and costly, and ii) IEA was established, in their view, to take up that role.

i) With regard to scorecards, some members i) questioned the extent to which self-assessments are fully reliable and wondered if they are needed in addition to independent evaluations; ii) suggested that the scorecards be standardized and include targets, milestones, and indicators that directly link to approved work plans; and iii) expressed concern about the dissatisfaction of the Center Directors General as reported in the Fund Office client survey.

j) Another member questioned if the dissatisfaction could relate to a perceived delay on the part of the FO in the release of funds.
A member noted the astounding volume of deliverables produced by the Consortium and suggested that its budget may need to be discussed in future as the Consortium is increasingly asked to do more.

While expressing appreciation for the Consortium’s role in resolving non-compliance issues with regard to IP rights and progress to date, a member reiterated the importance of the IA principles and need for additional thinking as it relates to the continued operation of the CGIAR system.

**Response to Discussion Points:**

The Consortium Office:

i. The CEO referred FC members to the handout “Preliminary Financial Report, 2014,” which answers questions posed on system costs and apologized for not delivering it on time. While there was a 45% increase in recovery from 2012 to 2013, he acknowledged that the level remains low (at about 36%) and reasons provided by the Centers are relatively weak (e.g., legacy grants, some grants are considered outside of the SRF, and some donors don’t accept the CSP, citing, for example, limits on overhead).

ii. The CEO invited Fund Council guidance on the issue and suggested that it might be worthwhile to further explore the reasons for lack of full cost recovery, determine which reasons are unacceptable to the Fund Council, and, in cases where the reasons are considered unacceptable, withhold funding from Windows 1 and 2.

iii. Regarding the database on bilateral projects, roughly 200 large grants provide most of the revenue but there were also over 800 grants smaller than $100k that barely cover the costs of administering them. To improve efficiency and reduce transaction costs, the Consortium is pursuing this issue with Centers and would like to see a system-wide strategy for reducing small grant-making. In response to a query from the MTR panel, the Consortium also plans to produce a report on private sector grants.

The Fund Office:

i. Regarding the Trustee report, the FC Executive Secretary clarified that the financials of the Fund provided by the Trustee are incorporated into the Fund report and noted that the Trustee does not provide an itemized budget.

ii. Regarding the Alliance to End Hunger and the Clinton Global Initiative, the FC Executive Secretary clarified that there is no legality issue for the FO, as it joined the initiative as a partner rather than as a formal legal member. The FO sees this as a good opportunity to raise the profile and awareness of CGIAR to support fundraising, particularly among new and different prospective donors, and to engage with a diverse range of partners that share many of CGIAR’s development goals.

iii. Regarding the proposed funders’ meeting to be held prior to the CGIAR Development Dialogue in September, the FC Executive Secretary clarified that it will definitely not be a formal Funders Forum.

iv. Regarding the funding figure discrepancies, the projection of total contributions is subject to change and lower than the estimated funding figure for two reasons: i) in 2013, there were one-off payments to the Fund which will not be repeated in 2014, and ii) when the report was prepared, accurate bilateral funding figures were not available on which to base the projection.

v. In terms of the comparative calculations of the system initiative costs, they are based on assumptions to illustrate how different system costs would affect the CSP percentage. The total
cost of the system entities is adjusted for any over- or under-collection. Determining the CSP is complex due to the under- and over-collections, and because collection is based on future projections, which don’t always become reality.

vi. Regarding the scorecard and survey, the FC Executive Secretary noted that it would be important to determine if the dissatisfaction is with the information itself or with Centers getting information indirectly, since the Fund Office, as a matter of system protocol, does not have formal communications with the CRPs and Centers, which can access information directly on the website.

vii. Rather than speculate about potential bottlenecks, which may not necessarily be due to an FO delay, a review of the entire cash-flow process should be conducted, as mentioned by the PRT.

Independent Evaluation Arrangement:

i. Regarding the Quality Assurance Advisory Panel, the IEA Director noted that its common practice for all evaluation functions to put in place solid quality assurance systems. Given the small size of IEA, there’s a need for an external system, which would not replace the functions of IEA, but would add value by providing fresh perspectives and new knowledge. The Panel is a work in progress that could be reconsidered when IEA is evaluated in future.

Fund Council Chair:

i. The Chair suggested that the FO lead, in conjunction with the Consortium, a cash-flow review to track money from the time it is pledged by a donor until it’s being used in the field, noting the importance of such information as CGIAR moves into the second round of CRPs and full realization of the SRF. The analysis should include recommendations on how to improve the cash flow situation.

ii. Noting that the CSP situation is eroding and needs to be arrested, the Chair requested that the following be done inter-sessionally: Consortium to compile and share with the Fund Council a list of donors that do not accept the CSP, and Fund Office to take the lead in proposing actions and recommendations to remedy the situation of low CSP recovery.

iii. Regarding standardization of the scorecards, the Chair requested the PRT and ISPC to consult offline with system entities about a harmonized approach to the satisfaction survey with uniform questions for all entities and to provide on day two of the meeting a clear plan, including timeline and responsible party, for moving this forward.

iv. The Chair confirmed that the satisfaction survey results are considered public and asked the Consortium Office to share its scorecard survey with the Fund Council in fairly short order.

v. The Chair noted that the Fund Council is being asked to approve an additional request: underspend from the system entities’ 2013 budgets be refunded to Window 1, except for the IEA request to use $85,000 of its 2013 underspend to pay for 2013 commitments in 2014 – a request that was approved by the PRT.

Conclusions and Decisions:

1. The Fund Council adopted the Fund Office, Consortium Office, IEA, and ISPC Reports.
2. PRT and ISPC to consult offline with system entities regarding standardization of the satisfaction survey of the scorecards and provide to the FC on day two a clear plan for moving forward.
3. The Consortium Office will share the results of its satisfaction survey with the Fund Council in short order.

4. In conjunction with the Consortium Office, the Fund Office will facilitate an assessment of cash-flow movements to identify and remedy bottlenecks in the system. Recommendations for improvement should be provided by September 30, 2014, for the PRT’s review.

5. The Consortium will explore further the reasons given by Centers for lack of full recovery of the CSP and compile as soon as possible a list of those donors who do not accept the CRP for the Fund Council’s review.

6. Fund Office will take the lead in proposing actions and recommendations to remedy the situation of low CSP recovery.

7. The Fund Council approved the budget requests that the system entities refund their respective 2013 underspend to Window 1 except for $85,000 of IEA’s 2013 underspend which the FC approved for the IEA’s use in 2014. The sums are as detailed below:

<table>
<thead>
<tr>
<th></th>
<th>2013 Gross Unspent Budget (Million USD)</th>
<th>Unspent Budget Retained for 2014 (Million USD)</th>
<th>2013 Unspent Budget Returned to Window 1 (Million USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consortium Office</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fund Office</td>
<td>1.239</td>
<td>0</td>
<td>1.239</td>
</tr>
<tr>
<td>ISPC</td>
<td>0.119</td>
<td>0</td>
<td>0.119</td>
</tr>
<tr>
<td>IEA</td>
<td>0.178</td>
<td>0.085</td>
<td>0.093</td>
</tr>
</tbody>
</table>

8. The Fund Council approved the request that the Consortium Office redeploy $400,000 which had been approved for project funding in its 2014 budget to be now used for the gender strategy and the SRF development activities.

Agenda Item 3: Special Initiative System Costs (SISCs)

The Fund Council Executive Secretary framed the discussion by differentiating between ordinary system costs (i.e., normal administrative budgets for system entities) and special initiative system costs (SISCs), which are time-bound activities carried out by system entities for the benefit of the entire system, such as Strengthening Impact Assessment in CGIAR (SIAC), gender mainstreaming, and Open Access.

The Executive Secretary presented a suite of practices to address four concerns raised by FC members at FC10 when a previous proposal for handling special initiatives (SIs) was discussed but not approved. The four concerns are: (1) Equity in financing by ensuring appropriate cost-sharing across all donors for initiatives which benefit the entire system; (2) Visibility/Traceability of funds for donors who wish to support a particular SI; (3) Transparency of the implications for decision-making whenever SIs are brought for FC approval; and (4) Eligibility conditions for activities to be financed as SISCs.

The FC was invited to approve each of the four practices and, in the case of Practice 1, to decide which option would be implemented. If approved, this proposal on “Guidelines for CGIAR Financing of Non-Research Costs” would form the basis of an amendment to the Common Operational Framework (COF), which would then be submitted for FC and Consortium Board (CB) approval.
1. To address equity, two options were proposed:
   - **Practice 1, Option 1** is for SISCs to be borne solely by Window 1 funds, thus the cost of SIs is not included in the cost-sharing percentage (CSP) calculation.
   - **Practice 1, Option 2** is for SISCs to be included in the CSP calculation.
2. To address visibility/traceability:
   - **Practice 2** provides for a Window 2 subaccount for SIs. The creation of the new type of W2 account would require an amendment to the governance documents.
3. To address transparency:
   - **Practice 3** involves disclosure of financial impact based on pro-forma calculations.
4. To address eligibility:
   - **Practice 4** requires criteria to be met by each activity to qualify for SISC funding.

**Discussion:**

a) Members expressed strong support for all of the practices, as well as appreciation for the FO’s preparatory work on the proposal and presentation of the various options. However, members raised some points and concerns in the interest of advancing the proposal:
   - Each practice and option needs clear guidelines to help decision-making which should be discussed and approved by the FC. Clear guidance was needed to determine which option/practice was applicable in which particular circumstances. In some cases the W1 funding would be a good way to cover these costs and in other cases a special W2 subaccount may be the best way. An extended set of guidelines would expand on the Practices 1-4 setting out in detail in which circumstances each was more suitable.
   - Future CSP financial reporting should separate CSP for core activities and CSP for SIs, so the FC can keep track of reporting and ensure transparency around the 2% ceiling.
   - The language of the proposal seems to imply that targeted non-research funding should be over and above a donor’s normal commitment. A member queried whether it is practical or relevant to assess that, should a donor choose to direct some of their core commitment to one of the targeted non-research funding areas.
   - Further discussion is required to investigate the potential unintended consequences of implementing this policy.

b) A member expressed concern that a single W2 subaccount was proposed for all the special initiatives. For highest visibility, a separate subaccount for each initiative would be more suitable, especially since additional visibility creates an incentive to attract donors that would not normally fund agricultural research, but may fund specific areas of interest, such as nutrition or gender.

c) Members expressed their strong desire to control increases in CSP and ensure it remains within a limit for an overall CSP of under 2%. Capping all systems costs (whether core or special) at 2% was proposed by the group of members of the European Initiative for Agricultural Research and Development (EIARD). Several points were raised on maintaining a CSP below 2%, including:
   - If the SI would cause the CSP to go above the 2% ceiling then other structural options and sources of funds could be explored to avoid a system-wide impact.
   - Donors may have other resources that they could tap into in the case that the SI would make the CSP rise above 2%. The FC could seek access to these additional funds for SIs.
   - Using W1 for a SI may be relevant if the CSP were to go above 2% as a result of additional costs.
• There could be technical challenges in changing the CSP especially where multi-year agreements are in place.

d) Members expressed support for the practices but had several comments regarding specific practices:

- **Practice 1, Option 2**: Members expressed support for this option of including all SISCs in the CSP calculation. However, the support by EAIRD members was on the condition that the total CSP remains below 2%.

- **Practice 2**: Members expressed support for this practice, particularly if the objective is to avoid reducing funds for CRPs when donors support a SI. Some members felt that this practice would offer an incentive and visibility for donors in funding strategic activities (e.g. gender, Open Data). Members suggested that this practice needs further discussion and that the conditions related to the use of this option would require in-depth review by the FC as some unintended consequences may result from implementation. For example, if gene bank funding were classified as SISC activity, the CSP could rapidly exceed the 2% threshold.

- **Practice 3**: Members supported this practice. However support by EIARD was on the condition that the total CSP remains below 2%.

- **Practice 4**: Members supported this practice and expressed that it is valid in each and every case because all special initiatives need to meet the requirements of and be approved by the FC.

**Conclusions and Decisions:**

1. At the end of the discussion of Agenda Item 3 on May 7, 2014, it was expected that the Fund Office would seek further discussion of the guidelines for the four Practices particularly taking account of EIARD’s comments. However, on May 8, 2014, EIARD clarified their position during Agenda Item 16, Any Other Business. EIARD stated that they supported the existing proposal.

2. The FC approved all four practices in the proposal. For Practice 1 addressing equity, the FC approved Option 2 which provides for SISCs to be included in the CSP calculations.

3. Consistent with the discussions accompanying the approvals, the FO will engage further with FC members to refine the proposed guidelines for financing SIs before starting work on the related proposed amendment to the COF.

4. After completing further engagement with the FC, the FO will draft the proposed amendment to the COF and submit it for FC and CB approval.

**Agenda Item 4: Gender Mainstreaming Report**

The Fund Council Chair emphasized that gender is one of the most important issues on which the FC would like to see continued progress, with the aspiration to become best in class. She noted that the FC is being asked to approve the Consortium’s Gender Action Plan and Gender Performance Report.

The FC Executive Secretary framed the discussion by reminding members that at FC10, the CGIAR’s Gender Action Plan received conditional approval. For full approval, the revised plan must include milestones and benchmarks, including targets related to staff diversity. The Executive Secretary noted
that the revised Gender Action Plan does not include the gender and diversity strategy, which is a separate document.

The Executive Secretary explained that the Consortium has changed its original budget request of $150,000 for developing the gender and diversity strategy to a request to redeploy funding. The Consortium is seeking the Fund Council's approval for redeployment of project funding approved at FC10 in their 2014 budget to be used to cover the costs of developing the gender and diversity strategy.

Discussion:

a) Members expressed appreciation for the work that has been done to revise the Gender Action Plan and to strengthen the focus on gender issues within CGIAR.

b) A member i) congratulated the Consortium for a huge step forward in bringing the CGIAR system under one conceptual framing on gender, ii) noted that the adoption of the World Bank Norms and Agency Framework will enhance collective learning and sharing, iii) endorsed the approach of linking CRP budgets to an approved gender strategy, and iv) expressed appreciation for the post-doctoral program in Centers that aims to engage young social scientists.

c) A member i) noted that the gender mainstreaming plan is urgent, ii) noted the potential need to distinguish it from the gender and diversity strategy so that the latter does not hold up progress on the former, and iii) called for annual benchmarks in the gender and diversity report as a means to measure progress, emphasizing the importance of accountability and consequences, without which indicators and targets are of limited use.

d) Another member i) noted that the report does not set out accountability mechanisms, ii) asked about the Consortium’s capacity to implement changes given its limited capacity to oversee the CRPs, and iii) requested information on how much progress is being made in terms of getting gender firmly embedded in the IDOs.

e) Several members i) were gratified to see that previous FC feedback had been integrated into the revised Gender Action Plan, ii) expressed confidence that the target of a 50% gender balance in leadership positions within five years is feasible, iii) expressed appreciation for progress made on the CRP gender strategies, iv) requested greater transparency and information regarding the process of defining which parts of the work plan and budget are allocated to gender, and v) noted with appreciation that the cover note addresses anti-discrimination policies.

f) Members expressed concern regarding hostile, anti-homosexual legislation in some countries, and requested clarity about how CGIAR is responding in terms of safety provisions and safeguards for staff, and how the issue reflects or relates to hiring practices and CGIAR’s values and ethics.

g) A member expressed a concern shared by CGIAR staff in Afghanistan that there doesn’t seem to be a coherent institutional policy of risk management in precarious environments, and suggested that this issue could be included in the CO’s scorecard to drive action.

h) A member noted that next year is Beijing+20 and the second global conference on women in agriculture, providing a high-level advocacy opportunity to showcase CGIAR’s work on gender.

i) Another member highlighted the potential of regional fora to contribute to advocacy and capacity building on gender and agriculture research and called for more effective partnerships to harness this potential for improved outcomes.

j) A member noted that gender is an issue that needs greater awareness and attention across all institutions, not just CGIAR, and emphasized the need to avoid duplication of effort with regard to information platforms and to use existing portals and mechanisms, such as the website, advocacy and program partnership actions of the Gender and Agriculture Partnership (GAP).
k) A member asked whether the AWARD program is embedded in the Gender Action Plan or remains a separate entity.

Fund Council Chair:

a. The Chair i) emphasized that gender must be thoroughly woven throughout the revised SRF and embedded in the next generation of research proposals, ii) asked the Consortium CEO if his team has everything needed to ensure that is accomplished, iii) encouraged honest interaction with the FC on the strategic matter, and iv) reiterated the importance of the issue to the system’s integrity and credibility.

b. The Chair i) emphasized the importance of a thorough Gender Action Plan in which all resources needed for implementation are articulated, ii) underscored the need to set meaningful targets accompanied by appropriate accountabilities and benchmarks, iii) emphasized the importance of reporting transparently on an annual basis on progress against the benchmarks, from baseline to the targets, and iv) encouraged the Consortium to build synergies where possible and take advantage of the extensive institutional experiences of donor agencies.

c. The Chair noted that equitable Board composition is an important issue to the FC as it facilitates diversity in thinking about strategy and development outcomes.

d. The Chair i) asked the Consortium to consult expeditiously with Centers regarding security issues affecting staff, particularly with regard to specific risks and vulnerabilities arising from discriminatory laws, ii) suggested that the Consortium get a global sense of the anti-diversity issues, emphasizing that this is a global trend and not one restricted to Africa, iii) requested the CO to inform the Fund Office inter-sessionally of its planned approach with regard to staff security issues arising from discriminatory laws and practices, so that the FO can circulate the information to FC members, who could in turn share data, best practices, and information on how their institutions are approaching the matter.

Responses to Discussion Points:

The Consortium Office:

i. The CEO confirmed that gender is an issue of the highest importance and that the Consortium has what it takes to implement gender mainstreaming in research, and clarified that the Gender Advisor is a full-time and senior member of the CO team.

ii. The CO Gender Advisor is engaging with CRPs to determine if there will be a separate IDO on gender or if there will be gender-related targets within IDOs. This issue will be high on the agenda when CRP leaders meet in Montpellier next month.

iii. Regarding gender and diversity in the workplace, the CEO i) acknowledged lack of serious action and capacity, ii) noted the need for harmonization of highly variable HR practices across the Centers, iii) underscored that the issue is a top priority for 2014 and one that he currently leads, and iv) noted that the CO has hired an experienced HR consultant to help develop a strategy.

iv. The CEO emphasized that the strategy on gender and diversity in the workplace will also address discriminatory practices, including anti-homosexual legislation and its effects, and will be used as a starting point to strengthen related HR practices.

v. The Consortium and Centers expect to present their first strategy on gender and diversity in the workplace at FC12 and the CEO agreed on the importance of including accountability mechanisms. At FC12, the Consortium would like to discuss with the FC possible indicators and
targets, especially for diversity, and receive guidance on what strategic HR issues the Consortium should undertake.

vi. The CEO i) acknowledged that security capacity is limited particularly for the approximately 3,000 staff members located in very small national offices, ii) highlighted an ongoing initiative to bring together a CGIAR security community of practice to identify shared services and pursue a more uniform application of security and risk management practices, and iii) confirmed that there are other issues related to risk management in certain countries, such as Afghanistan, that need to be addressed.

vii. The CEO clarified that the AWARD program, which supports African female scientists, is separate from the Gender Action Plan and no longer a CGIAR entity.

viii. The CEO acknowledged the need to avoid duplication of effort and to work closely together, including as part of the Gender and Agriculture Partnership, to ensure that actions reinforce each other.

Conclusions and Decisions:

1. The Fund Council approved the Gender Action Plan, including the Consortium’s request for redeployment of $150,000 from the 2014 budget’s project funding for use in developing the gender and diversity strategy.

2. The Fund Council approved the Gender Performance Report.

3. The Consortium and Centers will submit at FC12 their first strategy on gender and diversity in the workplace, with appropriate indicators, targets, and accountability measures.

4. The Consortium will consult expeditiously with Centers regarding security issues affecting staff worldwide, particularly with regard to specific risks and vulnerabilities arising from discriminatory laws, and the CO will inform the FO inter-sessionally of its intended approach and plans to address issues arising from the worldwide trend of discriminatory legislation.

5. The FO will circulate information on the Consortium’s’ approach and plans to FC members, who could in turn share any data and best practices so that the Consortium could draw on available learning from various donor institutions that are currently thinking through appropriate responses to the challenge of discriminatory legislation.

Agenda Item 5: Open Access Proposal

At FC10, the FC invited the Consortium to prepare a full Open Access Proposal based on a revision of the Open Access Concept Note. The CO was asked to revise the budget proposed in the Concept Note and clarify issues raised at FC10 (e.g. holistic integration of all Centers, detailed costing of meta-repositories, linkages with other Open Access initiatives, detailed costing of all components, public domain access in the form of global public goods, sequencing of the program in stages).

The Consortium CEO framed the discussion for the full proposal, which outlines the Consortium’s plan to make open-access eligible CGIAR information available in a single port.

At the request of the FO, the ISPC has reviewed the Open Access Proposal and submitted feedback. The Consortium CEO noted appreciation for the ISPC’s comments, which are available for the FC’s consideration. The Consortium believes that the issues raised by the ISPC can be addressed in the short-term.
The ISPC Chair reiterated its support for the proposal; however, emphasized the need to improve the proposal in a rewrite that facilitates a common understanding between the Consortium and the funders regarding the feasibility of its goals. The ISPC Chair reaffirmed the importance of distinguishing between open access to data and open access to publications. The ISPC Chair emphasized that a rewrite should include some principles of prioritization, and pay attention to both the quality of information being made available, as well as the demand from the end-users.

**Discussion:**

a) Members reiterated their strong support for Open Access and CGIAR’s leadership in its development, and provided additional comments on the Open Access Proposal and the ISPC’s feedback.

b) Members expressed that the proposal needs to be more realistic about what can be achieved within its time-frame.

c) Members expressed concerns about the costs implications, and expected to see further disaggregation of the budgets.

d) Allocation of costs at the Center level was suggested.

e) Concerns about the implication on the System Costs were reiterated.

f) The use of cloud source computing was strongly advocated to reduce costs across the System and unlock the potential for open data for development.

g) Members expressed that the management of the CGIAR IA principles will be critical.

h) Echoing ISPC comments, members also emphasized the need to better understand and address the end-users. CGIAR should make sure that data is made accessible and used by its intended end-users. For example, the use of cloud source computing may be limited to certain end-users.

**Response to Discussion Points:**

i. The FC Executive Secretary indicated that comments made will require substantial changes to the proposal. This would imply a rewrite based on concerns beyond the ISPC comments. In conjunction with ISPC, a group of donors should meet to provide consolidated views on what should be modified in the proposal. The FC Executive Secretary indicated that this process should not take a significant amount of time, and that the revised proposal should be distributed to the FC to consider and approve virtually.

ii. The Consortium CEO proposed to leave out Part 3, where most concerns and questions were raised during the discussion, and begin first year with parts 1 and 2. Later in the process further adjustments may be considered on more complex issues, including revisions of Part 3.

**Conclusions and Decisions:**

1. The ISPC will form a working group, including donors, to set out required modifications to the proposal. This should be done in a short time frame, virtually submitted for approval by the FC. The revised proposal will include detailed plans for Part 1 and Part 2, but could sketch out Part 3 with detailed definition to be added sequentially as the work progresses.

2. The FC Chair clarified that the funding for Gender and Open Access proposals will not be treated as system costs, but as discretionary funding of the FC. This implies that funds will be charged to
Window 1, except where funders have already contributed specific additional funds for these proposals. This means an equivalent decline in Window 1 funding available for CRP financing.

**Agenda Item 6: ICARDA & IITA Proposal**

In this Agenda Item, two CGIAR Centers were discussed as follows:

**A) ICARDA:**
1. The Consortium presented a written progress report on ICARDA’s relocation and return to normal operations.
2. The PRT presented the results of its review of the financial health of ICARDA.
3. The FO presented a note for use by donors wishing to provide additional financial support to ICARDA.

**B) IITA**
1. The Consortium requested that the FC lift its requirement that the Consortium conduct site visits to monitor implementation of IITA’s Financial Recovery Action Plan (FRAP).

The FC Chair invited the PRT to present its report first, followed by discussion on lifting the requirement that the Consortium conduct site visits to monitor implementation of IITA’s Financial Recovery Action Plan (FRAP).

**ICARDA:**

1. In its written note to the FC, the Consortium provided an overview of ICARDA’s operations which advised that: the Center’s HQ has been evacuated from Syria; the gene bank has been safeguarded; staff has been relocated, and research operations have been dispersed throughout the region; ICARDA submitted an investment strategy; and the Consortium was implementing this financial plan (with allocations to CRPs) to help ICARDA reestablish facilities and equipment.

2. The PRT Convener provided a report of its evaluation on ICARDA’s financial health which concluded that overall ICARDA is stable but needs to be monitored. The PRT Convener acknowledged the work of the consultant retained by the CO who visited ICARDA and performed an analysis of the financial viability. The PRT Convener distributed a two page summary of the consultant’s report which provided details to support the PRT’s conclusion. The report also identified five critical risks to ICARDA: staff safety, research continuity, financial health, decentralization, staff recruitment and retention.

The PRT Convener briefed the FC on the financial indicators including that:

- ICARDA’s variable reserve expressed in days has dropped from 120 days in 2008, 104 in 2011 and down to 59 days in 2013. The minimum ratio for Centers is 70-90 days. This is driven mainly by the increased daily operating costs and the extraordinary expenses of 2012.
- ICARDA has the second smallest reserve of all CGIAR Centers, though its indirect cost ratio is fourth from the lowest.
- Liquidity expressed in days, although decreasing, is still within acceptable limits.
- Donor receivables and payables are within acceptable range.
• External audit is within acceptable range and indicated there has been no change in the accounting rules in the past few years, which would have indicated financial stress in an organization.

The PRT raised concern on the banking operations relating to Syria, Iran, and Sudan (where the decentralized project offices are located), as money transfer transactions took an inordinately long time and administrative staff inputs.

The PRT noted other questions from the report about the reserve calculation, which are not included in the 2 page summary including: (1) What was ICARDA’s close-down cost?; (2) What is the replacement cost, including the up-keep for equipment?; (3) What is the contingency plan for ICARDA should Morocco experience civil unrest similar to Arab Spring events?; and (4) What is the plan to get ICARDA from 59 days’ reserve to a planned 150?

The PRT also made recommendations on further steps to be taken including: (1) ICARDA’s financial stability ratios have reflected a decline to the point where continual financial diligence by management and the governance oversight structures is required; and (2) ICARDA will also need continued vigilance by management and the Board as regards to the risk profile of the Center, together with the related key controls and the monitoring of emerging risk and possible impact on Center operations is essential.

The FC Chair welcomed the report from the PRT. The FC Chair noted that the FC should strongly encourage the board of ICARDA and its management to develop a comprehensive plan regarding its liquidity ratios and its reserves. The financial governance issues which have been raised would need to be discussed further and additional information provided to FC.

(3) Based on the interests of members at FC10, a supporting document was developed to help ICARDA on fundraising. The FC Executive Secretary noted that this document was included in the FC11 folder.

IITA:

The FC Chair briefly recapped the history and previous decisions on the IITA issues. On July 25, 2012, the FC was advised of the IITA’s loss of $15 million dollars of its reserves. As a result of the circumstances that led to the loss, the FC froze funding to IITA. On November 9, 2012, the FC agreed to lift the freeze, contingent on a number of conditions that would prevail until the FC decides to lift them. In fulfillment of the conditions, the Consortium has been required to monitor implementation of IITA’s FRAP and regularly update the FC.

Since then, the Consortium has conducted four monitoring visits to IITA and reported that IITA is doing well and is meeting the FC’s conditions.

At the Chair’s invitation, the Consortium CEO reported the progress IITA has made so far, including:

• IITA has exceeded the expectations of the financial recovery plan.
• There has been new funding coming in and IITA’s reserve has increased thanks to unrestricted support Nigeria has provided.
• IITA has been successful in fundraising and strengthening the Center overall.
• The Consortium felt that IITA could strengthen its financial management system (e.g. staff recording time and joining OCS). These recommendations were accepted by IITA Board last year.
Based on IITA’s performance, the Consortium recommended that the FC the lift the requirement for financial monitoring.

**Discussion:**

**ICARDA:**

a) The FC Chair expressed concern regarding the declining ICARDA reserves and asked the Consortium to detail the contingency plan.

b) A member thanked the PRT and the Consortium for their analysis. The member was also pleased with the support from Arab regional organizations in this recovery process. The role of ICARDA as a critical regional institution was reiterated.

c) A member expressed interest in further shoring up regional support and engagement with ICARDA. It was noted that one of ICARDA’s greatest strengths is its connections and engagement with region’s governments.

d) A member was concerned that the minimum reserve threshold is 70 to 90 days, given that all it takes is 1 or 2 crises, which occur often in this region, before there is a real problem.

e) The FC Chair reiterated the need for good governance and accounting practices when dealing with such financial situations within the CGIAR. The FC Chair also asked what the appropriate range of financial reserves for ICARDA might be given the circumstances, the rationale behind this estimate, and how ICARDA plans to get back to an acceptable range.

f) A member expressed satisfaction with the recent efforts to address financial instability in the Centers, and thought that Centers require larger reserves to address their risk exposure.

g) A member reported some difficulties with CRP 1.1 activities and the related budget allocation.

**IITA:**

a) Members recalled the FC8 decision that the FC should resume funding to IITA subject to compliance with five conditions. IITA agreed to these conditions. Members are therefore expecting the Consortium Board to submit a formal request to lift the sanctions with a clear explanation on compliance with these five conditions. Alternatively, the IITA DG could also submit the same formal request to the FO, which will request virtual approval from the FC on a no-objection basis.

**Response to Discussion Points:**

**ICARDA:**

i. The Consortium CEO clarified that ICARDA is expanding operations which has led to a proportional drop in its reserve. The Consortium has worked very closely with ICARDA and CRP directors to replace the lost equipment and other facilities. The Consortium Board has allocated $4 million in 2013-2014 and $2 million in 2015, through CRPs, as part of ICARDA’s decentralization plan, and ICARDA’s investment strategy.

ii. Regarding the contingency plan, should ICARDA choose to move to Morocco, the Consortium CEO reported that the national partners in Morocco have been very supportive by helping to provide buildings and facilities to ICARDA. The Consortium CEO added that there are new regional donors involved in ICARDA’s fundraising, such as $3.5 M from the Arab Fund, which helps ICARDA compensate the losses and to support their investment plans.
iii. The study indicated that a side-effect of the decentralization of ICARDA is an increase in management costs, due to more complex financial management. The Consortium CEO advised ICARDA to further simplify its management structure to cope with this challenge.

iv. The PRT Convener reiterated that an ICARDA-specific reserve calculation should be based on the reality of the risk profile, together with a plan to achieve the level of reserves required.

v. The Consortium CEO also recognized that the reserve related issue is facing all the centers, not just ICARDA. A structural solution that addresses this for the system as a whole, rather than a stop-gap measure for ICARDA specifically will be needed.

vi. In response to concerns that Centers should hold larger reserves to account for potential risks, the Consortium recognized that this issue is very complicated as it involved factors such as whether close-down costs of centers are included in the reserve or not. The Consortium has planned to discuss this in the meeting of Corporate Services Executives in June and to report back to FC as soon as a proposal is ready. The Consortium welcomed innovative financing ideas related to this issue, such as having a single reserve held centrally that the Centers could use in the case of emergency or relocation.

vii. Regarding concern with CRP 1.1 activities and budget allocation, the FO clarified that such contractual arrangements are dealt with at the CRP level.

**Conclusions and Decisions:**

**ICARDA:**

1. The FC Chair:
   - welcomed the report from the PRT and acknowledged the important work of the auditor and noted the progress on the investment plan.
   - encouraged the Board and management of ICARDA to address their liquidity and reserve challenges.
   - recommended that the issue of ICARDA’s financial governance is addressed in the upcoming Corporate Services Executives meeting in June; and
   - asked that the FC is advised on the work plan expected to come out of this meeting.

**IITA:**

1. The Consortium Board was invited to submit a formal request for the lifting of the sanctions to the FC through the FO with specific assertions that all required conditions were met by IITA.
2. The FO will circulate Consortium’s request lifting the requirement for monitoring to the FC for approval on a no-objection basis.

**Agenda Item 7: Update on PricewaterhouseCoopers (PwC) Phase II Report**

In 2013, the FC and the Consortium Board jointly commissioned PricewaterhouseCoopers SA (PwC) to undertake Phase 2 of the CGIAR Governance Review, which assessed the governance structures, processes, and controls in place across CGIAR, and how they operate in practice. The review was undertaken by PwC with Meridian Institute as subcontractor. At FC10, the FC discussed the PwC report, focusing on major themes and the more than sixty specific recommendations in the report. Based on the
discussion, the FC decided to undertake several immediate actions, including implementation of five of PwC’s recommendations.

The Fund Council Chair invited the Conveners of the FC Governance Committee (FCGC) and the Governance Review Reference Committee (GRRC) to frame the discussion. The FCGC Convener began by giving a progress report on implementation of decisions taken at FC10 and emphasized that they have largely been completed or are underway. The Convener noted that:

- The GRRC met and consolidated the Consortium Board’s and FC’s respective positions based on the PwC Phase II recommendations, on which will the GRRC convener will elaborate presently.
- The FC has directed the MTR’s attention to focus areas arising from the PwC Report.
- In order to improve communications with and between FC members, the FO launched a new online collaboration space (i.e., Collaboration for Development).
- Efforts are underway to improve communications at the strategic leadership level between the Consortium Board and the FC.
- The FC Resource Group and the Consortium and Centers are currently collaborating to develop a system-wide resource mobilization approach and strategy.
- The FC Resource Group commissioned an analysis to better understand donor behavior and incentives or disincentives that drive donors’ decision-making, including an exploration on the role and use of Window 3.
- The Consortium and FO are working together to improve CGIAR’s brand, image and visibility, including by organizing the September 2014 CGIAR Development Dialogue.
- Two working documents have been created to advance work on enhanced risk management and the conflict of interest policy and are pending discussion by the FCGC.
- The outstanding work has been passed forward to the GRRC.

The GRRC Convener presented the GRRC consolidation report and identified three outstanding areas that the GRRC wanted to flag for the FC’s awareness, but not for decision at the meeting. These follow.

- There is a need for improved cross-pillar communications between the “funders and the doers” in the system. PwC’s more substantial and involved recommendation for a single pillar system had been forwarded to the MTR.
- The PwC recommendation to develop a business plan was embraced by the Consortium, but the FC members were unclear what such business planning would entail and what the FC’s role would be in the process. It seemed that several weighty issues, such as the SRF, would be wrapped up in the business planning process. The GRRC noted that one of the review’s main findings is that without further clarity on the strategic and operational model of the system, governance will never be optimal. Substantial, unanswered issues remain on which the Consortium would need input from the FC. The GRRC suggested that the MTR might consider the matter, but wanted to put forth the idea for general consideration by the FC members.
- On the operational side, the GRRC noted PwC’s recommendation for increased capacity in the CO. In consultation with the Centers, the Consortium agreed with the need to have three of the four recommended positions. While the FCGC acknowledged the Consortium’s point of view, it noted that the question of additional CO capacity was beyond its remit.
Discussion:

a) Several members welcomed the draft concept note on a CGIAR risk governance framework, but cautioned against making the system too top-heavy and bureaucratic and suggested that implementation of a framework should largely use existing budgets so as to not add to system costs.

a) A member expressed interest in having greater clarity on CGIAR governance roles and responsibilities, citing differing views on the roles of the CRP directors and deputies—which were apparent in the recommendations of the IEA’s CRP Governance Report and the position taken in the management response from the Consortium Board on this report.

Conclusions and Decisions:

1. The Fund Council Chair noted the GRRC consolidation report, including the comments provided regarding follow-up work, and indicated that it should be brought to the attention of the MTR and the Consortium Board.

Agenda Item 8: Resource Mobilization Study Update

The Fund Council Resource Group (RG) provided an overview of the draft Resource Mobilization study, the pre-Fund Council workshop discussions, and study recommendations, and outlined proposed next steps. In introducing the agenda item, the Chair underlined the importance of this study as an input to the MTR and requested members to provide comments that would help finalize it. The RG noted that the interest and conversation around the study were very high in the pre-FC workshop. The RG explained that it was attempting to close the expectation gap in the unfortunate circumstance of the passing of the lead consultant and subsequent recruitment of CCS to finalize the work.

The RG presented the findings, analysis and three broad recommendations made in the study, noting that it argues for the development of a comprehensive Resource Mobilization Strategy (RMS) for CGIAR. The three recommendations are to: (i) focus on enhancing the attractiveness of Windows 1 and 2; (ii) improve coherence of resource mobilization functions and the CGIAR brand across the system; and (iii) strengthen resource mobilization capacities across the system where those capacities would add value to global resource mobilization initiatives.

The RG outlined the salient points of the pre-FC workshop, emphasizing the need to develop a careful consultation process in drafting a comprehensive RMS for presentation to FC12. It was noted that the RMS should co-evolve with the SRF, as the latter articulates CGIAR’s impact strategy, but the former is needed to ensure that it is possible to mobilize adequate levels of resources to achieve the impacts outlined in the SRF. During the workshop, it was proposed that the RG codify the pre-conditions and recommendations to enhance the attractiveness of Windows 1 and 2, and prepare a short report analyzing the drivers of Window 3 investments. The workshop discussion highlighted the need to map existing resource mobilization capacities across CGIAR and to develop stronger products that would help ensure greater coherence on the resource mobilization front. The RG agreed to take the lead in finalizing the report by June to enable its submission to the MTR. Regarding the development of the RMS, the RG and members who participated in the workshop felt that it would be most useful to have the RG jointly manage the design and consultation process with the Consortium and Center Resource Group.
Discussion:

a) Members broadly concurred with the usefulness of linking the RMS and SRF development processes, and felt it important to marshal all the resources available throughout the system to move the RMS development forward.

b) A member suggested that, in relation to the importance of the SRF helping to inform the RMS, a top down approach might be considered to define the Intermediate Development Outcomes (IDOs) of CGIAR.

c) Given the anticipated needs and expectations of CGIAR over the next several years, members noted a need to enhance CGIAR’s resource mobilization approach and encouraged the RG to explore new financial mechanisms and methods to attract new donors to CGIAR.

d) Several members suggested that identifying innovative financial mechanisms that clearly align funding with delivery of results and expanding the donor pool for the CGIAR are useful approaches that should be explored in the RMS.

e) Several members highlighted that, in parallel to enhancing the attractiveness of Windows 1 and 2, it would be important to carefully analyze Window 3 and bilateral contributions to better understand their potential relevance and utility.

f) A member noted that an attractive element of Window 3 and bilateral contributions is that donors are able to clearly connect their support to more specific research outcomes and development priorities that line up with their stakeholders’ interests. In relation to this, a member expressed the importance of analyzing Windows 1 and 2 in terms of what they finance and how they contribute to successful delivery, which could encourage some Window 3 and bilateral donors to transition to Window 2, and also has the potential to leverage mutually reinforcing investments across two or more sectors.

g) In underlining the impressive growth of CGIAR funding over the past five years, a member noted that funding to develop national institutional capacities in research and extension has not seen a matching growth and so intended CGIAR research uptake-to-outcome pathways are often weakly resourced. This represents a challenge given the important role that national entities play in enabling the delivery of CGIAR innovations. Efforts are being made by GFAR, in collaboration with GAFSP and IFAD, to increase, alongside CGIAR commitments, national commitments to support development and change in national agricultural research systems.

h) With respect to the study’s finding that the CGIAR Fund is heavily reliant on a small subset of donors, a member suggested that efforts be made to explore the interests of emerging economies, such as China, noting that it was important to demonstrate potential value-added of research partnerships with CGIAR if these countries are to be persuaded to enhance their financial support for the system.

i) Several members noted that CGIAR needs to enhance its communications efforts around clear messaging that is of interest to existing and potential partners. A member noted that if CGIAR wants to diversify its donor base, it needs to tell a story in different ways to different audiences (e.g., some donors may be attracted to CGIAR’s work on climate change mitigation, while others might be interested in how its work contributes to peace in some areas).

j) With regard to the diversification of donors, a member highlighted ongoing work on linking smallholders to value chains. Pursuing this avenue could provide CGIAR with new opportunities to collaborate with the private sector and should be built into advocacy, communications, and RMS efforts moving forward.

k) A member noted the useful juxtaposition of the Resource Mobilization Study and the SRF pre-FC workshops and how they helped FC members better understand the important link between
defining CGIAR’s research agenda and expected impact and a comprehensive RM strategy to finance the research.

Response to Discussion Points:

Fund Council Chair:

i. The FC Chair concurred with the view that there is a fundamental relationship between the SRF and RM, but emphasized that convergence is not sufficient. There is a need to strengthen communications on achievements and objectives, a weak point for CGIAR due to the lack of clarity of purpose. This can be overcome by ensuring that the revised SRF clearly defines the challenges CGIAR will tackle and its expected impact. Such strategic clarity would make messaging, advocacy, and framing of the resource mobilization discourse with existing and prospective donors straightforward and more effective.

ii. The FC Chair concurred with the examples of success produced by CGIAR, made clear that a more systematic effort must be made to identify achievements and communicate them, and highlighted CCAFS as a successful example of effectively communicating how it can make a difference, and attracting donors and a wide variety of partners.

iii. The FC Chair highlighted the need for “out of the box” thinking on resource mobilization, noting the opportunity for a radical shift in existing RM efforts and the emergence of new actors (e.g., the private sector, philanthropic foundations, high net worth individuals, and financial institutions), and underscoring the need for real courage, particularly on the part of the Consortium, to pursue these new opportunities, keeping in mind that these actors are very demanding in terms of the data points that they expect from partners.

iv. In order to attract new and non-traditional financial partners, especially from the private sector, the FC Chair noted that high barriers will have to be cleared, particularly in terms of the high transaction costs associated with entering and navigating the CGIAR system, but emphasized the wealth of new concepts and approaches that would be worth exploring with new partners.

v. The FC Chair highlighted the potential role of emerging countries, noting their fundamental role in helping the recent International Development Association and Global Environmental Fund replenishments achieve success. This trend requires greater analysis and more in-depth understanding by CGIAR.

vi. The FC Chair requested that the useful comments made in the course of the FC session be integrated into the draft study quickly, so that the report can be shared in a final form with the MTR.

Fund Council Resource Group:

i. The RG indicated its intent to work closely with CCS to finalize the study and submit it to the MTR by the end of June.

ii. The RG Convener noted that there is a need for capacities to be built within the system for financial engineering to allow CGIAR to take advantage of new financial instruments and partners, and articulated key elements to moving ahead, including a better understanding and marshalling of existing resource mobilization talent from the Consortium, RG, and other system players and the identification of existing gaps.
iii. The RG agreed with members’ comments that opportunities are being missed given the current state of communications and branding across the system, and acknowledged the need to examine ways to strengthen strategic communications and advocacy.

In concluding the session, the Fund Council Chair reaffirmed the need for a comprehensive RMS for CGIAR as a whole, and noted that the RMS should take account of impact pathways in order to clarify roles and responsibilities and enhance resource mobilization effectiveness.

**Conclusions and Decisions:**

1. **The Fund Council Resource Group, working closely with CCS, will revise the Resource Mobilization Study to take into account comments made in the pre-FC workshop and FC meeting, and the revised CCS report will be shared with the MTR by the end of June.**
2. **The FC Resource Group will interact within the next two weeks with the Consortium Resource Group to take the process forward.**
3. **The FC Resource Group will develop a timeline to ensure adequate consultations with other members in the system, allowing for submission of an RMS for consideration at FC12 in November 2014.**
4. **The RMS should be developed in close coordination with the revised SRF.**
5. **The RMS should be a holistic, system-wide strategy with clear roles and responsibilities for different actors and entities within the CGIAR system.**

**Agenda Item 9: Delivery in the CGIAR**

At the request of the Chair, the representative from the Bill & Melinda Gates Foundation (BMGF) framed this agenda item by highlighting the discussion on integrating delivery that took place at FC10. The representative noted that the science of delivery is fundamental to achieving CGIAR’s goals, and underlined the fact that successful research, if not shared with and adopted by smallholder farmers, is an investment loss. The BMGF representative emphasized the need to analyze CGIAR’s experiences around delivery, and how the lessons learned from this work should be carefully considered in developing a more robust portfolio of CRPs. The representative then introduced Dalberg Global Development Advisor’s consultant team: Ms. Angela Hansen, Director of Agriculture and Food Security, and Ms. Julia Shen.

The Dalberg representatives framed the discussion by noting that the Delivery Study involved extensive consultations with a variety of system entities, including Centers and CRP staff. It quickly became apparent that there was no commonly held definition of delivery across the system, and that without a shared definition, there would be inconsistencies and lack of comparability in analyzing delivery. It was also noted that CGIAR lacks a consistent method to measure and report delivery. For the purposes of the study, delivery was defined in terms of scale and number of farmers reached. In the analysis of 47 CGIAR projects it was found that more than half were unable to substantiate their delivery claims.

The study identified three conditions that ensure delivery: (i) matching appropriate technologies with the target group, (ii) careful coordination of the delivery process, and (iii) partnering with the correct stakeholders to help ensure that deliverables are implemented. It was highlighted that where CGIAR has been successful in delivery efforts, there has been a significant effort made in coordinating delivery and
working through a large number of diverse partners. The study concludes with a set of recommendations on conditions required to integrate delivery in CGIAR: (i) define delivery and develop robust methodology for reporting and measuring it; (ii) establish a product development unit at CRP level that could conduct real world trials with end users; and (iii) carry out a strategic reorientation within CGIAR, developing specific delivery functions, including a global function providing system-level direction, as well as at CRP level in planning and delivery. The Dalberg representatives noted that implementing these recommendations would require additional resources for the reorientation and to recruit delivery specialists.

**Discussion:**

a) Members raised questions about the process of commissioning the study and requested clarify on the roles of the FO and CO in that process.
b) While appreciating the study, several members noted i) that CGIAR’s products have technological, policy, and knowledge dimensions, and that it is more difficult to track delivery and adoption for the latter two, and ii) that the two case studies covered in detail in the report were relatively straightforward in terms of improved seed uptake models, and that more complex uptake models should be considered, including delivery systems for natural resource management and policies.
c) Members found the discussion of partnerships and the breakdown of different types of partners useful, noting that there is a need to differentiate in the analysis of upscaling whether it will take place within the CRP or outsourced to other development partners. It is important to understand whether the proposed delivery model is dependent on external actors – such as NARS – or internal actors.
d) Noting that CRPs share responsibility for delivery, several members underscored the need for compatible measurable metrics to elucidate linkages between research outputs, IDOs and SLOs.
e) The FC Chair noted that the Consortium Board needs to discuss the report, particularly given that the key recommendation is for the establishment of a delivery unit, as part of a larger process before recommendations or options are presented to the FC at its November meeting.
f) A member strongly endorsed the need for the Consortium Board to review the study and provide input to it.
g) Noting the centrality of delivery to the rationale for supporting CGIAR, several members felt that the recommendation for the establishment of a “product development” unit was worthy of consideration – even if it would imply additional system costs – to ensure coordination and lesson-sharing at the Consortium level, and suggested that SPIA might have a role to play.
h) A member emphasized that given the nature of agricultural research, there is often a span of 10 to 20 years from the development of a new technology to its full delivery in a target population, and noted the importance of early adopters, an aspect of delivery that had been overlooked in the study.
i) Members emphasized the need to involve the private sector and facilitate business partnerships to help in delivery, noting that this shifts responsibilities for delivery to other partners and makes it even more important to put in place accurate metrics to track delivery.
j) Members expressed concern with the findings of the study and how the level of delivery could impact future aid flows, if not corrected.
k) Members asked the FO if the report is in the public domain, and whether two versions -- one internal and one external -- might be produced, particularly given the discussions on RM and enhancing the CGIAR’s communications initiatives.
l) One member emphasized the importance of delivery of research findings, and noted that any disruption in the production of research outputs would have a real effect on CGIAR.

m) Another member highlighted efforts by the Gates Foundation to address the issue of delivery, and volunteered to share the Foundation’s Seed Adoption Roadmap, which takes the tools of the private sector to promote delivery and adoption at scale.

n) A member noted that delivery was not sufficiently considered in the first wave of CRPs and emphasized the need to address this shortcoming in the forthcoming round of CRPs to ensure greater impact of CGIAR’s work.

o) Given the importance of the study, several members requested additional time to carefully analyze the study’s findings and provide feedback.

p) Members suggested that the study would be useful to the MTR’s work and should be shared with the Panel.

q) Members queried the Dalberg team on next steps, should the FC decide to adopt the report’s recommendations and move forward.

r) Members requested the Consortium Board and ISPC to comment on the study’s findings.

**Response to Discussion Points:**

i. The consultants explained that the study was commissioned through a competitive bidding process with published terms of reference and the submission of a proposal. While the FO provided most of the support to the Dalberg team, some 40-50 interviews had been carried out across the system to inform the work.

ii. The Dalberg consultants agreed that: i) the definition of delivery used in the report was linear, ii) CGIAR needs to define delivery in non-linear terms, and iii) the definition needs to capture the different dimensions of CGIAR’s work (e.g., technology, policies and knowledge).

iii. The Dalberg team emphasized that the report is not intended to be comprehensive but should be seen as a starting point for a larger conversation on the challenge of delivery within CGIAR. They acknowledged specific gaps highlighted by members, including the role of the private sector, non-technology delivery, and segmentation of boundary partners, and noted that it would be difficult, if not impossible, to capture the varied nature of CGIAR’s work given the short timeframe.

iv. The consultants noted that 22 of the projects reviewed were able to validate their delivery claims.

v. The Consortium concurred that, while much work remains to be done, it is an important achievement in the system that about half of the projects analyzed could document their delivery claims.

vi. The Consortium requested additional time to analyze the study and provide feedback.

vii. The ISPC: i) noted that pathways to delivery are improving, especially relative to the original CRP submissions, ii) echoed comments made by several members noting gaps in the report, iii) suggested that the draft report be used for internal consumption, and iv) suggested that ISPC’s planned work on partnerships could contribute to the delivery discussion moving ahead.

viii. The FO concurred that the study should be considered an internal document, with a focus on sharing information and learning.

ix. The FO drew attention to the need to analyze the implications of the study’s findings for RM work, noting that some donors are interested in becoming more involved in delivery work.

x. The FO confirmed that once finalized the report could be shared with the MTR.
Conclusions and Decisions:

1. FC members should carefully review the draft and provide comments by May 15, 2014 to enable quick finalization of the report by the Dalberg team.
2. The Fund Office will clarify its approach to working with the Consortium Office on the recommendations, simultaneously to the MTR taking them on board.
3. The CO should share the draft report with Centers for their feedback and input.
4. The Consortium Board will carefully review the draft and provide feedback and input.
5. The CO will work closely with the FO and the Dalberg consultants to ensure that Consortium comments are integrated in the report, or the Consortium will prepare a response document for submission alongside the Dalberg study.
6. The final report will be shared with the MTR in advance of their mid-July meeting.

Agenda Item 10: CRP Governance and Management Report

The review of the CRP Governance and Management was requested by the Consortium and approved by the FC in November 2012.

The Chair requested that the Evaluation and Impact Assessment Committee (EIAC) Convener introduce the Review of CGIAR Research Programs Governance and Management (RPGM) and share the EIAC deliberations and recommendations with the FC.

The EIAC Convener introduced the RPGM, which was commissioned by the Independent Evaluation Arrangement (IEA). The RPGM was intended to gain a better understanding of the various governance and management arrangements across all CRPs. The RPGM concluded with a set of eight recommendations aimed at improving both the performance and accountability of the CRPs.

The first five recommendations are addressed to the Consortium and the last three recommendations are addressed to the FC for consideration and response. EIAC expressed its full agreement with all the RPGM recommendations. The EIAC Convener however noted some significant differences of opinion/interpretation with the Consortium views regarding to recommendations 1 and 4. These recommendations address the reporting lines and also the independence of the governing bodies of the CRPs.

The EIAC Convener noted that the Consortium expressed a strong preference for direct reporting of the CRP Leader to the Lead Center DG and an indirect reporting line to an independent steering committee. On the other hand, the RPGM Report proposes a more clear-cut administrative reporting arrangement to the Lead Center DG, and a more programmatic and substantive reporting arrangement with the CRP Governing Body, which reports to the Lead Center Board.

The EIAC Convener noted that he saw advantages in the RPGM proposal, which adequately address the risks of conflict of interests. He acknowledged the responses made by the Consortium, but recommended that the FC investigate further the differences in opinion/interpretation. The EIAC Convener indicated that the core principles to take into consideration are (i) the promotion of greater authority and capacity for the CRP Leader in order to drive for results, and (ii) ensuring that the CRP governance is free of conflict of interest, basically bringing in elements of legitimacy and independence.
He also suggested that the FC consider a type of mechanism, such as one that is time-bound and joint, to bring some mutual coherence between the different positions.

The Consortium CEO emphasized that that the Consortium was in favor of this review because they realized that there were issues in the governance and management arrangements, and that they were overall very pleased with the resulting product. The Consortium CEO noted that most conflict would be removed with a dual reporting line: one to the DGs and one to the independent steering committee or board. The Consortium CEO also emphasized that the Consortium response was an aligned response of the Centers and the Consortium.

Discussion:

a) Members welcomed the efforts in developing a comprehensive review of CRPs for the first time.

b) Members recalled that such an analysis was envisioned in the past for the system-wide programs and the Challenge Programs, but was never done.

c) A member indicated that if the RPGM recommendation, in an administrative capacity, were institutionalized it may reduce the relation/involvement of the Lead Center. The role of the Lead Center is to provide leadership, as well as support to the CRP Leader, as needed. This member noted that this partnership should not be underestimated. The steering committee would be able to facilitate independent conversations on programmatic matters, but the Lead Center would be able to support the CRP Leaders with day-to-day challenges.

d) A member suggested that “management committee” or “steering committee” be used rather than “independent steering committee” because they are not convinced the committee could be truly independent.

e) A member identified a “structural” and “contractual” dynamic in the discussion. The CRPs and the Centers are partners, but also there are contractual, fiduciary relationships to consider. There are a number of ways in which responsibility and exposure tie back to the Lead Center. Balancing these two dynamics is important.

f) With regards to conflicts of interests, members indicated that certain areas are prone to conflict. A member suggested that rather than absolutely avoiding conflict, the FC should explore synergies and partnerships to find balance even, when there is a perceived conflict.

g) A member indicated that there shouldn’t be a single model and that flexibility in the reporting structure may be needed from one CRP to another.

h) A member expressed the view that the CRP Leaders should have a lead authority within the Lead Center, so that they are taken seriously and are empowered to direct the scientific vision of the CRP. The relationship between the CRP Leader and the Lead Center DG should be strengthened.

i) A member acknowledged that the CRPs are building on strong Lead Center support and leadership, but that there also needs to be an emphasis on inter-Center collaboration. As such, there is a need for clarification of authority for different entities as part of a CRP.

j) A member indicated that there is a need for a target recommendation on resourcing governance within CRPs. A matrix structure of the CRP Governance could be explored with the aim to bring clarity about the breadth of governance function.

k) In relation to recommendation 1, a member suggested that a higher level of advisory role would encourage adaptation of the existing structure instead of creating an additional layer of governance.

l) A member proposed that the frequency of reporting should be semi-annual. In the interest of transparency the minutes of the steering committee meetings should be made available on the
website. This would enable increased understanding of the discussions and concerns raised in the steering committee.

m) On recommendation 4, a Member felt that there was some confusion around the definition of indirect relation between resources and costs within and between Centers; and across donors too.

n) Some members requested that FC have future dialogue in terms of different views on recommendation 1 and recommendation 4 to bring some mutual coherence between the different positions.

**Response to Discussion Points:**

i. The FC Executive Secretary confirmed the point made by the Consortium CEO that while there appears to be some space between the differing views that it doesn’t appear to be a tremendous gulf. The FC Executive Secretary invited EIAC to come back with a reflection on the points made and to identify which are helpful. In particular the EIAC should look, together with the Consortium, into what should be achieved in the short-term to get to a joint and equally understood position on definition and function of the structure, particularly regarding recommendation 1.

ii. In response, the EIAC Convener pointed out that there is not such a wide difference between the CB and RPGM proposals. Still, the FC was invited to look into the findings of the RPGM Report, which is the result of an extensive consultation.

iii. The EIAC Convener emphasized the need to define a set of workable models answering to the two core principles expressed in the report, in particular with regards to conflict of interest.

iv. The EIAC Convener suggested the establishment of a joint EIAC and Consortium Board committee (with support from the IEA) to examine further the recommendations in the RPGM and look into possible solutions and then report back to the FC. These solutions will support the design of the next generation of CRPs.

v. The Consortium CEO believed that the EIAC Chair’s recommendation was feasible and that it could be done in time to contribute to the MTR. The IEA Head supported the recommendation.

vi. The IEA Head then shared some of the basic concepts underlining the RPGM Report’s recommendations. She pointed out that:

- Three criteria should be considered as having weight on the recommendations in the report: legitimacy (i.e., the extent to which the governance and management structure provide for the participation by different stakeholders), fairness (i.e., extent to which the partners can influence the decision-making) and finally the notion of independence (i.e., decision-making made independent of conflict of interest).
- The recommendations also take into account the CGIAR’s layers of legal and contractual arrangements and are based on principles for achieving good governance and management for global partnerships. They take into account the need to streamline the structure, strengthen the legitimacy and to be more inclusive. Also, important was the need to provide the CRP leaders with ability to manage for results.
- The foundation of the CGIAR system remains with the centers and this institutional capacity needed to be sustained. The review indicated that the centers felt that they were at the risk of being marginalized.
- In summary, the framing of the recommendations took into account: (i) the criteria for good governance and management of global partnerships; (ii) the existing legal and contractual realities of the system; and (iii) the need to keep the centers at the center of the system.
Conclusions & Decisions:

1. The EIAC Convener was invited to initiate a consultation with the Consortium Board on the recommendation 1 and 4 and report back in short order with a document for the FC.
2. The FC agreed to work to reach a joint position with the Consortium Board to be made available to the MTR.

Agenda Item 11: Strategy Session – Climate Smart Agriculture

The Co-chair introduced Andy Jarvis from the CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS), who presented on “Rising to the challenge of establishing climate smart agriculture.” A summary of the presentation follows.

Climate smart agriculture (CSA) is centered on three pillars: (1) food security, (2) adaptation and (3) mitigation. It meets the future food needs of the world, is resilient to the challenges associated with climate change, and also mitigates them. CSA is important to food security because, as the recent IPCC report points out; there will be significant reductions in crops produced due to challenges associated with climate change. CSA is important to adaptation as climate change is expected to contribute to increasing fluctuations in temperatures and precipitation, which many crops are not prepared to accommodate. Currently, agriculture produces 19 to 20 percent of global greenhouse gas emissions. CSA is important to mitigation as there is a need to limit these emissions in order to keep the world within two degrees of warming. If we continue to operate as business-as-usual, this is likely to increase to 21 to 70 percent by 2050.

In 2013, CCAFS published “Success Stories of Climate-Smart Agriculture,” which shares cases of successful CSA implementation, including the restoration of the underground forest in the Sahel, paying for ecosystem services in China, and weather-based insurance in India. Other options include alternative wetting and drying in rice, coffee-banana intercropping, crop-livestock integration, and agroforestry.

There is a need to scale-up CSA practices. The target for 2035 is for half a billion farmers to be practicing CSA and enhancing their adaptive capacity, with a 22 percent reduction in agriculture emissions relative to the “business as usual” baseline, and a 46 percent reduction in forestry and land use change, relative to a projection of current trends. This will require a comprehensive approach that includes:

- Partnerships: research and development, science and policy, public and private
- Knowledge generation: practices/technologies, programmatic elements (insurance, climate information services)
- Work on CSA enablers: (sub-)National policies, UNFCCC global process, donor agendas
- Incentive mechanisms: innovative finance, private sector

CCAFS is working on both top-down and bottom-up methods of advancing CSA. For example, regarding top-down methods, CCAFS is developing the CSA Compendium, which uses a CGIAR expert survey to capture recent or ongoing research and the evaluation of peer-reviewed literature to provide a robust evidence base to define future needs for CSA. Such evidence includes that 95 percent of current climate funding goes to mitigation, which has provided evidence that there is great room for improvement in terms of the adaptation piece of the CSA pillars and has led to investment in national policy planning activities to adapt to climate change.
CCAFS hopes to enhance CSA through bottom-up methods, such as through climate-smart villages, which use a mix of CSA and serve as a learning and action-research platform to generate more evidence for and to improve CSA methods. CCAFS is rapidly scaling up climate smart villages and climate smart methods. There is a state in India that has agreed to implement 1,000 climate-smart villages. In Colombia, the government is conducting an assessment to determine how to make the agricultural sector more climate smart. This represents the ultimate goal – to have entire states and sectors with climate-smart policies lined up.

CCAFS has been participating in the process to develop the CSA Alliance, which aims to accelerate development and implementation of CSA across agricultural systems and scales through investment in sustainable agricultural productivity, resilience to climate change, and climate change mitigation. CCAFS has been working with its three working groups on finance, policy, and knowledge.

Following the presentation the Co-chair opened the floor for discussion.

**Discussion:**

a) Members thanked Dr. Jarvis for the presentation.

b) A member noted that in many countries farmers are taking action in terms of climate change mitigation, unilaterally from any particular government incentive. Members expressed that it is important for policymakers to gain a better understanding of what farmers are doing to ensure that an optimal set of policies are in place that allow and encourage farmers to continue their own initiatives. The member requested that this topic receive more attention. Another member supported this intervention and informed the FC that the FAO, GFAR and ADB are co-organizing (with the Government of Vietnam, South Africa and Netherlands) a consultation meeting on the Climate Smart Agriculture Alliance in Hanoi in June.

c) A member expressed an understanding that the CSA Alliance should be food security focused, action-driven, be engaged with countries and not only international agencies, national organizations, and research entities, and should contribute technically to the UNCCC, but not necessarily be involved in its negotiations.

d) A member acknowledged the work being done in Nigeria to develop policies on CSA, notably a document, which CCAFS played a significant role in, with a well-articulated national policy on short- and long-term strategies to reduce food and nutrition vulnerability, while enhancing environmental resiliency. This provides a framework for the advancement of CSA that can easily be adapted to the context of all African countries, especially in West Africa. For example, this has led to the establishment of a climate change unit in the Nigerian Ministry of Agriculture and the Agricultural Research Council.

e) A member reemphasized that farmers are not only vulnerable in biophysical terms, but in terms of the uncertainties that they face, and that biophysical, technological, and policy and institutional solutions are necessary to address climate change.

f) A member acknowledged the importance of setting quantitative targets, and questioned how CCAFS had established the half-billion farmer goal.

g) Another member requested more detail regarding the strategic engagement strategy to reach this goal and inquired about CCAFS’ strategic engagement strategy with other CRPs.

h) A member requested a breakdown of climate change investments worldwide, in comparison to CGIAR (in terms of adaptation and mitigation).
i) A member noted the importance of involving players across the agricultural value chain in CSA, and wondered how to incentivize these players to engage and prioritize CSA.

j) Members emphasized the importance of strengthening CGIAR’s evidence base around the adaptation of CSA.

k) A member noted that definitions, particularly CSA versus sustainable agriculture, vary, and that establishing these will be important to driving policy dialogue.

l) A member inquired how to balance the need to address the productive potential of agricultural systems in a way that benefits the intended stakeholders (in terms of production quantity, nutrients) with the global push for carbon-neutral or environmentally-neutral systems.

m) A point was made to keep CSA in mind when discussing delivery, as an opportunity to scale up CSA.

n) CSA was brought up from a resource mobilization point of view, and more detail was requested regarding how CSA plays into CCAFS’ budget and outreach to donors.

o) A member emphasized that subsidies are counterproductive to achieving CSA systems and that changes to policies are critical to increasing their adoption. The member noted that while there is a legitimate case to continue subsidies for production’s sake, there is also a legitimate case to turn those subsidies into investments in technologies that deliver the “triple win” to develop the agricultural systems we will need in the future.

p) The Chair noted that the CSA Alliance will have zero credibility unless those involved are prepared to launch something in home countries, not just abroad, and underscored the enthusiastic and remarkable continental leadership in Africa regarding CSA, and called for the international community to bring this alliance behind it.

Response to Discussion Points:

i. Regarding CCAFS’ CSA strategy, it follows a three-thirds principle: one-third research, one-third engagement, and one-third communications.

ii. CCAFS emphasized that it sees “donors” as partners that are critical to reaching the targets it sets.

iii. CCAFS has compiled the specified (and ambitious) quantitative targets based on partnerships that it is generating. It has been discussing and developing these numbers closely with the World Bank and the CSA Alliance, among others.

iv. The 95 percent mitigation funding figure, versus 5 percent adaptation, comes from a study that looked at climate finance and probably does not count CGIAR funding, so if you were to bring in CGIAR there would likely be more adaptation funding.

v. Regarding CRP collaboration, there is an intentional effort to systematically increase engagement in the next extension phase.

vi. Regarding subsidies, CCAFS noted that it has been discussing the carbon footprint of these subsidies with the Inter-American Development Bank. There is discussion of directing conversation so that subsidies are on the basis of reducing the carbon footprint.

vii. CCAFS emphasized that it always has a large, farmer organization present at events, recognizing the importance of farmer engagement and involvement in CSA development.

viii. CCAFS noted the importance of engaging supply chains, emphasizing that getting large players (e.g., Walmart, Unilever) involved are game-changers. One of the projects over the next two years will be to develop climate smart certification schemes for high-value products, such as coffee, which has huge potential to influence global supply chains in terms of CSA.
## Agenda Item 12: Mid-Term Review of the CGIAR Reform – Inception Report

The Fund Council commissioned the Mid-Term Review (MTR) to assess the progress of the CGIAR Reform, as well as the appropriateness, effectiveness, and efficiency of the overall system. Accordingly, terms of reference were approved by the FC and an eminent Panel was selected to, among other duties, make recommendations for any needed course correction. In its mid-January 2014 meeting, the MTR Panel started execution of a detailed work plan and since then has provided periodic progress reports to the MTR Reference Group – a joint committee of the funders and doers pillars of CGIAR.

The FC Chair invited the **MTR Reference Group** to frame the discussion.

The MTR Reference Group noted that the MTR Panel is chaired by Sir John Beddington and supported by nine MTR Panel members from Africa, Asia and the Americas, with strong credentials in both public and private spheres. The MTR is also supported by Warren Evans as Member-Secretary, who was in attendance at FC11. The MTR Reference Group is comprised of members from the FC (Switzerland, Canada, and Australia), the CO, the Consortium Board, a DG representative, and the FO. The MTR Reference Group extended an invitation to other FC members to convey their views and comments for transmission to the MTR Panel. The FC was informed that the MTR Panel held its first meeting in January 2014 in Berlin and interacted with the MTR Reference Group at the conclusion of this initial face-to-face meeting. The MTR Panel will, in due course, make recommendations for course correction for CGIAR and its reform process, to ensure that the system is best positioned to tackle global challenges for both the short and long term.

The FC Chair then introduced **Sir John Beddington, Chair of the MTR Panel**, who spoke by telephone from Bristol, London, and spoke on the MTR.

The Chair of the MTR Panel briefed the FC on progress of the MTR process, after noting the Panel’s rich experience in terms of expertise, political understanding, and geographic representation. He highlighted the key issues being addressed by the MTR, noting the first topic as the appropriateness of the current CGIAR goals and strategies to support the fundamental purposes of agricultural research and delivery of development solutions. He explained that the MTR will be:

- Considering CGIAR’s effectiveness in delivering solutions (e.g., to reduce poverty, improve food security, and address livelihoods);
- Reviewing the efficiency and effectiveness of the architecture and mechanisms to manage and fund research;
- Analyzing the extent and quality of partnerships both within the CGIAR network and with external stakeholders;
- Scrutinizing the current financing performance of Windows 1, 2 and 3;
- Thinking through the internal systems, including risk management, governance, and accountability; and
- Determining if CGIAR is fit-for-purpose to address challenges emerging from a rapidly evolving global context and the uncertainties that come with this.

The MTR Chair emphasized the Panel’s desire and intention to increase engagement with the MTR Reference Group, and noted the Panel’s efforts to initiate dialogue with the greatest number of key informants across the entire system, including FC members, CRP Directors, senior scientists, Center
Directors General, the CO, the Consortium Board, and Center Board Chairs. He pointed out that the Panel was also using survey tools to get the views of peers.

As an additional useful element, the MTR Chair noted a strong interest on the Panel to bring together a group of leading scientists to agree upon the key research questions that need to be addressed in the field of international agricultural research, and use this information as a basis for further discussion with CGIAR system stakeholders. He emphasized the need to focus on the future issues that CGIAR research will have to tackle, given the challenges of population growth, increasing urbanization, and the complications and multiplier effects of climate change. The MTR Chair also noted the Panel’s interest in reviewing the Resource Mobilization and Delivery Studies, and underlined the importance of being kept abreast of developments on the ongoing work on the Strategy and Results Framework.

In terms of the MTR’s progress, the MTR Chair highlighted that the Panel’s preliminary thinking supports CGIAR’s current vision of reducing poverty and hunger, improving human health and nutrition, and enhancing ecosystem resilience through high-quality agricultural research and leadership, but feels that this vision needs to be translated into actionable, measurable objectives that can be prioritized. It was also noted that there does not appear to be collective agreement within CGIAR as to whether the overall objective should be to address longer-term regional or global food security, or short-term national needs, including, for example, capacity-building. The Panel also feels that the current governance arrangements, which include the FC, Consortium Board, and 15 Centers with their own boards, appear to be overly complex, creating governance challenges. The MTR Chair also noted that there are issues with CRP partnerships and the ad hoc nature of linkages to the private sector. The MTR Chair underlined the need for peer review of the ISPC and a high level of scientific quality assurance.

In conclusion, the MTR Chair pointed out that the MTR’s role is to provide the best advice possible, which will require as much input as the FC can provide. He posed several questions to the FC for their consideration and response:

- Is there a common, shared strategy that the FC supports?
- Noting that the current form seems to have an added a layer of complexity to the system, are there elements in the CGIAR bureaucracy that could be addressed?
- In relation to donor behavior, what elements would FC members consider altering to Windows 1, 2 and 3 and current financing strategies?
- Is CGIAR at the cutting edge of science (the preliminary views of the MTR Panel are reassuring in this regard)?
- Is the current system too conservative in the manner in which investments are made?
- How does the current CGIAR system rank in terms of efficiency?
- Does the current governance system allow for a divergence of views and a method to address divergent opinions while moving decisions forward?
- Are there other questions or missing issues that the FC membership would like the MTR to address?

Discussion:

a) Several members requested that the MTR Panel provide information on next steps and the proposed manner of interaction with the FC, CRP Directors, the Consortium, and other CGIAR internal stakeholders.
b) A member queried the MTR Chair as to the proposed strategy to engage development partners outside CGIAR in a forum similar to that being organized for internal stakeholders at Oxford.

c) In relation to the discussion on the means to better engage with internal and external stakeholders, a member offered the use of the GFAR networks as a ready-made and available consultative platform, which includes 600 universities, heads of national research systems, and farmer organizations.

d) A member recalled that the Consortium had carried out recently a partnership survey which raised some of the same questions that the MTR intends to address, and noted that it would be useful to ask CGIAR’s external partners how they think CGIAR could add value to their partnership.

Response to Discussion Points:

i. The MTR Chair explained that the MTR Panel would appreciate any guidance offered as to the best manner to engage with the internal and external stakeholders of the CGIAR system, and underlined that the MTR Panel is firmly committed to meeting with all possible stakeholders.

ii. The MTR Member-Secretary highlighted that the Panel would be meeting with CRP leaders at the CO in June 2014, building on three one-on-one sessions with Center leadership that have already occurred, an engagement process that will continue with the Centers, and noted the MTR Chair’s interest in talking directly with Center Board Chairs.

iii. The MTR Panel welcomes the opportunity to interact with as many donor representatives as possible and with the MTR Reference Group in a manner similar to its engagement with Centers. Discussions are already occurring with the FO and the Consortium Office, as well as with the Consortium Board. It was important to have a mechanism to speak with the FC members.

iv. The MTR Chair emphasized the need for the FC, Consortium Board, and Center boards to work together to ensure that there is progress on scheduling time to interact with the MTR Panel members.

v. With regards to engagement with external stakeholders, the MTR Chair noted that he expects to have a better understanding of who the key non-CGIAR institutional partners are and the best manner to approach them for their views following the Oxford meeting and the meeting with CRP leaders.

vi. The MTR Chair welcomed the offer to use the existing GFAR networks for the consultative process with external stakeholders.

vii. On a final note, the MTR Chair noted that it would be valuable to engage with other partners to understand how CGIAR could best serve them. He clarified that the MTR Panel was aware of and had begun to analyze the partnership review carried out last year.

viii. The MTR Chair then reiterated his request to engage with FC members to the fullest extent possible.

Conclusions and Decisions:

1. The FC Chair noted the satisfaction of the FC members with the progress report provided by the MTR Panel and thanked them for their time and efforts.
Agenda Item 13: GCARD3: Fund Council Governance Committee’s Guidance Note

At FC10, the Fund Council Governance Committee (FCGC) was asked to (i) review the Rodney Cooke assessment report on GCARD2; (ii) review the FC’s comments on GCARD, including the decisions of the FC from FC8; and (iii) prepare a brief on how to proceed with GCARD3. Prior to FC11, the FCGC provided the Consortium and GFAR with a Guidance Note laying out a vision for the role and design of GCARD3. The objective was to provide a useful path for the preparation of the GCARD proposal and to elicit Consortium and GFAR views and “buy-in” before FC11. The Consortium and GFAR discussed the Guidance Note’s recommendations during the GFAR Steering Committee meeting at the CGIAR Consortium Office in April. The Consortium and GFAR endorsed the FCGC Guidance Note and provided a response to the ideas presented after a discussion with the FCGC just before FC11.

The FCGC is seeking FC endorsement of the Guidance Note -- which should be considered a preliminary document to provide focus for FC discussion and to help the Consortium move forward with their proposal development, noting the urgent need to begin planning the GCARD3.

The FC Chair invited the FCGC Convener to frame to the discussion and introduce the Guidance Note, which outlines the functions of GCARD as follows: establish demand for future research, facilitate the exchange of knowledge, and provide a forum for CGIAR accountability. Based on these functions, the FCGC proposed special design considerations to encourage GCARD3 to aim for realistic deliverables and facilitate very high level discussions to enable effective debate. This approach suggests a restricted set of objectives for GCARD3, a smaller event and fewer participants than GCARD2, and a lower budget.

The FCGC Convener gave the floor to the GFAR representative, who in turn gave the floor to the Consortium CEO to provide the Consortium’s response to the FCGC’s Guidance Note. The CEO expressed appreciation from both GFAR and the Consortium for the guidance provided by the FCGC, including the discussion in the FCGC meeting on May 5, and noted that GFAR and the Consortium plan to develop a GCARD3 proposal built around the following elements: (i) a kick-off event for GCARD3 in November which would be a one-day event on the SRF, linked to FC12, and budgeted at $100K; (ii) a consultation process in 2015 around new CRP proposals in key countries and regions to be funded through the CRPs; (iii) an on-line platform to collect and synthesize the results of the consultations, budgeted at $150K; and (iv) a global event in November 2015 to bring together feedback and consultation, budgeted for $200K. The full proposal would be submitted for FC approval by end of June 2014.

Discussion:

a) Members expressed their support for and appreciation of the FCGC’s Guidance Note.
b) Members expressed approval for the response document, noting that it presents a good basis for planning the next GCARD and emphasizing the need to expedite the planning process.
c) A member expressed interest in receiving a breakdown of expenditures.
d) A member noted that there was reference to private sector involvement in the Guidance Note, but not in the response.
e) Noting that the largest budget item for the event would likely be travel and accommodation costs, especially if financial assistance is provided, a member suggested that the proposed budget may need to be revised accordingly.
Response to Discussion Points:

i. The Consortium CEO noted that since a detailed proposal has not been developed yet, the costs provided are ballpark figures, based on previous events, in order to get an idea of the budget that would be acceptable to the FC when presented for future approval.

ii. The GFAR representative indicated that the private sector is already well represented in its constituencies and emphasized that appropriate balance would be sought to avoid over-representation of any given group, and to involve, but not be driven by, big private-sector interests.

iii. The CEO proposed a meeting to kick-off the GCARD3 process side-by-side with the CGIAR Funders Forum, should it be held in November 2014, as a means of controlling costs.

iv. GFAR suggested an additional cost-control measure: link a kick-off meeting of GCARD3 with the GFAR constituent assembly, which is a gathering of stakeholders to determine how best to represent all sectors in GFAR’s operation and actions.

v. The Fund Council Executive Secretary advised against a GCARD3 kick-off event in November 2014 alongside the FC12 and Funders Forum due to congestion from a full calendar of activities that week.

Conclusions and Decisions:

1. The FC approved the FCGC’s Guidance Note.
2. The Consortium Board and GFAR are requested to submit a final GCARD3 proposal for approval by the FC by end of June.
3. The FO will circulate the GCARD3 proposal for approval by the FC inter-sessionally on a no-objection basis.

Agenda Item 14: CRP Extensions

The FC Chair asked the FC Executive Secretary to frame the discussion. The FC Executive Secretary noted that three CRPs with contracts ending in June 2014 require a 6-month contract extension as a bridge toward the 2015-2016 extension proposal process that is ongoing for the CRP portfolio as a whole. The three CRPs presented for extension were: (1) Aquatic Agricultural Systems (AAS); (2) Maize; and (3) Forests, Trees and Agroforestry (FTA). The proposals have been submitted to and assessed by the ISPC, the comments of which were made available prior to the FC Meeting.

The FC Chair acknowledged the ISPC efforts which made their comments available for review prior to the discussion.

The ISPC Chair reported that its approach to the assessments was to provide the FC members with a synthesis of where each CRP’s original proposal differed from the extension proposal. The ISPC indicated that it has no reason to refuse support of the six-month extensions. The ISPC Chair also pointed out that its written comments also provided pointers for future CRP extension requests. She closed by advising the FC that the ISPC welcomed questions regarding its comments.
The FC Chair outlined the decisions before the FC: (1) Are they prepared to approve the 6-month contract extensions?; and (2) Are they prepared to approve funds for the three CRPs from Window 1 and Window 2?

Discussion:

a) A member expressed approval for the 6-month extensions and expressed appreciation for the ISPC comments.

b) A member noted that there are significant deviations between the contracted budgets and actual expenditures, and that this has contributed to questions regarding accountability and transparency of the CRPs. The member sought clarification regarding these deviations and questioned if these activities had been approved by the Consortium or the FC.

c) A member highlighted that moving into the 2nd Round of CRPs that there is an opportunity to learn from the 1st Round. This member expressed that extensions of existing CRPs should be looked at as amendments and that the Consortium should show differences in budgets and programming across time periods to get a clear understanding of how CRPs are changing.

d) A member proposed that the FO and CO work on a template for extensions so the changes (e.g., difference in time period, budget and programs) in CRPs can be tracked. This will also help ensure that certain issues are addressed in the extensions and upcoming 2nd Call that were not covered in the original CRP proposals. For example, the CRP’s intellectual assets policy, delivery plans, and specific details on handling budgets.

e) A member explained basic elements of the Joint Agreement’s provisions for approving the budgets of the CRPs. The FC approves CRP program proposals and their total budgets. Window 1 and Window 2 is approved as a total number and the total amount (and any limits) of Window 3 and bilateral funding is also approved as a separate number. This allows the FC to help prioritize the full CGIAR portfolio and avoid competition for funding between CRPs. The “extended budget component” for Window 3 and bilateral funding keeps this process from becoming too rigid; however, this mechanism is not widely understood, particularly among Centers.

Response to Discussion Points:

The Consortium:

i. The CEO reported that the CRP on FTA expenditure was not far out of line with its own projections. The AAS CRP is a small program and had a small budget, but received higher levels of support than expected. The CRP on Maize was one of the few programs that budgeted for an “extended budget component.” This mechanism is not widely understood. Due to this, they received more Window 3 and bilateral money, but were within their authorized limits. He agreed that more clarity on how this mechanism works was needed system-wide.

ii. With regard to the discrepancies between the contracted budgets and the actual expenditures, the CEO noted that for the most part, the higher expenditures of the CRPs are coming from Window 3 and bilateral funding. Window 1 and Window 2 Funding, which is approved by the FC, is not being affected in this case.

iii. He pointed out that the Centers feel that they generally should be congratulated for having high Window 3 and bilateral donors. They feel it signals success in fundraising, and shows how much support there is for CRPs from donors.
iv. The CEO noted that the contractual obligations regarding funding in the context of the CRPs are not widely understood. There is a need to clarify what the implications are for Window 1 and Window 2 funding, whenever Window 3 and bilateral funding exceed authorized limits. In conversations with the Centers, the Consortium has made efforts to clarify the funding rules and consequences set out in the Joint Agreement.

v. The CEO reported that the CRP on FTA expenditure was not far out of line with its own projections. The AAS CRP is a small program and had a small budget, but received higher levels of support than expected. The CRP on Maize was one of the few programs that budgeted for an “extended budget component.” This mechanism is not widely understood. Due to this, they received more Window 3 and bilateral money, but were within their authorized limits. He agreed that more clarity on how this mechanism works was needed system-wide.

**Conclusions & Decisions:**

1. The FC approved the 6-month contract extension proposals for the 3 CRPs (FTA, AAS and Maize).

2. The FC approved the increase in budgets for the 3 CRPs (FTA, AAS and Maize) detailed in Table A below as follows:
   - a total increase in budget from all sources (W1, W2, W3 and bilateral) of $65.3 million
   - a total increase in budget from W1 and W2 of $20.8 million

**Table A (Figures in 000 USD):**

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<th>Windows 3 &amp; Bilateral</th>
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**Agenda Item 15: Strategy & Results Framework/CRP 2nd Call**

At FC10, the FC agreed to revise the SRF prior to the CRP 2nd call. The Consortium hosted a discussion of the SRF and CRP 2nd call at Wageningen in early 2014 attended by members of the Consortium Board, Fund Council and other donors. In addition the Fund Office organized a workshop prior to the FC meeting in Mexico on 6th May to maintain momentum on SRF and second call discussions. The Consortium provided the SRF Management Update prior to FC11 for endorsement by FC.
The FC Chair invited the **FC Executive Secretary** to frame the discussion of the 2014 SRF Management Update.

- The FC Executive Secretary noted that the SRF Management Update from the Consortium was on the table for endorsement and initiated discussion with an overview of the main findings from the SRF workshop held on May 6th making the following points:
  
  o There is a strong relationship between the SRF and the resource mobilization strategy (RMS).
  o The SRF should provide a strategy for the next 20-30 years, and will lead to changes in the CGIAR research portfolio responding to changes in opportunities and challenges.
  o Identifying CGIAR’s niche, branding, and identity in the growing agricultural research arena is critical to a strong SRF and RMS.
  o The previous SRF constructed its portfolio with a bottom-up approach, building on existing CGIAR Center activities. The new SRF needs to find a balance between a bottom-up and top-down approach to best identify and fill in research needs and opportunities.
  o Many stakeholders noted the need for various priorities to be considered in the SRF development process, including donor priorities, national priorities, and the priorities of beneficiary social groups and stakeholders.
  o Participants emphasized the importance of identifying metrics and measurements for realistic and achievable goals.
  o When considering how many CRPs to have and what their focus should be, it is important to get the best critical mass and the best research, opposed to a broad approach that is not very deep.
  o Setting up principles of prioritization is critical to ensure that high-level development outcomes are achieved.
  o The FC Executive Secretary noted that there was little discussion regarding gender in the SRF workshop, but that it is critical to the development of the SRF.

- The FO circulated a proposed Gantt chart summarizing the sequence of activities planned between FC11 and FC12 that will lead to the development of a unified SRF and RMS. It was recalled that the SRF Management Update should be approved and endorsed by the Funders’ Forum. The FC Executive Secretary welcomed comments or requests for clarification on the Gantt chart.

- The FC Executive Secretary invited the Consortium to put together a zero-draft of the SRF that would form the basis for various groups (e.g. ISPC, FC, donors, FCRG, CRG, stakeholders) to comment on it, in order to get something to the MTR by their July meeting. This will in turn provide additional time to work on a final draft to present at the Funders’ Forum in November 2014.

The FC Chair then invited the **Consortium CEO** to present on the SRF Management Update.

- The Consortium CEO acknowledged that the SRF Management Update is a work in progress, or a process update. It was presented to ensure that the FC was in agreement on the direction of the work and on what remains to be done.

- Much of the work on the SRF in 2013 focused on strengthening the quality and coherence of the CRPs. Work was done to develop an accountability framework through stronger theories of change, clearer impact pathways, and clearer outcomes in order to better track deliverables.
• It was noted that many of the CRPs were put together using clusters of Center activities. Each of these clusters had milestones, which resulted in many of the CRPs having 60 to 100 milestones. This made it very difficult to understand what a program would produce.

• The Consortium CEO noted significant bottom-up work done with the CRPs in 2013 to develop a stronger foundation. A number of CRPs have taken it upon themselves to reorganize internally and to move from many, small milestones, to a small set of intermediate development outcomes (IDO). Additionally, given many IDOs overlapped across CRPs they eventually agreed upon 11 common IDOs, with a few specific IDOs for some CRPs.

• Beyond these agreements, little work was done to develop indicators or targets for success, which would provide a clearer picture of value-for-money. There is a meeting planned for June 2014, where CRP leaders plan to come together to translate these IDOs into clear indicators and targets.

• As mentioned, there needs to be a balance of bottom-up and top-down work. In February 2014, the Wageningen meeting discussed the draft SRF document and associated guidance documents, allowing donors and other beneficiaries to take greater ownership in the process. Following this meeting, the key message for the Consortium was that it needs an assessment of what it will take to deliver the system-level outcomes, independent of the current CRP portfolio.

• In agreement with the early MTR findings, the Consortium CEO mentioned that there was no clear prioritization criteria in the SRF and would welcome inputs from donors as well as beneficiaries.

• The Consortium CEO mentioned a number of activities planned that are associated with the SRF work plan, including a meeting in Oxford that the MTR is planning, the meeting in June mentioned, and a meeting in Cambridge, which is being organized by the CO’s new chief science officer, who is leading the SRF Management Update process moving forward.

The FC Chair invited the ISPC Chair to provide comments on the SRF Management Update.

• The ISPC Chair indicated that the ISPC comments were written and submitted as a separate document prepared for the FC.

• The ISPC Chair expressed agreement that CGIAR needs a statement of what investors might get for their money. Research should produce evidence that influences decision-makers and others, to add up to outcomes.

• The ISPC Chair questioned if a results framework should be aspirational. The CCAFS strategy of “leveraging” was used as an example of developing goals, or “influence targets,” so that people are responsible for making sure that their outputs are communicated in a way that users are able to take them to a level that has impact. It was noted that some CRPs are hesitant to be aspirational for fear that they will not be able to deliver and uncertainty regarding what they will be held accountable for.

• The ISPC Chair suggested that the Consortium look at resource allocation in terms of maximizing influence and returns on investment.

• The ISPC suggested that the FC consider having periodic discussions regarding changes in the world and how they might influence its prioritization criteria, and to maintain flexibility to respond. In line
with the Consortium, the ISPC suggested that the SRF also allow flexibility to support creativity and innovation among the CRPs to enable “blue-sky research”. For example, a certain percentage of the budget (e.g. 10%) could be allocated to this type of advanced research and be adjusted later based on how well this research progresses.

Following the comments of the ISPC, the FC Chair opened the floor for discussion.

**Discussion:**

a) A member inquired what the plan for external engagement would be during the SRF development process, outside of existing structures.

b) A member noted that many scientists still have the old mindset of incremental progress opposed to nonlinear progress, which has to do with the message from the ISPC Chair, that they are reluctant to being held accountable. One creative solution to address this is to gain a better understanding of the needs from end-users to tie CGIAR deliverables to their own, increased the chances of nonlinear progress and greater impact. The CGIAR Fund also has the opportunity to contribute to this through nontraditional funding mechanisms. Inflexible budgets may also constrain creativity.

c) Members noted that the SRF is the most important document for CGIAR, and should endorse the SRF Management Update, but only on the basis that they receive the requested SRF in good time for approval at FC12, taking into consideration that the SRF will form the basis for the launch of the CRP 2nd call.

d) A member emphasized that the SRF should be a strategic results framework, which starts from a strategic objective, or IDO at system level, and then identifies what kind of research activities need to happen to achieve it. The system IDOs should not be developed out of existing activities. The right sequence will help CGIAR set up and choose the right IDOs at system and CRP levels.

e) A member noted that metrics should be decided after a complete SRF is developed.

f) A member acknowledged the link between the SRF and the RMS, but noted that the SRF should be developed first so that the RMS can build on the various aspects of the SRF.

g) Members underlined the need to look at the gene bank activities and ensure that they are not left out during the development of the SRF.

h) With regards to outcomes, a member encouraged the FC to be courageous in thinking about targets. It is important to take into account future challenges and a wider social context (issues such as poverty reduction, gender, energy, nutrition) when shaping the targets of the SRF.

i) A member noted appreciated for the balanced approach of actions and resource allocation (between communications, advocacy, and research) in CCAFS, without sacrificing high-quality science and wondered if similar allocations could be embedded into the SRF.

**Responses to Discussion Points:**

i. The ISPC Chair acknowledged the benefit of the 30-30-30 model (30% research, 30% engagement, 30% communication), but noted that all CRPs are different and the most effective percentage for each may vary. The ISPC Chair suggested that the FC could decide on a rough percentage, but that the CRPs could bid for different amounts. Then entities like the ISPC would advise on the appropriateness of such bids.
ii. The FC Chair noted a convergence of views within the FC regarding the need for a new SRF. The FC Chair requested a zero-draft from the Consortium within a month. The document is expected to be light, aiming to set the foundation for a framework to be fleshed out by different parties. Once the Consortium develops the zero-draft, it will be contributed to through three streams: (1) ISPC; (2) FC/donors; and (3) FCRG/CRG.

Conclusions and Decisions:

1. The 2014 SRF Management Update was endorsed.
2. The FC Chair invited the Consortium to develop a zero-draft SRF within a month.
3. The FC Chair instructed the FO to coordinate between the work streams (e.g. ISPC, Consortium, FC/donors, FCRG/CRG) in the process of further developing the SRF based on the zero-draft.

Agenda Item 16: Any Other Business

A) Grant-making Facility of the World Bank and Funding to CGIAR

Chaired by meeting co-chair Raúl Urteaga, Mexico

The World Bank representative to the Fund Council provided the following information and updates:

- As one of the founders of CGIAR, the World Bank has continuously supported the system for more than 40 years, providing in excess of $1 billion, and will continue to support CGIAR in the future. For approximately the past 15 years, the Bank has provided $50 million a year to CGIAR.
- Under its new President, the World Bank Group (WBG) is currently undergoing significant reform, which includes a comprehensive expenditure review and commitment to reduce the budget by $400 million over three years. The WBG has also developed a new group-wide strategy focused on eradicating poverty, promoting shared prosperity, and addressing climate change. Senior management understands that without extensive investments in agriculture research, it would be very difficult to achieve the new strategy.
- The WBG President has personally communicated to the CGIAR Fund Council Chair and the Bank’s representative to the FC the importance of agriculture and food security and has tasked them with developing a global food security strategy in collaboration with key partners. As part of its budget review, management proposes to phase out its financing of five grant-making facilities, including CGIAR, which have been funded from the below the line budget.
- The Bank’s commitment to CGIAR remains strong at the highest levels. As confirmed by the President, the WBG will endeavor to find alternate sources of financing for CGIAR so that it can continue its valuable contribution to agriculture research. The President has shown keen interest in CGIAR’s work and has been briefed on the necessity for increased, sustained investment in agricultural research in order to achieve global food security in the face of threats, such as climate change.
- The current budget review process provides an opportunity to explore the best way to fund the CGIAR system going forward. A high-level task force, including current and previous senior managers at the Bank as well as external experts, will be formed to determine how to create a more sustainable funding mechanism that will be able to raise the same level of funding, if not more. The Bank representative emphasized that the WBG Board has not yet made a decision on the funding issue.
Noting that many Fund Council members’ countries are WBG shareholders and Board members, the representative requested FC colleagues to:

- brief their capitals on the importance of CGIAR and why it’s important for the Bank to continue to play its vital role in the system;
- have ready arguments to demonstrate CGIAR’s impact – both past and potential – in the lives of the poor, and
- explain the need for increased investment in CGIAR, despite its historic levels of funding.

Discussion:

a) Fund Council members made a number of requests, including:
   - Timeline as to when the new financing mechanisms could be put in place.
   - Background paper on World Bank’s proposed approach.
   - Information on which financial mechanisms are under consideration.
   - Relationship of the $400 million relative to the overall budget.
   - Advice on how to approach the right WBG decision-makers at the right time to share the message about the importance of agricultural research.

b) One member emphasized the importance of the “signaling” issue (i.e., what the Bank’s decisions could signal to other donors), and noted the importance of both quantity and quality of funding.

c) The member also expressed concern with the relative opacity of above-the-line budgets and underscored the importance of clear-cut information. In briefing Executive Directors, a collective sense of how other donors think would be useful.

d) One member noted that as new financial mechanisms are being considered, it would be useful to synchronize funding approaches with the group’s resource mobilization strategy.

e) The Consortium Board Chair expressed 1) appreciation for the personal support provided by the FC Chair and WBG’s representative to the Fund Council, and 2) concern about the possible knock-on effects to other donors should there be a significant change in the Bank’s commitment levels.

f) Consortium Board Chair expressed intent to transmit to the Centers the reassurance of the Bank’s long-term commitment, and willingness, on behalf of both the Consortium Board and Centers, to help in any way in supporting the opportunity described by the Bank representative.

g) GFAR offered to support the process of developing the new global food security strategy at the World Bank.

Response to Discussion Points:

i. The representative welcomed the member’s offer to participate in the consultation process to form the global food security strategy.

ii. The representative respectfully declined the request to provide a background paper, noting that the WBG is accountable to its Board, rather than the Fund Council, and declined to speculate on possible funding mechanisms until the process has developed further.

iii. Over the next three years, approximately 8% of the World Bank Group budget will be cut and all expenditures within the WBG are under scrutiny.
iv. The Board has a preliminary budget meeting on May 17, and full meeting on June 28, during which times discussion will focus on identifying $3 million in funding to supplement the $47 million that is already confirmed as available for FY2015. An update will be provided when more information is available.

v. It was emphasized that the budget review should be seen as an opportunity for CGIAR rather than a risk, providing a chance for an open conversation about how to fund CGIAR more sustainably going forward.

vi. The Board/Executive Directors will have a major role to play and are open to receiving input. Donors are encouraged to make the case for the importance of CGIAR to their EDs.

vii. The representative noted that donors who want to reinforce the significance of this issue and feel strongly about making an equivalent or larger contribution should act immediately and contact their EDs, as the May 17 meeting is fast approaching.

Conclusions and Decisions:

1. The Fund Office will provide as soon as possible a draft summary of the Fund Council’s discussion of the World Bank’s funding to CGIAR in advance of the complete draft of the FC11 Meeting summary due to (i) the high interest among FC members and donors, and (ii) the time-sensitive nature of potential actions due to the upcoming meeting of the World Bank’s Executive Directors.

2. FC members should brief their capitals as World Bank Executive Directors expect to be briefed immediately following the FC meeting and prior to the upcoming May 17 budget regarding CGIAR’s impact - both past and potential - in the lives of the poor, and the need for increased investment in CGIAR to support its important work.

B) Other Business

The Fund Council chair noted this this session would be used in part to return to some unresolved issues raised on the first day of the meeting and flagged for follow up on day two, following bilateral and offline conversations. These issues include a timeline for additional feedback from the Consortium on the Dalberg study; management of a process to improve the scorecards, particularly when it comes to compatibility of the scorecards of the various system entities; Special Initiative System Costs; and Intellectual Property rights issues.

Discussion:

a) The Consortium CEO expressed his intent to consult with the Fund Office and Consortium members to determine the best approach to providing feedback on the Dalberg study (e.g., provide comments or prepare a parallel study) and committed to sorting things out in a timely manner to ensure that the final product will be ready for the MTR by the end of June.

b) It was noted that the PRT met with the ISPC to discuss the scorecards and will convene another teleconference soon on the issue. PRT clearly stated that there will be a two-tiered scorecard. The first tier will consist of the client survey and will be common to all system entity scorecards. The second tier will consist of outcomes and outputs specific to individual entities. The questions to be asked will be provided well in advance of the survey.
c) With regard to the discussion of Special Initiative System Costs, a delegation of donors with a unified position clarified that it supports all options proposed and has no intention of blocking progress.

d) A member asked for an update on a request made at FC10, namely, that the Consortium is to report on Centers’ compliance with CGIAR system requirements on intellectual property rights issues and to identify Centers that are not in compliance.

e) Another member noted positively that the IP principles established through the CGIAR are snowballing very quickly and being taken up by other partners, such as Guatemala.

f) The European Commission offered to host the 12th Meeting of the CGIAR Fund Council in Brussels the week of November 3, 2014.

Response to Discussion Points:

i. The Fund Council Chair encouraged the Consortium CEO to provide comments to Dalberg so that the study is as rounded out as possible.

ii. The Consortium CEO noted that a general report on IP issues was provided in an annex to the Consortium Office report, which concluded that all Centers were in compliance. The Consortium CEO offered to provide more details and assured Fund Council members that more detailed reporting will be provided in future.

iii. The Fund Office noted that it received from the Consortium an IP compliance table that provides detailed responses to the FCIP Group’s comments. While the table was received too late for inclusion in the meeting documents, it will be circulated in due course.

iv. On behalf of the Fund Council, the Chair accepted the EC’s offer to host FC12.

The Chair closed the agenda item by noting that a short Closed Session of the Fund Council would follow immediately and a good deal of inter-sessional work would follow thereafter. She thanked the Consortium Board, Consortium Office and its Chief Science Officer; the IEA; ISPC; the Head of the Fund Office and his team and, above all, the Mexican hosts of the meeting.

Finally, the Chair thanked all FC participants for a very productive meeting in which a number of major issues were tackled. She noted that the group is dealing with a lot of moving parts and is rising to the challenge of helping the CGIAR system move to a higher level – which is complicated and not an easy process. Despite some differences of opinion, the group is focused on the same end result and recording serious progress. Noting the business-as-usual is not an option, the Chair observed that the straightforward solutions are being sought to address the most pressing problems in order to move forward.

Conclusions and Decisions:

1. **Consortium will provide feedback on the Dalberg study in time for a final product to be prepared and delivered to the MTR by the end of June.**

2. **The Fund Office will circulate the Consortium’s IP compliance table.**

3. **The European Commission will host FC12 in Brussels the week of November 3, 2014.**

4. **The Fund Council Chair will write a letter to the Mexican Minister of Agriculture, Mr. Enrique Martínez y Martínez, to thank Mexico for hosting FC11.**
Annex 1: Summary of Conclusions and Decisions

Agenda Item 1: Opening Session of FC11

Conclusions and Decisions:
1. The representative from Mexico was elected co-chair of the meeting.
2. An additional agenda item on the grant making facility of the World Bank was added for the second day of the FC meeting.
3. The agenda was adopted as amended.

Agenda Item 2: System Entity Reports and Scorecards

Conclusions and Decisions:
1. The Fund Council adopted the Fund Office, Consortium Office, IEA, and ISPC Reports.
2. PRT and ISPC to consult offline with system entities regarding standardization of the satisfaction survey of the scorecards and provide to the FC on day two a clear plan for moving forward.
3. The Consortium Office will share the results of its satisfaction survey with the Fund Council in short order.
4. In conjunction with the Consortium Office, the Fund Office will facilitate an assessment of cash-flow movements to identify and remedy bottlenecks in the system. Recommendations for improvement should be provided by September 30, 2014, for the PRT’s review.
5. The Consortium will explore further the reasons given by Centers for lack of full recovery of the CSP and compile as soon as possible a list of those donors who do not accept the CRP for the Fund Council’s review.
6. Fund Office will take the lead in proposing actions and recommendations to remedy the situation of low CSP recovery.
7. The Fund Council approved the budget requests that the system entities refund their respective 2013 underspend to Window 1 except for $85,000 of IEA’s 2013 underspend which the FC approved for the IEA’s use in 2014. The sums are as detailed below:

<table>
<thead>
<tr>
<th></th>
<th>2013 Gross Unspent Budget (Million USD)</th>
<th>Unspent Budget Retained for 2014 (Million USD)</th>
<th>2013 Unspent Budget Returned to Window 1 (Million USD)</th>
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<tr>
<td>Consortium Office</td>
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<td>Fund Office</td>
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<td>ISPC</td>
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<tr>
<td>IEA</td>
<td>0.178</td>
<td>0.085</td>
<td>0.093</td>
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</table>

8. The Fund Council approved the request that the Consortium redeploys $400,000 which had been approved for project funding in its 2014 budget to be now used for the gender strategy and the SRF development activities.
Agenda Item 3: Special Initiative System Costs (SISCs)

Conclusions and Decisions:

5. It was expected that the Fund Office would seek further discussion of the guidelines for the four Practices particularly taking account of EIARD’s comments. However, on May 8, 2014, EIARD clarified their position during Agenda Item 16, Any Other Business. EIARD stated that they supported the existing proposal.

6. The FC approved all four practices in the proposal. For Practice 1 addressing equity, the FC approved Option 2 which provides for SISCs to be included in the CSP calculations.

7. Consistent with the discussions accompanying the approvals, the FO will engage further with FC members to refine the proposed guidelines for financing SIs before starting work on the related proposed amendment to the COF.

8. After completing further engagement with the FC, the FO will draft the proposed amendment to the COF and submit it for FC and CB approval.

Agenda Item 4: Gender Mainstreaming Report

Conclusions and Decisions:

6. The Fund Council approved the Gender Action Plan, including the Consortium’s request for redeployment of $150,000 from the 2014 budget’s project funding for use in developing the gender and diversity strategy.

7. The Fund Council approved the Gender Performance Report.

8. The Consortium and Centers will submit at FC12 their first strategy on gender and diversity in the workplace, with appropriate indicators, targets, and accountability measures.

9. The Consortium will consult expeditiously with Centers regarding security issues affecting staff worldwide, particularly with regard to specific risks and vulnerabilities arising from discriminatory laws, and the CO will inform the FO inter-sessionally of its intended approach and plans to address issues arising from the worldwide trend of discriminatory legislation.

10. The FO will circulate information on the Consortium’s’ approach and plans to FC members, who could in turn share any data and best practices so that the Consortium could draw on available learning from various donor institutions that are currently thinking through appropriate responses to the challenge of discriminatory legislation.

Agenda Item 5: Open Access Proposal

Conclusions and Decisions:

3. The ISPC will form a working group, including donors, to set out required modifications to the proposal. This should be done in a short time frame, virtually submitted for approval by the FC. The revised proposal will include detailed plans for Part 1 and Part 2, but could sketch out Part 3 with detailed definition to be added sequentially as the work progresses.
4. The FC Chair clarified that the funding for Gender and Open Access proposals will not be treated as system costs, but as discretionary funding of the FC. This implies that funds will be charged to Window 1, except where funders have already contributed specific additional funds for these proposals. This means an equivalent decline in Window 1 funding available for CRP financing.

**Agenda Item 6: ICARDA & IITA Proposal**

**Conclusions and Decisions:**

**ICARDA:**

2. The FC Chair:
   - welcomed the report from the PRT and acknowledged the important work of the auditor and noted the progress on the investment plan.
   - encouraged the Board and management of ICARDA to address their liquidity and reserve challenges.
   - recommended that the issue of ICARDA’s financial governance is addressed in the upcoming Corporate Services Executives meeting in June; and
   - asked that the FC is advised on the work plan expected to come out of this meeting.

**IITA:**

3. The Consortium Board was invited to submit a formal request for the lifting of the sanctions to the FC through the FO with specific assertions that all required conditions were met by IITA.
4. The FO will circulate Consortium’s request lifting the requirement for monitoring to the FC for approval on a no-objection basis.

**Agenda Item 7: Update on PricewaterhouseCoopers (PwC) Phase II Report**

**Conclusions and Decisions:**

2. The Fund Council Chair noted the GRRC consolidation report, including the comments provided regarding follow-up work, and indicated that it should be brought to the attention of the MTR and the Consortium Board.

**Agenda Item 8: Resource Mobilization Study Update**

**Conclusions and Decisions:**

6. The Fund Council Resource Group, working closely with CCS, will revise the Resource Mobilization Study to take into account comments made in the pre-FC workshop and FC meeting, and the revised CCS report will be shared with the MTR by the end of June.
7. The FC Resource Group will interact within the next two weeks with the Consortium Resource Group to take the process forward.
8. The FC Resource Group will develop a timeline to ensure adequate consultations with other members in the system, allowing for submission of an RMS for consideration at FC12 in November 2014.
9. The RMS should be developed in close coordination with the revised SRF.
10. The RMS should be a holistic, system-wide strategy with clear roles and responsibilities for different actors and entities within the CGIAR system.

**Agenda Item 9: Delivery in the CGIAR**

**Conclusions and Decisions:**

7. FC members should carefully review the draft and provide comments by May 15, 2014 to enable quick finalization of the report by the Dalberg team.
8. The Fund Office will clarify its approach to working with the Consortium Office on the recommendations, simultaneously to the MTR taking them on board.
9. The Consortium should share the draft report with Centers for their feedback and input.
10. The Consortium Board will carefully review the draft and provide feedback and input.
11. The CO will work closely with the FO and the Dalberg consultants to ensure that Consortiums comments are integrated in the report, or the Consortium will prepare a response document for submission alongside the Dalberg study.
12. The final report will be shared with the MTR in advance of their mid-July meeting.

**Item 10: CRP Governance and Management Report**

**Conclusions & Decisions:**

3. The EIAC Convener was invited to initiate a consultation with the Consortium Board on the recommendation 1 and 4 and report back in short order with a document for the FC.
4. The FC agreed to work to reach a joint position with the Consortium Board to be made available to the MTR.

**Agenda Item 12: Mid-Term Review of the CGIAR Reform – Inception Report**

**Conclusions and Decisions:**

2. The FC Chair noted the satisfaction of the FC members with the progress report provided by the MTR Panel and thanked them for their time and efforts.

**Agenda Item 13: GCARD3: Fund Council Governance Committee’s Guidance Note**

**Conclusions and Decisions:**

4. The FC approved the FCGC’s Guidance Note.
5. The Consortium Board and GFAR are requested to submit a final GCARD3 proposal for approval by the FC by end of June.
6. The FO will circulate the GCARD3 proposal for approval by the FC inter-sessionally on a no-objection basis.

Agenda Item 14: CRP Extensions

Conclusions & Decisions:
3. The FC approved the 6-month contract extension proposals for the 3 CRPs (FTA, AAS and Maize).
4. The FC approved the increase in budgets for the 3 CRPs (FTA, AAS and Maize) detailed in Table A below as follows:
   - a total increase in budget from all sources (W1, W2, W3 and bilateral) of $65.3 million
   - a total increase in budget from W1 and W2 of $20.8 million

Table A (Figures in 000 USD):

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<thead>
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<th></th>
<th>Windows 1&amp;2</th>
<th>Windows 3 &amp; Bilateral</th>
<th>Total</th>
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<tr>
<td></td>
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<td>AAS</td>
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<td>Maize</td>
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<td>FTA</td>
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<tr>
<td>Total</td>
<td></td>
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<td>20,804</td>
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</table>

Agenda Item 15: Strategy & Results Framework/CRP 2nd Call

Conclusions and Decisions:
4. The 2014 SRF Management Update was endorsed.
5. The FC Chair invited the Consortium to develop a zero-draft SRF within a month.
6. The FC Chair instructed the FO to coordinate between the work streams (e.g. ISPC, Consortium, FC/donors, FCRG/CRG) in the process of further developing the SRF based on the zero-draft.

Agenda Item 16: Any Other Business

Conclusions and Decisions:
3. The Fund Office will provide as soon as possible a draft summary of the Fund Council’s discussion of the World Bank’s funding to CGIAR in advance of the complete draft of the FC11 Meeting summary due to (i) the high interest among FC members and donors, and (ii) the time-sensitive nature of potential actions due to the upcoming meeting of the World Bank’s Executive Directors.
4. **FC members should brief their capitals as World Bank Executive Directors expect to be briefed immediately following the FC meeting and prior to the upcoming May 17 budget regarding CGIAR’s impact - both past and potential - in the lives of the poor, and the need for increased investment in CGIAR to support its important work.**

C) **Other Business**

**Conclusions and Decisions:**

5. **Consortium will provide feedback on the Dalberg study in time for a final product to be prepared and delivered to the MTR by the end of June.**
6. **The Fund Office will circulate the Consortium’s IP compliance table.**
7. **The European Commission will host FC12 in Brussels the week of November 3, 2014.**
8. **The Fund Council Chair will write a letter to the Mexican Minister of Agriculture, Mr. Enrique Martínez y Martínez, to thank Mexico for hosting FC11.**
## Annex 2: List of Participants

Rachel Kyte (FC Chair) and
Jonathan Wadsworth (FC Executive Secretary)

<table>
<thead>
<tr>
<th>FC Members</th>
<th>FC Member Representatives</th>
<th>FC Member Representative Alternates</th>
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<tbody>
<tr>
<td>APAARI</td>
<td>Simon Hearn</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>Nick Austin</td>
<td></td>
</tr>
<tr>
<td>Bill and Melinda Gates Foundation</td>
<td>David Bergvinson</td>
<td>Pamela Anderson</td>
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<td>Canada</td>
<td>Andrew Spezowka</td>
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<td>China</td>
<td>Lubiao Zhang</td>
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<td>European Commission</td>
<td>Bernard Rey</td>
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<td>FAO</td>
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