

**Consortium Board Meeting  
4 and 5 May, 2011  
Montpellier, France**

The Board of the Consortium of International Agricultural Research Centers held its fifth meeting at the Consortium Offices in Montpellier, France, from 4 to 5 May. Participants: Carlos Pérez del Castillo (Board Chair), Carl Hausmann (Vice-Chair), Mohamed Ait-Kadi, Tom Arnold, Ganesan Balachander, Gebisa Ejeta (May 4 only) Lynn Haight, Carlos Seré (Observer, representing Member Centers), Rob Bertram (Observer, representing the Fund Council), Lloyd Le Page (CEO and Board Secretary), Anne-Marie Izac, (Chief Scientific Officer), Gordon MacNeil, (Director for Finance and Corporate Services), Elise Perset, (Consortium Legal Counsel), Enrica Porcari, (Senior Knowledge and Information Officer), Jenny Cramer (Secretary).

Absent with apologies: Ian Goldin and Agnes Mwang'ombe

*NOTE: Numbering below is as per Agenda circulated prior to CB meeting.*

**1. Welcome and Opening Remarks (Item 1 and 3 were combined)**

The Chair and the CEO updated the Consortium Board (CB) on progress and activities since the last Board meeting.

- Approval of the revised Strategy and Results Framework (SRF) at the Funders Forum, a significant step forward in the process of the reform.
- Approval of the Joint Agreement (JA) after 9 months of negotiations and hard work by the Fund and Consortium legal teams, as well as high-level policy interventions by the CB Chair and Fund Council (FC) Chair to remove a couple of key 'roadblocks'.
- The above, along with agreements reached earlier in the week between the Consortium and the Lead Centers (the Program Implementation Agreement (PIA)) unlocked access to funding from Windows 1 and 2.
- Significant progress in the development and approval of CRPs since the Aleppo meeting due to tremendous efforts on the part of the centers and the CB including its Science Task Force, CSO, consultants, and others in the offices in Montpellier and Montevideo to get these out on time for consideration.
  - The CB approved and submitted to the FC eight CRPs. The FC was only able to take decisions on the four that had been reviewed by the Independent Science Partnership Council (ISPC).
  - Of these, two were approved under Category 1 (CRP 3.2 and CRP 3.6), one under Category 2 (CRP 1.1) and the reminder under Category 3 (CRP2).
  - The other four CRPs (1.3, 3.1, 3.7, and 5), were presented to the Fund Council but the decision was deferred to the next Fund Council meeting in July.
- Approval of the proposal for funding of center gene-banks outside of the CRPs. Most Donors consider gene-banks important assets for humanity and have asked the CB to propose long-term solutions for their support, including increasing the endowment to the Global Crop Diversity Trust (GCDT)
- The joint Donors' Mission of the CB Chair and the FC Chair to decision makers in Denmark, Norway, Sweden, the UK and EU, carrying a unified message about the reform and the need for an increase of funding to international agricultural research was well received. Similar visits are planned for the US and Canada in late June/early July to be followed by visits to other European

donors, India and China. The CB Chair has been encouraged by the overall reception they received and is hopeful, as the economy improves, that it will translate into concrete support.

- On May 23<sup>rd</sup>, the CB Chair will also have an discussion with the President of the World Bank on the subject of the reform as a way of generating greater involvement of the Bank. A similar message will be taken to the G20 summit in September.
- At the suggestion of the CB, it was agreed that visits will also be expanded to include the BRIC countries and Brazil in particular. An invitation to visit has already been received by the Chair from the President of EMBRAPA.
- Some measure of progress has been achieved towards the integration of activities between the CB and the ISPC with regards to the assessment of CRPs, but a lot more has yet to be done. Similar concerns regarding the need to avoid duplication and reduce bureaucracy and transaction costs were expressed on Monitoring and Evaluation activities, in which the CB, the FC, and the IEA have important roles to play.

The CEO welcomed the Board to the Consortium Office.

- Montpellier Office. The CEO reported on the recruitment of new staff -
  - Dr. Andrew Ward, CRP Officer who will focus on the NRM CRPs and Dr. Stefania Grando, CRP Officer who will focus on the crop improvement CRPs.
  - Daniela Alfaro will move from Montevideo to Montpellier and continue to support the CB Chair and the CEO/ Communications as Senior Analyst.
  - Susan Faure, formerly of INIBAP had also joined the office and had provided administrative support and helped organize the meeting.
  - In addition, a Candidate has recently accepted the position of Strategic Communications and Resource Mobilization Director and will soon be joining the team. *(CEO Note: this candidate has since finally withdrawn herself again on 5/13/11 due to personal constraints. A new high level candidate with many years of development and international organization experience has been identified)*
- The CEO discussed the importance of adhering to the principles laid out at the beginning of the reform and the need for clarifying the division of responsibilities between the different units of the system.
  - He referred to questions at the FC on system efficiencies, and reminded the CB of the many steps that had been taken in the area preparing for shared services in discussion and cooperation with the centers.
  - He emphasized that the Consortium Office was still in a start-up mode and needed time to put foundational systems in place in order to build greater efficiencies in the longer term.
  - In the area of improved relationships among centers, he referred to the fact that as part of the development of CRP proposals, there had already been improved communication and collaboration across centers and scientists in the system, and expressed optimism that with time, natural areas of collaboration and mutual interest will emerge bringing research programs closer together.
  - The role of the Consortium Office in the future was to stimulate these natural areas of collaboration and to help to facilitate these, as well as identify synergy, gaps and overlaps among the research programs.

## **Discussion**

The CB discussed the issue of efficiency gains and the fact that efficiencies so far were focused primarily on the Doers. There should also be similar moves toward greater efficiencies amongst the Funders. The CB also discussed the issues of recruitment and stressed the urgency of additional administrative support in the office and the importance of moving ahead rapidly to get this in place in order for the CO to function effectively. They discussed the recent recruitment for 3 DGs and the potential need for the involvement of the Consortium in the process in future, as well as the importance of the induction process in bringing DG's up to speed after recruitment.

Referring to the SRF, it was generally well accepted across the board as a significantly improved document from previous versions. While there was recognition that it is a living document that will be adjusted periodically to reflect new areas of focus, there was also value in having it as a guideline for developing CRPs and as a basis for defining priorities, establishing stability on the one hand and also reflecting the notion of change on the other. Ideally, the SRF should have been concluded first and the CRPs developed afterward as the operational arm of the SRF. However, this was not the case for a number of reasons and the identified misalignments are expected to be adjusted over time. The CB is expected to prepare an action plan for SRF revision, in time for GCARD 2012 and the Funders' Forum that will be held back-to-back.

In discussing CRPs, a member of the CB Science Task Force felt it would be useful for members of the Science Task Force to have a compilation of the feedback on the CRPs from the Centers as well as the ISPC as a way of understanding their evolution and ensuring consistency in the application of the criteria. It was also felt that it would be useful for the Science Task Force to be informed on CRP implementation and how the process is being carried out rather than wait for the full monitoring and evaluation plan to be established.

The CB also discussed the issues raised in the working group of Consortium and Center representatives on matters of governance and concluded that it would be useful to have further discussions on the respective roles of the Consortium Board and the center Boards. They agreed to constitute a working group with the Center and CB representatives to try to iron out the issues.

## **2. Approval of Agenda**

Item 1 and 3 on the Agenda were combined. The discussion on stability funding was moved to Friday's Agenda Item 14: Other Business. *(CEO note: for the purposes of a better reading of the minutes, item 5 and 6 are combined)*

**Decision: The agenda was adopted.**

## **4. Consortium Finance Situation**

In his opening remarks on Finance, the CEO recognized the important contribution being made by the Director of Finance and Corporate Services to work through the issues with Centers, the Fund Office and the Trustee, in order to get a better understanding of the finance situation in the reform. To ensure closer alignment with all the various parts of the reform in the area of finance, a working group of Center Finance Directors and a key finance officer of the Fund Office was formed. Bruce Fraser, an accountant, thoroughly trained in the CGIAR system has been recruited on a consultancy basis to help the Consortium Finance Office at least through 2011 and probably until the eventual permanent Finance and Corporate Services Director is recruited in March 2012.

In his presentation of the CO finance activities, Director of Finance and Corporate Services informed the Board as follows:

- Current estimates of the 2010 budget are a surplus of \$1.557 m. Because of the complexity of the office financing arrangements in 2010, these numbers are still being audited. Excluded from the expenditures were former system office costs. Any surplus will be available to supplement money from the fund in subsequent years.
- Initiatives to streamline and simplify financial management under one unit would continue, at least for an interim period, to require some reliance on Bioversity. He noted for the record the excellent service that Bioversity continues to perform for the CO at an acceptable overhead rate, deemed to be value for money.
- The existence of grants from Switzerland and the Netherlands in support of the system offices. The CO has no immediate plans to seek restricted funding support for its activities unless such funds would not compete with research funds that could be available for programs and unless there is a centralized service to be performed in collaboration with Centers for which special funding support is required.
- Expenditures against budget as of March 31, 2011 totaled \$1.320 m. Expenditure was on track with further clarification required on the CB budget.
- One Corporate System (OCS), a center led initiative started over a year ago, is now well underway. It will be a common management system for accounting, human resources and program management. It will provide critical support for CRPs and involves the CO and 9 Centers. Centers that have decided not to participate in the project would also follow the common reporting format so would also benefit from the project design. The CO would benefit also from the easier aggregation of information.
- CO finance office will work in close collaboration with the Centers and the Fund Office through the Finance Directors' Working group, chaired by the CO Finance Director that henceforth will be referred to as the Corporate Services Executive (CSE).
- He proposed the Financial Guidelines for adoption by the CB that set out, among other matters, the standard for accounting in the CGIAR which will be one of the chapters of the Common Operational Framework. Adoption by the CB of the Financial Guidelines is requested on the understanding that these guidelines are living documents constantly open to updating as situations change.
- High priority is to be given to developing financing plans for the Consortium for 2011 and 2012. With the SRF, Joint Agreement and PIA adopted, the funds should begin to flow.

***Decision:***

***The Financial Guidelines as circulated were approved by the CB. .***

**5. IP Principles and Legal Updates (including item 6: CB Approval of Documents)**

**IP Principles**

- The CEO presented background information on the objective and scope as well as the process for developing the IP Principles document that was submitted to the CB for adoption. This document was requested by the FC at its November meeting.
- The IP Principles document reflects extensive stakeholder consultation both externally and internally, and has also obtained widespread support from both Centers and Donors. This represents a major step forward considering that the CGIAR has tried, for many years, to develop a common IP policy without success, due to the lack of consensus among Centers.

- It is critical to have such a document in place in order to communicate the Consortium's IP policy as it relates to the SRF funding for Consortium visibility, for wider dissemination of research outputs, existing and new innovative partnerships, and to ensure a common understanding of IP among its members.
- One possible bottleneck is that the CO has, in the last few days, received late comments from a few Donors that it has not had time to take into account and that may require further significant discussion. In order to avoid postponing the adoption by the CB of the IP Principles, the CO proposed that **the CB adopt the document in its current form** as the Consortium IP Policy and that **a shorter high-level CGIAR IP principles document, applying to the CGIAR system as a whole, be developed jointly with the FO for FC and CB approval as part of the Common Operational Framework**. In the CO's view, this approach is more in line with the spirit of the reform and more pragmatic as it would be difficult to reach consensus with all components of the System and the 64 Donors on a document that is too detailed. The CB discussed the risk / benefit of approving the IP Principles as the Consortium IP Policy. A major concern on the part of the CB is the potential reaction of donors whose comments have not yet been taken into account and the potential risks entailed by adopting such a document.
  - The CEO indicated that the new innovation and partnership required to solve challenges and to create conditions for widespread and sustainable access by farmers, would indeed create communication challenges, but that the CGIAR and the Consortium needed to be prepared to address these.
  - The CEO also pointed out that *not* having a clear Consortium position, or that each center has its own IP policy also presents many communication and other challenges, and was risky.
  - Other similar research or academic organizations receiving public funding in both developed and developing countries were adopting similar policies.
  - Furthermore, the IP Principles have been developed based on, and represent a consolidated version of, the IP policies of Centers that are already in place, all of which have been carefully analyzed. The CEO assured the CB that he was confident that the caution that was used in developing the IP Principles was sufficient to address any criticism that could surface.

### **Decision**

***After extensive discussion and reflection, the CB took the position that it was preferable and less risky to adopt a consolidated set of IP principles that has obtained widespread support, rather than have 15 different Center IP policies that coexist as is the case today. Recognizing the potential communication challenges of approving such a document, it agreed to adopt the current document, with some minor changes, as the IP policy for the Consortium, on the basis that it can be revisited and adjusted later to align with the high-level CGIAR IP Principles document to be adopted by both the FC and the CB for inclusion in the Common Operational Framework. (CEO comment: this direction has since been agreed to by the Fund Office and a 2-3 page high-level CGIAR IP principles document is being developed for review at the July FC meeting)***

- ***The CB requested that the CO prepare a confidential document, in a question and answer format, which identifies the potential issues and questions that could be raised and proposes ways of addressing/ answering them.***
- ***The CB also requested, as additional background material, that the CO provide it with a summary of current IP practices in similar contexts in both developing and developed countries.***

## Joint Agreement (including its Annexes and Schedules)

### *Decision*

***Based on the fact that the Joint Agreement was thoroughly discussed and negotiated between the CO and the FO/Donors, that several rounds of Centers' comments were taken into account, and that it was approved by the Fund Council on April 5, 2011, the CB approved the Joint Agreement. In approving the Joint Agreement, the CB also approved its two annexes (Form of the Consortium Performance Agreement and Form of Payment Request) as well as of its Schedules (and in particular the revised Glossary).***

## Form of the Program Implementation Agreement (PIA)

### *Decision*

***Based on assurance from the CEO that the Form of the PIA had been discussed extensively with the centers and disagreements resolved, the CB approved the Form of the PIA. Approval of this Form of the PIA is a necessary step for the individual PIAs to be concluded between the Consortium and Lead Centers, which in turn are key to allow funds to be disbursed to the Lead Centers from Windows 1 and 2. The representative of the Centers noted that Centers agreed to the obligations set out in the Form of the PIA in good faith and on the understanding that (1) the PIA would be reviewed in two years' time in order to make necessary adjustments, (2) a number of the requirements such as the 2% levy for system costs were un-implementable, (3) the burden of the risk is borne primarily by the centers, and (4) centers intended to send to the CB, for each signed PIA, a letter specifying their concerns and the areas that they consider un-implementable.***

## International Organization Status

The Consortium Legal Counsel provided an update of progress in establishing the Consortium as an international organization:

- Several countries (Sweden, Hungary, Morocco, UK and France) have indicated their willingness to sign the Treaty establishing the Consortium as an International Organization. Parliamentary ratification is not required for Sweden, Morocco and Hungary, and possibly the UK.
- After consultation with experts in international public law, the French government and potential signatory countries, the Treaty has been revised in order to make it easier to implement and to eliminate a number of legal challenges and road-blocks that faced potential signatory countries
  - The number of countries required for the Treaty to enter into force has been reduced from 6 to 2 (i.e. the minimum legally required);
  - The number of authentic languages has been reduced from 6 to 2 (English and French);
  - Amendments to the Constitution (annex to the Treaty) no longer require approval by signatory countries.
- Obtaining international organization status requires minor amendments to the Constitution which is to be annexed to the Treaty. The amendment procedure of the Constitution requires consultation of the FC (already taken place), adoption by the CB (at a three quarters majority of all members) and approval by the Centers (at a three-quarters' majority of all Centers). The downside of opening up the Constitution for amendment is that Centers have indicated their wish to request additional amendments relating to governance that they would propose within a period of six weeks.
- Concerned that the introduction of governance issues would significantly delay the Constitution amendment process, the CB discussed a way forward. The CB agreed that due consideration should be given to the governance issues being raised by Centers and that an appropriate mechanism (i.e. a

working group of Center Boards and CB/CO members) should be set up in order to properly analyze and address them. However, such governance issues should, in the interest of time, be disconnected from the urgent minor amendments to the Constitution required to obtain international organization status.

#### **Decision**

***In view of the urgency of obtaining international organization status and therefore of finalizing the Treaty establishing the Consortium as an international organization (including the Constitution attached thereto), the CB approved the amendments to the Constitution proposed by the CO and which are to be effective on the date the Treaty enters into force.***

***In addition, the CB agreed that a letter would be addressed to all Centers (1) requesting that they approve, within a period of four weeks, the minor amendments to the Constitution proposed by the CO, and (2) asserting the CB's commitment to actively engage in discussions on issues of governance with Centers through the participation of CB members (Lynn Haight and Carl Hausmann) and the CO in a working group on the subject.***

#### **Legal/IP shared support for Research**

- The CEO suggested that after identifying and analyzing the legal, partnership and IP needs of the Consortium and the Centers in the context of the new CRPs, and after discussing this with Centers earlier, the CO develop a full proposal for a Research Legal Services working group, facilitated by the Consortium and in cooperation with center legal and IP experts, to support legal, partnership, stewardship and IP issues.
- The objective of these services would be to ensure coherence, coordination and the sharing of best practices and tools throughout the Consortium, Centers and CRPs with regard to legal/partnership /IP issues.
- Each CRP and Center continues to need its own in-house capacity, due to local law and each individual partnership has particular needs. However some common practices, tools, templates, communication, and guidelines could be shared across the Consortium and with partners.

#### **Decision**

***The CB agreed to this general direction and requested that an update be provided at the next CB meeting.***

#### **7. Gender Strategy**

- As requested by the CB at its February 2011 meeting, the CEO introduced the topic and provided some relevant background information to the development by the CO of a Gender Strategy.
- The CSO presented a set of principles and a general direction for developing the Consortium level Gender Strategy in consultation with appropriate parts of the system, for Board approval of the principles and general direction. The presentation responded to the recommendations of the Gender Scoping Study, approved in principle by the CB in February, as well as consultations with Center gender experts and the DG focus group on gender.
- The presentation proposed a general direction under the leadership of the Consortium Board and a time line for designing the strategy, with three pillars considered important for fulfilling the SLOs: (1) gender analysis to be mainstreamed in CRPs and facilitated by a community of practice of gender research experts; (2) gender staffing to be facilitated by an HR expert with

gender in the workplace skills, in the CO; and (3) capacity building for women in research in partner institutions, CRPs and centers.

The proposal was followed by extensive discussion and each member provided detailed comments for consideration. The Board decided as follows:

#### **Decision**

***The CB agreed that the general direction and principles proposed, all aimed at strengthening the CRPs and centers' ability to fulfill the SLOs, were an important step. They proposed however, that a phased approach be used, in which mainstreaming of gender analysis in the CRPs is the first, immediate priority. The gender staffing component should be phased in. One CB Observer suggested that rather than a staff position, the CO could consider hiring a consultant to take responsibility for the gender in the workplace component. The CB agreed that capacity building should cover both gender analysis and gender staffing. They also stressed that capacity building in leadership skills has been very effective in the system and should be continued. The CSO was asked to integrate the above points in the further design of the Consortium level gender strategy.***

#### **8. CRPs and Overall Consortium Science Portfolio**

- The CSO updated the Board on the current status of the CRPs and the next steps that will need to be undertaken by the Consortium Office to ensure that CRPs constitute a strong coherent, high quality science portfolio with the potential to have impact that is attractive to scientists, partners and donors.
- She stressed that the CO is going to engage in a dialogue with approved CRPs and DDGs-Research
  - (1) to ensure that the necessary interactions across CRPs take place in an efficient and effective manner (e.g. through discussions on site selection, research methods)
  - (2) to facilitate the design of a monitoring system for each CRP that is aligned with the Consortium level monitoring principles and
  - (3) to design criteria for priority setting at CRP portfolio level in a transparent manner for the next iteration of the SRF.

#### **Monitoring Principles**

- A key responsibility of the CB is to monitor the performance of the CRPs, and report annually to the FC on this performance. This is part of the fiduciary responsibilities of the CB that are stipulated in the Constitution. To enable the CB to discharge this responsibility in a transparent and credible manner, Consortium level monitoring principles are needed.
- The CSO presented a process to arrive at a consensus on these principles, as well as draft monitoring principles, for CB approval. The principles will have to be finalized by November 2011 for inclusion in the Common Operational Framework and endorsement by the Fund Council.
- The CSO proposed a consultative process, which includes consultations with the Centers and the CRPs and with interested Donors. She also proposed an initial set of eight Consortium level principles, to be discussed and improved through consultations. The draft template of the performance monitoring report for each CRP prepared by the CSO will also be discussed with CRPs and donors.

The CB thanked the CSO for the very useful and comprehensive information with respect to both the CRPs and monitoring and evaluation and provided a number of comments for consideration



### **Decision**

***The CB approved the consultative process proposed, and the initial set of draft principles and template for CRP monitoring reports. The CSO will thus proceed with her proposal, including with the integration of a financial monitoring component that is currently being discussed by the Finance Director with the Centers' Deputy Directors general for corporate services.***

## **9. Genetic Resources Scoping Study**

- The CEO reported on the action taken in consultation with the DG Focus Group led by Biodiversity to provide reactions and proposed next steps in response to the recommendations in the genetic resources scoping study and as requested by the CB at its meeting in Hyderabad.
- The CSO presented the recommendation from the CO for moving forward. Although not exactly the option preferred by the center participants on the phone call, the CO proposed a simpler approach:
  - (1) mainstream all recommendations from the scoping study concerning research gaps in relevant CRPs. This may imply a budget increase in some CRPs;
  - (2) create a community of practice/network of GR scientists facilitated by the CO to provide strategic advice to the CB on genetic resources issues. The community of practice should have clear accountability and TORs. This may also have some budget implications, at CO level;
  - (3) create an information portal for databases on genetic resources, facilitated by the CO and working with the Centers and the GCDT.
- The proposal takes on board the most important dimensions from the scoping study that the gaps will be taken up through amendments of the relevant CRPS but not through the creation of a separate platform, and preserves a neutral body as the facilitating mechanism.

### **Discussion**

The CB discussed the genesis of the scoping study and the different options at length, including their pros and cons. Responding to a question, the CEO assured the CB that the role of the CO, as it is currently conceived, has no conflict with the activities of the Global Crop Diversity Trust and in fact explicitly builds upon the existing roles of the Trust. With respect to the role the Genetic Resources and Policy Committee (GRPC) has been playing in the System, it was agreed that in developing the final proposal the CO will look at the possibility (costs and benefits) of integrating an advisory committee similar to the format of GRPC to provide support the CB.

### **Decision**

***The CB approved the general direction of the proposal and requested the CO to develop a paper on the various elements of the proposal and how they will be implemented, including related costs.***

## **10. Research Prioritization**

- The CB Chair and CEO reported on the outcomes of a brainstorming session with the Centers, the previous day, on priority-setting. Each CRP has already been asked to design a process for setting priorities among its components. Different approaches have been used. Some CRPs have set priorities by geographic regions, others by research components and themes and yet others by phasing in and out activities over the life cycle of a CRP.
- It was recognized, both in the discussion with the Centers and by the CB, that a responsibility of the Board is to set priorities among the CRPs, at portfolio level. This will be part of the action plan which the CB needs to prepare for the SRF by next GCARD.

- The CSO proposed steps for designing such a portfolio level priority setting process, based upon best practices in research priority-setting.

## **Decision**

**The Board endorsed the direction developed by the CSO. This is an undertaking that will take place over the next 18 months, to be finalized by the end of 2012.**

### **11. Efficiency and Shared Services**

- The CEO reported on initiatives taken by the Consortium in the area of shared services and as a mechanism for efficiency gains across the system. As a reference, he shared a summary from the Accenture report as a starting point and referred to some of the deliberations at the meeting with centers.
- At that meeting the previous shared services working group was reconstituted and a decision was taken in the initial stages to give priority to those shared services that were critical for supporting the CRPs, and especially those that laid the foundation for further synergy. At the Center meeting these were OCS, information technologies, legal services, as well as other shared services in the domain of the CSE (formerly ADE Finance) group.
- Other areas in support of synergy included were communications and resource mobilization, ex-ante and ex-post analysis. Whether the Consortium should look at in-house capacity in the area of ex-ante and ex-post analysis is under discussion.
- In almost all cases capacity will remain with the Centers with the CO playing a facilitation or coordination role. The CO plans to lay out a pathway over the next two years together with resources needed to support the initiatives.
- The OCS project has a completion date of two years. The ground work has been done diligently and took 8 months to reach consensus. Significant economies of scale were anticipated estimated at about \$0.5 m versus \$1.0 m per center.

### **12. Communication Strategy**

- The CEO informed the Board on the progress made towards development of a CGIAR communication strategy focused on managing reputation, building awareness and raising funds.
- He identified the elements of an effective communication strategy, moving from 15 semi-independent communication strategies and evolving to communication in a more collective manner. At the same time, it was important to maintaining the diversity that is the strength of the current system, but ensuring that the messages are coordinated and consistent.
- In terms of current activities, he reported on
  - (1) the communications meeting taking place in Nairobi at which all center communicators and fund office communication staff will be present to provide input into the development of the CGIAR Strategy
  - (2) development of messages in preparation for the G20 summit focusing on the new CGIAR brand linked to issues of food security, that differentiates it from other organizations
  - (3) the potential involvement of a media firm to assist the CO with external communications
  - (4) collaboration with an external communication strategy consultants to assist with development of a understanding stakeholder perceptions of the CGIAR and the development of a collective communication strategy.

A report on progress with respect to the strategy is to be presented to the CB at its next meeting.

**Decision**

***The CB considered that communication in the CGIAR was a major constraint needing urgent attention. The Consortium has been given the responsibility of speaking for the system as a whole, including Donors, and is not fulfilling its job. The CB is encouraged that the CEO has hired a professional to develop an effective external and internal communication strategy. In addition to the general support, the CB noted that all CB members are spokespersons for the CGIAR and they need to be provided with coordinated messages designed for specific audiences as well as key talking points and crisis management tools as appropriate.***

**13. Challenge Programs (CP)**

- Reporting on the current status of CPs, the CEO informed the CB that apart from the Generation Challenge Program which has a sunset strategy and will be phased out, all challenge programs have been given direction to fully integrate into the CRPs, and will do so.
- The challenge at this time was the Sub-Sahara Africa Challenge Program (SSA-CP). Responding to a comment from the Fund Office that the CO had not put forward any proposal for funding arising from its recent favorable review by the interim ISPC, the CB Chair drew attention to the fact that the policy was that the leadership of the CP would negotiate with proponents of CRPs to integrate their activities into the various CRPs, and this had not been done in the case of the SSA-CP.
- The conclusion is that the SSA-CP should continue to consult with the relevant CRPs in order to incorporate relevant activities and seek bilateral funds for these activities. The lead centers of the relevant CRPs should be receptive to negotiations with the SSA-CP provided the CP has a valid role to play and the CP brings its own bilateral funds.

**14. Other Items**

**a) Stability Funding**

The Director of Finance provided a proposal for stability financing to ensure that centers not fully invested in CRPs in 2011 have access to unrestricted funding in 2011 for their operations. It included assumptions, methodology and formulas that would be used in estimating the level of the funding request.

**Decision:**

***The Board endorsed the proposal and requested that the CO in the next week or as soon as possible prepare the documentation required and make a request for the total funding for the year with the first disbursement to be made in July.***

**b) CRP Budgets and Disbursements**

The Director of Finance and Corporate Services presented his best estimates for CRP budgets for 2011. There has been some confusion over the level of financing for some CRP being sought at the Fund Council level, and for proposals going forward this should be clarified. For the actual financing plan that has to be provided to the Fund Office, assumptions with respect to the start dates for CRPs and implementation pace once ongoing are required. These financing plans will clarify the demand for Windows 1 and 2 funding and provide information on the mismatch (if any) between demand and available funding, as well as information on the total stability financing requirement for 2011.

Based on two preliminary funding scenarios (one that factors start dates of January for 2 CRPs and a July start date for the 14 others and the second that factors start dates of January for 2 CRPs, July for 7 CRPs and October for 6 CRPs), the total funding requirements are \$270.0 m and \$240.0 m respectively. It is noted that these requests include annual gene-bank funding of \$18.0 m and stability funding of \$70.0 m. Against the estimated funding envelope of \$220 m (2010 unrestricted funding level); it implies a mismatch between demand and available funding and requires important policy decisions on how the shortfalls should be addressed. A list of these questions was presented by the Director of Finance for consideration by the Board.

Members of the CB expressed concern about the urgency of the situation based on comments received from Board Chairs and some DGs earlier in the week. Some Centers indicated that they might have to start cutting back on their activities and their staff if funds did not start to flow by mid-year.

The CB was assured by the Director that given the level of center reserves and restricted funding, Centers should not require drastic changes in 2011, but if there is a serious financing problem, it would more likely be “pushed” into 2012.

The representative of the member centers noted that across-the-board reductions in funds during this interim period would be a more palatable option for the centers, rather than trying to make long-term strategic choices during a very uncertain period.

**Decision:**

***The CB Chair thanked the Director of Finance and Corporate Services for the comprehensive information and for detailing the decisions that will have to be taken. The CB expressed its concern about the mismatch between demand and availability of funding likely to occur in 2012.***

- ***A suggested first step was to incorporate this issue in the agenda for discussion at the July Fund Council Meeting. This could be followed by a more detailed discussion with Donors at an informal meeting to be convened, inter alia, for that purpose that could be held before the September CB Meeting.***
- ***Other matters requiring prompt attention at the meeting include the issues of confidentiality that the CO has had to deal with on funding information and lack of adherence to the agreement that funding to fast-track CRPs will not penalize those CRPs that have yet to be approved.***

**c) Audit Committee**

The proposed TOR for the Audit Committee developed by Lynn Haight and Tom Arnold were circulated to the Board for approval and inclusion in the Governance binder.

**Decision:**

**The Chair suggested that the CB be given one week to comment on them and send their comments to Gordon and the CO for modification and virtual approval.**

#### **d) System Costs**

The CEO circulated the CGIAR system costs paper from the FC meeting in November 2011.

##### **Decision:**

**The CB approved the system costs paper on the understanding that they are approving the procedure for application of system costs, recognizing that the figures are only estimates and will need to be updated. It was noted that the true costs might be significantly higher than the estimated \$12.0 m in the paper.**

- **The CB asked it to be noted that this was yet another instance when the CB was expected to approve a component of the Common Operational Framework rather than their preference to approve the document with its various components at one time.**

#### **e) Next Meetings**

The next meeting will be on September 7-9 and be held at CIAT in Cali, Colombia. At this time, the CO was not aware of any planned pre-meetings by Center DGs and/or Board Chairs. CB meetings for 2012 are being planned and the CO will send out notification of possible dates in the coming 2-3 weeks after consulting with the Fund Office. *(CEO note: Tentative dates were sent to the CB for 2012 meetings. As the FC Chair has agreed to attend the Cali meeting, the Consortium will work with Centers to develop a joint meeting on the 6th prior to the Board Meeting and in which centers are encouraged to participate)*

#### **f) Governance Issues**

The CB agreed to put in place a Board Self Evaluation process and utilize self-evaluations already in place at other Centers as a starting point. The Director of Finance and Corporate Services agreed to send the CB the Board self-evaluation form being used at the Centers.

One member proposed that it would be useful for the CB to think systematically about issues of governance beyond the self-evaluation. In particular, he proposed a discussion on staggering Board member terms, taking into consideration the three year term limit, to ensure that not all members are replaced at the same time.

The CB agreed that Lynn Haight and Carl Hausmann would work with 2 Center Board chairs, the CO, and the Centers to identify areas of concern on governance, including potential future amendments in the Constitution.

#### **g) Travel Policy**

The Director of Finance provided the Consortium's travel policy as it relates to the CB developed on the basis of standards operating in other institutions and harmonized with the CO staff with the exception of class of travel:

- Full business class travel at all times.
- The UN per diem standard adjusted for meals provided.
- Hotel: Reimbursement on the basis of receipts for good, business-standard hotels.
- Miscellaneous costs: With receipts on the basis of actual costs.

#### **h) Office Budget Reviews**

According to agreed process, the budgets of all units of the reform are expected to be presented to the Fund Council and approved in November. For 2011, the CO budget was reviewed closely while the

budgets of GFAR and ISPC were accepted on a no objection basis. In November 2010 it was agreed by the FC that in future, to ensure consistency across the system, that the offices would develop a peer review mechanism. The Fund Office, the CO and the ISPC have put together a proposal for peer review to be discussed between the FC Chair and the CB Chair. The process would develop a list of criteria in June, the peer review will take place in September/October and the results presented in November. Other than heads of the CO, FO and ISPC, the FC Chair would nominate 2 FC representatives as part of the peer review process.

**Decision: This process was supported by the CB.**

**i) Closing Remarks**

The CB Chair thanked the Board and the Consortium Office staff for their invaluable inputs. The Chair felt that important decisions were taken and a number of challenges identified at this meeting as well as at the meeting with the Centers