

Seventeenth CGIAR Consortium Board Meeting
Minutes
Consortium Headquarters, Montpellier
9 – 10 October 2014
[final revised version of November 13, 2014]

Chair: Carlos Pérez del Castillo (CPC), Consortium Board Chair (CBC).

Present: Lynn Haight (LH- Vice-Chair), Mohamed Ait Kadi (MAK), Ganesan Balachander (GB), Marion Guillou (MG), , Martin Kropff (MK), Klaus Leisenger (KL), Paul Zuckerman (PZ) and Frank Rijsberman (FR, CEO, Ex-Officio CB member) as CB members; Jimmy Smith (JS, observer, Centers' representative), Carmen Thoennissen (CT, observer, Fund Council's representative), Luis Solorzano (Chief of Staff), Enrica Porcari (Director, Shared Services) and Daniela Alfaro (Board Secretary).

Apologies: Agnes Mwang'ombe (CB Member)

Agenda Item 1 – Welcome, Opening Remarks and Approval of Agenda

The Consortium Board Chair opened the meeting by welcoming all participants.

The Agenda was approved and at the request of Board members, four items were added under Any Other Business:

- 1- Update on the work carried out by Board Chair in Latin America;
- 2- Update on situation at CIMMYT – where many senior staff are departing;
- 3- Discussion on the GCARD3 proposal;
- 4- Discussion on disbursement process.

The CBC proceeded by thanking all CB members for their work in Committees and other meetings over the previous two days. He expressed satisfaction with the results of the joint meeting with the Centers Directors General and Board Chairs earlier in the week where many divergent issues were tackled and understanding was reached on many of them. Development of the SRF appears to be in the right direction.

Agenda Item 2 – Progress Report on Consortium Office Activities

The CEO presented the progress report of Consortium Office activities since CB16. Main issues: Medium-Term Review (MTR), Strategy and Results Framework (SRF), CRP extension proposal, issue with Dryland System CRP's Extension Proposal, the 2014-16 Financing Plan. The CEO pointed

out that the CB17 agenda included items for approval that would not be controversial, such as the Consortium's new HR policies, and the AATP proposal, while others would be more controversial (i.e., GCARD3, Diversity and Inclusion strategy, Shared Services).

Board members congratulated the CEO and the office for the impressive progress report. Following discussion, the Board members requested the CEO to focus activities in 2015 on a smaller number of high priorities, particularly follow up to the MTR, finalization of the SRF, the CRP 2nd Call, participating in key world fora (such as UNFCCC's COP in Paris), reaching a final position on the issue of generation of reserves and strengthening relations with Centers. These priorities should also guide the 2015 program of work and budget.

The CEO commented that many of the activities that are added to the Consortium priorities are important to a number of constituencies. He welcomed guidance of the CB on priorities keeping in mind the proposed Program of Work (PoW), submitted at CB 17 for discussion. Depending on the results of the November FC and consultation with the Centers (such as through PoCCo), the Consortium 2015 Program of Work and Budget (PoWB) would be revised and submitted for approval to the December CB meeting.

Board members invited the CEO to consider a differentiated approach to achieve faster progress. Some issues should be centrally driven, such as the OCS, something the CO should take leadership on, others need to be started by those who want it – e.g. HR harmonization. It was noted that Centers want guidance not prescription, however some areas need prescription, such as finance. Improved dialogue between Consortium and Centers could help in smoothing some of the issues. While progress is being made, more needs to be done to improve the relationship with the Centers.

Decision: The CB agreed that Centers would be consulted on the Consortium work plan for 2015, following the Fund Council (FC) meeting, and their feedback and buy-in sought prior to the submission to the December Board for approval.

Agenda Item 3 – CGIAR Mid-term Review

The Chair summarized the discussion with the Centers related to the MTR over the last several days. From the Centers submission to the MTR Panel it is clear that they have a very different view of the role of the Consortium and their participation in it. The Chair has asked what the Centers mean exactly when they say they want to be part of the Consortium.

In the reform the Consortium was created to represent the interests of the CGIAR system, that is, the interests of the combined Centers as a whole – not the interests of individual Centers. It is a

central element of the reform. Independence of the CB is vital to ensure it can act without bias when it approves CRPs or the Financing Plan. On the other hand, the Consortium has acted to support Centers where this has been in the interest of the System (recent cases of IITA and ICARDA were mentioned in the joint meeting with the Centers).

The discussion in the joint meeting on the response to the MTR Consultation Draft Report shows that the Consortium has many points in common with Centers, although crucial differences remain and must be addressed in the short period of 10 days left to develop and submit a joint Consortium-Centers response to the MTR.

The CB Chair was puzzled by Rachel Kyte's action of convening a meeting on Saturday with WB Executive Directors to discuss the draft MTR paper. The CB Chair was encouraged by ongoing Centers efforts to reorganize the CRP portfolio among themselves.

Regarding the "gap" between the end of the Joint Venture that established the Consortium, and the moment the International Organization was formally established, the CB Chair was encouraged by his interaction with Center representatives JS and Fawzi Al-Sultan. He expressed his desire that this issue can be resolved soon.

Discussing the MTR Consultation Draft Report, the Board agreed with the MTR that the CGIAR system has an essential role to play in the coming years. While it shares many of the MTR's conclusions regarding the shortcomings of the post-reform CGIAR, it believes that it is also important to appreciate the achievements: particularly improved research outcomes through the creation of the CRPs; the funding has increased, collaborative research has improved, there is better engagement with partners, but there is also remaining funding uncertainty and significant transaction costs.

Decision: By 20th October the Consortium will provide a written response that will become an annex to the report and will be part of the MTR Report version to be submitted to the FC. The MTR Reference Group (MAK and FR for the CB) will be the vehicle to prepare the response in consultation with Centers. The CB's preference is to submit a joint response with the Centers, if at all possible. The CB decided to seek a meeting of the whole CB with the MTR Panel Chair to share its concerns and request clarifications.

Agenda Item 4 - Report from NEC

New CB Members for 2015 - Recommendations from the NEC to the CB

GB presented the efforts that have been made to bring in new high profile Board members with geographical representation and gender balance. A large number of candidates were considered and the NEC is of the opinion that a strong slate of four candidates is now on the table.

The NEC's mandate for this year was to identify and recommend to the CB a slate of nominees who could then be presented to the MCs for voting, to replace the two outgoing members, CPC and MAK. In particular, the NEC sought to identify high profile individuals one of whom could possibly be the incoming Chair. The nominee would be/have:

- A strategic thinker, who is tuned in to global processes (CC, Agri/Food, Security/Nutrition, SDGs etc.);
- The gravitas to deal with the World Bank in its role as the Fund Council Chair, even as the nature of its support is changing (from donor of last resort to assured annual contributions to the now proposed yearly allocation);
- A strong leader to oversee the CO and provide advice to the CEO and who can rally the Centers as well as command the respect of major donors such as USAID, Gates, DFID, EU;
- A quick study who is proactive and can vigorously articulate and defend a key principle of the reform that the collective of the doers is in an equal/even partnership with the donors;
- Also a "high profile" Chair who can open doors (both traditional donors/private foundations);
- And commands the respect of the private sector.

As in previous years, the NEC applied the criteria of geography (candidates hailing from Latin America, MENA, S and E Asia), gender (preferably female) and leadership profile in its search for candidates.

The process: The members of the NEC were GB (Chair), MG, PZ; John Lynam (rep of the Board Chairs) and Bob Ziegler (rep of the DGs). The NEC contracted the services of SRI (for a \$10,000 fee) to assist the NEC in the search process, primarily to identify candidates from its database applying the filter indicated above, along with suggestions from various stakeholders (mostly provided by CB members, a few from the Member Centers, none from the Fund Council/Fund Office). The final tally of candidates reviewed was 144. SRI had telephone conversations to vet the long list of eligible candidates and also ascertain their availability and commitment. The long list was pruned to 40, with 23 from developing countries and 17 from developed nations. Twenty-one were female and 19 male. The NEC had at least an hour long conversation with each one of them over phone/Skype and in some of the promising cases, a face to face interview followed. The NEC

finally recommended four candidates as being worthy of consideration of the board with a view to recommending them to the centers who would duly vote on their candidature.

Decision: After ample discussion, the CB agreed to put forward all 4 candidates to the Centers for election. The Consortium will prepare and send to Centers a table to identify current Board composition, gender balance, expertise and geographical representation. Centers will be given until end of October to cast their vote confidentially to NEC. Once the Centers vote for the 2 candidates of their choice, the CB will have to elect a Chair from among its members. CB members agreed that if one particular candidate was voted onto the board by the members and if s/he wanted to stand for selection as chair no CB member would stand against them.

CB Evaluation

MG reported on a 12-question survey that was sent to Centers. Results were shared with the Board Members. 30 answers were provided (about 75% response). Centers noted that question 12 (about rotation) was not very well formulated and needed rephrasing for next round. Several Centers remarked there were not enough questions on risks, risk landscape and its evolution. Global evaluation results were on average quite positive with exception of communication, risk analysis and the committee evaluation process which appears to need improvement (in the sense that not all committees evaluate their own performance). Clarity should be provided to Centers on Centers' representation on the CB committees, as many appear not to be aware that there are Center representatives on the GRCC, PoCCo, NEC and AOG.

Decision: MG will share the full commentary with the CB members and will prepare a more thorough analysis of the results in time for the next Board meeting.

Agenda Item 5 – Report from SPPC

The SPPC Chair (MK) reported back from the SPPC meeting.

New SRF

MK reported that the SRF Reference Group had also met the day before the Board meeting and concluded that an urgent rewrite of the current SRF draft is necessary and that there were many complaints that comments that had been submitted had not been responded to. A small writing team was now formed, consisting of Bas Bouman (GRiSP Director), Carlos Sere (Bioversity), Karen Brooks (PIM Director) and Wayne Powell who would convene in Montpellier the week immediately following the CB meeting to produce an improved shorter SRF version that can be submitted to the Funders Forum as a discussion draft on October 22. Following the Funders Forum meeting on November 5, there will be continued work on the SRF through March-April, including a broad stakeholder consultation.

MK also noted that following the meeting in August in DC, the FC/donors have taken responsibility for the Results Framework (defining the SLOs, IDOs and sub-IDOs, indicators and targets), working closely with ISPC. CT reported that donors indicated that there is very little - if any - room for negotiations in the draft Results Framework which resulted from a very structured process and which shows “what donors are willing to buy”.

2015-2016 CRP Extension Proposals

The SPPC Chair explained the thorough process that had taken place on the Extension Proposals, particularly regarding the Dryland Systems CRP (where the initial submission was deemed unsatisfactory and the CB supported specific actions through an interim virtual decision) and the three CRPs that were asked to resubmit improved proposals. On Dryland Systems the CO worked with ICARDA. The ICARDA Board confirmed its acceptance of the conditions conveyed by the CB (through a letter of the Chair) under which the CB would support extension of the CRP. The ICARDA DG and incoming CRP Director visited Montpellier to discuss the measures to be taken with the CEO and Science Team. The CRP Director subsequently submitted the proposed ToRs for the new CRP Independent Steering Committee and the new Task Force to be contracted to help remedy the CRP’s issues (available in the CB documents).

Following discussion, the SPPC recommended that the CB approve the following:

1- approval of an extension of the Dryland System CRP subject to:

- Immediate implementation of the governance restructuring that was agreed through the Consortium Response to the IEA external review of CRP governance and management;
- Establishment of an Independent Steering Committee; and
- Establishment of a CRP-Commissioned Independent Task Force (ITF) to help develop a global ‘research in development’ program reporting to the newly established Independent Steering Committee, to rehabilitate the CRP with the Terms of Reference as drafted by the CRP (on advice of the CO).
- Close monitoring of progress regarding the Independent Task Force and CRP management by the CO/CB. The objective is to ensure that the 2 years are effectively used to develop as soon as possible a well-designed, structured, global R4D programme on Dryland systems, fully integrated across partners and providing excellent ‘value for money’. To do this effectively a monitoring plan developed by the CO Science team and Finance team will be agreed with the DS CRP Director and Independent Task Force. The plan will include:
 - Quarterly progress reports by the CRP to the CO, on agreed milestones;
 - Six-monthly monitoring visits by the CO to the CRP;
 - Bi-annual assessment of progress by CB based upon the above; and
 - Costs for monitoring and/or further auditing are to be borne by the CRP.

- 2- approval of the CRPs Extension Proposals without any objection for fourteen CRPs (HumidTropics, AAS, PIM, WHEAT, MAIZE, GRiSP, RTB, Grain Legumes, Dryland Cereals, L&F, A4N&H, WLE, FTA and CCAFS).
- 3- approval of the requested \$1,690,693 in additional funds to support the CRP portfolio during the 2015-2016 Extension Period with expected allocations of \$367,608 in W1/W2 and \$1,323,086 in W3/Bilateral as designated to the fifteen CRPs as indicated in Table 2 of the report.

Decision: CB approves the 3 recommendations above.

African Agriculture Technology Platform (AATP) Virtual Information Platform (VIP) proposal

The Director of KMCI, working closely with IFPRI and partners in Africa (particularly FARA, CORAF and ASARECA), has developed a proposal for an “Africa Agriculture Technology Platform (AATP), as part of the actions put in place by the G8 in 2012. For the Consortium this is a specific implementation of our “open Access” work. Russia has deposited an earmarked contribution in the CGIAR Fund of US\$1 million to support this action. The total proposal has a budget of \$2.5 million over two years, with an expected \$1 million contribution from the CGIAR Fund and the remainder coming from CRP PIM and partners. The proposal includes some travel cost of KMCI staff, plus a 4% overhead charge for the Consortium.

Decision: The CB approves the AATP/VIP proposal for submission to the FC.

Agenda Item 6 – Report from PoCCO

Report back and Update on 2014 workplan

The Chair of PoCCO, MG, reported that an important item of discussion in PoCCO had been on the priorities for the Consortium’s workplan. For 2014 the discussion in PoCCO with the Centers led to a number of policy items to be de-prioritized in the workplan, as the Centers did not consider them priorities. As a supporting document the CO legal team provided a short document that summarizes (and provides references to) all policies and guidelines the Consortium has developed. This is also a good basis for a workplan for future policy-related work and in September PoCCO discussed with the Centers the priorities for 2015. The PoCCO Chair shared the priorities agreed with the Centers in PoCCO with the Consortium Board. In discussion it was clarified that while PoCCO is overseeing the consultation of the Centers on new policies, it will not carry out / implement the consultation – that remains a responsibility of the Consortium Office.

Dispute Resolution Policy for Center disputes

The PoCCO chair clarified that there was some confusion on the status of the dispute resolution policy, but as PoCCO did not carry out the consultation with the Centers – it was not yet ready for submission to the Board (the CO will take on the consultation). PoCCO was also engaged in the Diversity and Inclusion strategy, but the CO conducted the consultation with the Centers.

Decision: The Consortium Board agreed to take the priorities for policy development work as agreed in PoCCO into account in the Consortium's 2015 Program of Work and Budget.

Agenda Item 7 – Report from GRCC

Update on 2014 workplan

The Chair of the GRCC reported that 4 meetings took place in 2014, and one face-to-face earlier in the week. The minutes of the meeting held on 6th October were discussed and the GRCC Chair introduced the GRCC recommendations.

Multiple Center Board memberships: The first issue tabled by the GRCC Chair is that the question has been asked whether the Consortium Board objects to individuals serving on more than one Center Board.

Recommendation: GRCC recommends that there are no objections to serving on more than one Center Board, provided members recuse themselves when there are conflict of interests.

Decision: The Consortium Board accepts the GRCC recommendation.

Scope of SRF: The GRCC Chair introduced the issue of “narrow or wide interpretation” of the SRF. Narrow interpretation is defined as implementation of the SRF is exclusively through the CRPs, that is, research of the Centers that is not part of the CRPs is therefore automatically also outside the SRF. Wide interpretation implies that all research related to the four SLOs is considered to be part of the SRF (which in practice means that there could be a very large number of activities outside the CRPs, but still covered by the SRF, as virtually all research can be considered linked to at least one of the current SLOs).

The implication of the narrow interpretation is that all work outside the CRPs is carried out under the responsibility of the Center Boards, not the Consortium or the Fund Council. It also implies that work outside the CRPs would not be liable to pay for CSP, nor could it be funded Window 3 funds. That also means Window 3 funding would be exclusively targeted for contributions to CRPs.

Through a consultation of the Centers carried out by the CO on this issue, it was determined that the Centers support the narrow interpretation of the SRF.

Recommendation: The GRCC recommends that the Consortium Board support a “narrow interpretation of the SRF”, and recommend such a position to the FC.

Decision: The Consortium Board accepts the principle that the remit of the Consortium is the CRPs, and that the CSP should be paid only on CRP funding and that W3 funds should only be used for the CRPs, and requested that the CO work with the FO firstly to reach agreement on this principle, and secondly to look into ways of materializing this in the various documents

Delegation of Authorities: The GRCC Chair introduced a table detailing the principles of Delegations of Authority (attached to these Minutes), which the GRCC recommends to the Consortium Board for approval.

Decision: The Board approves the principles for Delegations of Authority as recommended by GRCC.

Consortium Personnel Policy Manual and associated issues

The CEO introduced the HR project that was undertaken by the CO with the assistance of two senior HR Consultants to enable the Consortium to put in place its own HR policies as it separates from Bioversity. The new Consortium HR policies are significantly different from those of Bioversity in that: (a) they do away with having locally recruited and internationally recruited categories of staff that have different policies, compensation and benefits; and (b) they translate many of the complex benefits Bioversity has into cash with a limited set of standard benefits (those administered through AIARC – in essence pension, medical insurance and disability and life insurances).

The principle of the new contracts that will be offered to CO staff before the end of the year (to take effect on January 1, 2015) is that nobody will be either disadvantaged, or get a windfall, by transferring from the old to the new system (that is, the cash value of the old and new contracts will be equivalent). In addition, corrections will be applied to ensure that staff are fairly placed in the new bands, and with respect to their peers. This will result in salary corrections for a number of staff members.

Adoption of the new HR policies, together with the other elements of the new HR system as proposed by the CEO, enables the CO to separate from Bioversity per January 1, 2015, in terms of payroll, which is the key element of Bioversity overhead. The CO also was informed by the US tax authorities recently that the Consortium's application for recognition of its non-profit (i.e. tax free) status was accepted, which opens the door for the Consortium to become a member of AIARC. The above means the Consortium separation from Bioversity in terms of payroll can take place per January 1, 2015.

The GRCC Chair asked what the basis of the new salary scales is. The CEO responded that the Centers (including Bioversity) carried out a compensation survey in 2012, in which the CG Centers were compared with a number of comparator organizations – and Bioversity concluded its salaries are well aligned with comparators. The Consortium salary scales are not identical to those of Bioversity (as explained in the memo submitted to the Board), but the compensation offered to CO staff will be equivalent (that is, neither increases in compensation, nor loss, as part of the transition from Bioversity to Consortium salary contracts). On top of this conversion, the jobs of all staff have been assessed (by the external consultant) and placed in the new salary scales. For those staff placed below the minimum of their scale, or significantly below peers with jobs rated equivalently, there will be corrections to improve the equity and fairness among the staff.

Recommendation: The GRCC recommends that the Consortium Board approves the proposed Consortium Personnel Policy Manual, subject to small considerations that were raised at the last GRCC meeting, and delegates the authority to the CEO to put in place Personnel Policy Implementation Guidelines. The GRCC also recommends approval of the other elements of the proposed Consortium HR system (competency model, job description and salary scales).

Decision: The Consortium Board accepts the GRCC recommendation.

Consortium Security Management System

The GRCC Chair introduced the Consortium Security Management System proposed by the CO that will apply to Consortium staff as well as consultants (when traveling on Consortium business) and Board members (when exercising their duties as Board members).

Recommendation: The GRCC recommends for approval the proposed Consortium Security Management System.

Decision: The Consortium Board accepts the GRCC recommendation.

Agenda Item 8 – Report from ARC

The ARC Chair introduced the subjects discussed in the ARC meeting earlier in the week and the recommendations ARC presented to the Consortium Board. The ARC Chair invited the new CFO to introduce the update on the Consortium's 2014 expenditures.

Update on 2014 Consortium Budget and Expenditures

The CFO presented an update on Consortium expenditures for the first eight months of 2014 and a forecast of expenditures to the end of 2014. Expenditures in 2014 are expected to exceed the budget by about \$560 thousand, largely due to the fact that the Consortium has been unable to

separate from Bioversity and therefore about \$700K of overhead is due to Bioversity. There were also some unbudgeted one-off expenditures related to the equipment and furnishing of the new HQ building, its inauguration on June 2nd, and a cost-overflow on the introduction of OCS. All together the unbudgeted one-off items comprise about \$200 thousand. To mitigate the cost overrun, the CO is limiting its expenditures for travel and consultants in the second half of 2014, and the CB has largely suspended observing Center Board meetings (PZ is still attending the WorldFish board meeting and the CEO attends the CIFOR board meeting). The CO proposes to request the FC to increase its budget over 2014 to meet the cost overrun (rather than take the cost overrun from reserves) as in other years budget surpluses have been returned to the CGIAR Fund as well.

In discussion, the CB members, while appreciating the CO efforts to minimize expenditures to limit the cost overrun, encourage the CEO to continue giving priority to essential activities such as related to the MTR and improving relations with the Centers – even if this means an increased cost overrun.

CB members requested the CEO to prepare a plan to improve relations with the Centers and to plan an additional meeting of the CB to follow-up on the MTR (and meet with the MTR Chair if possible) within the next 2 weeks.

Recommendation: The ARC recommends to the Consortium Board to accept the projected cost overrun of the 2014 budget by about \$560 thousand and instructs the CEO to request the FC for additional resources to cover the projected deficit.

Decision: The Consortium Board accepts the ARC recommendation.

2015 Consortium Program of Work and Budget (PoWB)

The CO has prepared a draft PoWB for 2015 for discussion in the ARC and CB and to receive its guidance. The CEO pointed out that the CB had requested the CO in its last meeting to prepare a PoWB that would cover all the work the CO considers necessary to fully implement the Consortium's mission, and to assess the budget required to implement this work, independent of the budget cap. Consequently, the CO prepared three scenarios that were presented to ARC and the CB:

- 1A- within the current cap of 6.6 M USD – with the current staffing, but not a realistic scenario as presently prepared because it does not contain enough operational funds to ensure effective functioning of the Board and office;
- 1B- interim scenario - of USD 7.1 M - with increased travel, consultancies and operational costs to work effectively with current staffing and 2 additional junior positions;

2- “full budget” of 9 M USD – which has seven additional positions that the CO leadership team identified as the full staffing to implement the full program of work.

In discussion, the CFO was requested to clearly show the impact of the separation from Bioversity (that is, the reduction in overhead charges paid to Bioversity).

Given the discussion (subsequently) related the 2014 Financing Plan, that is, the reduction in projected W1-2 funds, the CB no longer considers the “full budget” to be a realistic option. It is clear that under the current circumstances the Consortium will need to prioritize its work. Top priorities are work on the SRF, CRP 2nd Call and relations with the Centers, combined with other priorities that may be set by the FC, and that may follow from a consultation with the Centers.

Decision: CB requests the CEO to prepare:

- a 2015 budget that reflects the priorities identified by the CB within the 1B envelop (\$7.1M) for presentation to the FC; together with a request to lift the limitation to raise funding from other sources than W1.
- Priorities in the program of work to reflect the budget allocated by the FC in November as well as the priorities indicated by PoCCo..

The CO will submit a revised 2015 PoWB to the CB for its December virtual meeting.

2015-2016 Financing Plan (FinPlan)

The CEO presented an update on the 2014 Financing Plan and draft plans for 2015 and 2016. The 2014-15 Financing Plan projected 10% annual growth in W1-2 funding for both 2014 and 2015. Based on actualized projections received from the Fund Office (FO) in September, the conclusion is that, at best, W1-2 funding can be at the same level in 2014 as it was in 2013. The new FinPlan also proposes flat / stable rates for 2015 and 2016. The FinPlan proposes to deal with the shortfall in W1 funding by an equal percentage cut in allocation for all CRPs, plus allocation of the actual W2 allocations (which have been shared by the FO early October). As the FO W1-2 projections were only recently received, there has not been an opportunity for the customary consultation of the Center finance directors on the draft FinPlan. The CEO proposes, therefore, that the CB discusses the approach presented in the draft FinPlan, but not the final figures. The CO would share the draft FinPlan with the Centers for their comments, and also share the FinPlan with the FC. Following this consultation, the CO would revise the FinPlan, if necessary, and submit to the CB for its consideration in its December meeting.

The CEO also asked the question whether the CB considers the information currently available on CRP performance (in essence, annual reports through 2013 plus extension proposals for 2015-16) sufficient to re-allocate part of the funding from poor performing programs to well performing (underfunded) programs.

The CEO also brought to the attention of the CB the letter received last week from the CIFOR DG and Board Chair that proposes to re-allocate the carry-forward from CRPs with a high carry-forward (interpreted as poor financial performance) to CRPs with low carry-forward (good financial performance).

After ample discussion, the CB took the following decisions.

Decisions:

- As there is no evidence at this time that the carry-forwards of the CRPs signal poor performance, the CB decided against the CIFOR proposal to re-allocate amounts carried forward by CRPs into 2014.
- While the CB is in favor of performance, or results-based funding, it does not consider that there is a sufficiently clear and transparent basis at this point in time to re-allocate funding based on CRP performance. The CB considered that future decisions to base funding on performance can only be made if the Centers and CRPs have been informed of such a possibility in advance and the method to base performance based funding decisions is transparent.
- The CB agreed with the approach presented by the CO in the 2014-16 FinPlan and approved the current version of the plan as a basis for consultation with the Centers and the FC. The CB requested the CO to present a revised 2014-16 FinPlan to the CB for its consideration at the December meeting of the CB.

Dryland Systems CRP Internal Audit

The IAU Director presented a status update on the audit on CRP 1.1 « Dryland Systems ». The field work has been completed and results are being discussed with ICARDA Management. The overall audit opinion is “unsatisfactory”, defined as, “Key controls have broken down, are absent, or are not operating effectively”.

CGIAR and Consortium Risk Management

The ARC Chair reported back to the CB on the half-day “Risk Workshop” held on October 7th, facilitated by the IAU. While there is not yet a fully completed risk register for the Consortium, the workshop and its preparatory work by the IAU and CO leadership team represent significant progress. The IAU and CO leadership team will continue preparation of the Consortium risk register; the next step is to request CB members to “vote” on the relative importance of the risks that have been identified. It is hoped that this work will be completed in 2014.

CEO and Board member travel expenses

The ARC Chair reported that the IAU has undertaken an audit of the CEO and Board member travel expenditures and that this audit was presented to ARC and did not raise any concerns.

Consortium External Auditor

The ARC Chair presented an ARC recommendation to the Board to re-appoint PwC Rome as the Consortium's external auditors for one more year and to instruct the CFO to negotiate a contract with the external auditor for an amount not to exceed last year's fees.

Decision: The Consortium Board accepts the ARC recommendation.

Agenda Item 9– Intellectual Assets

The General Counsel introduced two issues under this agenda item, as follows.

Biennial Review of the CGIAR Intellectual Asset Principles:

This is a review undertaken jointly by the CO and the FC IP Group, in consultation with Centers. It is a light-touch review because only a short time (two reporting cycles) has lapsed since the principles were approved. No revisions of the IA principles are proposed at this stage as there is insufficient experience with their implementation. The next review is to take place in 2016 unless Center IA reports over 2014 and/or feedback from Centers provide urgent rationale to initiate such a review and revisions in 2015.

Center request to deviate from the Research Exemption in a Limited Exclusivity Agreement

The Consortium Board was informed that a request made by CIMMYT to deviate from the Research Exemption in its Limited Exclusivity Agreements was approved by the CEO in June 2013 (this request was added to a Deviation Request Register provided to the CB for information, which the CO will update with future requests). According to CIMMYT's IA report for 2013, the deviation did not however materialize in any agreements concluded by CIMMYT in 2013. The CB was requested to approve several amendments to the CGIAR IA Report for 2013 to reflect this deviation request. The amended report will be submitted to the Fund Council for approval.

Decision: The Board approved the Biennial Review Report on CGIAR Intellectual Asset Principles for submission to the FC. The Board approved the amended CGIAR IA Report for 2013 for submission to the FC.

Agenda Item 10 – Consortium Legal Status

After the French parliament ratified the Consortium's Establishment Agreement and the CO followed up on matters to separate from Bioversity, the French Ministry of Foreign Affairs wrote to the Consortium in July 2014, informing that it considers the Consortium was established legally and as International Organization (IO) in March 2013, when Hungary submitted its accession instrument. In fact Hungary's government approved its accession in July 2012 (and has been requested to re-submit an accession instrument that confirms the July 2012 date). In any case, the legal date of establishment of the Consortium as an IO is after the Joint Venture (JV) that set up the Consortium in April 2010 expired automatically in April 2012. This "gap" between JV expiration and IO establishment may give rise to questions: (a) whether the Consortium is properly constituted; and (b) whether the Centers are bona-fide members of the Consortium. Legal advice of the Consortium General Counsel is to ask the Centers to sign a ratification statement to establish both facts beyond all doubt.

Following discussion of this matter in ExCo, the Consortium has requested an external opinion from a reputed lawyer (Jim Joseph of Arnold and Porter) who was involved in the establishment of the Consortium and the drafting of its Constitution and Joint Agreement with the Fund. The external legal advice obtained since determines that there is no question concerning the legal constitution of the Consortium as an IO, and that it is reasonable to assume the Centers are Consortium members. However, to remove these issues beyond the shadow of a doubt, the advice supports the ratification statements by Centers.

To discuss the issue with the Centers, the CB Chair and CEO met with the representatives of Center Board Chairs (Fawzi al Sultan) and Center DGs (Jimmy Smith) on Sunday 5th October. They agreed to raise the issue with the Centers and propose to Centers to ratify as proposed by the Consortium. Since then the IRRI DG has written a letter proposing to link the ratification discussion here to a process of rectification of what the Centers perceive as ambiguities in the Consortium Constitution.

Following discussion in the CB, it was agreed that the Consortium is willing to address, and attempt to resolve, the ambiguities perceived by Centers in the Consortium Constitution, through a good faith negotiation. PZ and MK volunteered to represent the CB in this matter, with support of the Consortium General Counsel. The CB also agreed to insist to Centers that this "rectification" process is independent from the "ratification" process, and to proceed with the latter as soon as possible, to remove the issue from the table.

Decision: The Consortium Board will propose to Centers to enter into a good faith negotiation to resolve the ambiguities perceived by Centers in the Consortium Constitution, and delegated CB representation in this proposed process to PZ and MK, supported by the Consortium General

Counsel. The Consortium Board also requested the Centers' Representative to work with the Centers to proceed with the proposed ratification of their membership in the Consortium as an International Organization as soon as possible.

Agenda Item 11 – Update on CGIAR Branding Guidelines

The Director KMCI updated the Board on the review of the CGIAR Branding Guidelines that was undertaken by the Communication Community of Practice in 2013-14. He reminded the Board that when the Branding Guidelines were introduced this was considered a controversial issue by many Centers; it was agreed that “co-branding” of the CGIAR and Center brands would be the focus. He also observed that over the last two years the issue has evolved significantly. While not all Centers implement co-branding as the Consortium would like to see it, by and large the Centers and their communicators have come to recognize the importance of co-branding under the CGIAR flag. The success of the CGIAR Development Dialogues in New York in September, a major effort by all Centers and the Consortium to organize a signature event under the CGIAR brand, was a very significant step forward.

The Center and Consortium communicators reviewed the branding guidelines and came up with a large number of small operational adjustments to the Branding Guidelines that they all agree upon. The revised Branding Guidelines were approved by the CEO. The communicators do also recognize the issues with the relative obscurity of the CGIAR outside the circles of those directly involved, and recommend a significant investment in a “CGIAR branding campaign” to be undertaken in 2015. This coincides with a communications consultancy commissioned by the FO as part of the Resource Mobilization Strategy development, to which Centers and the Consortium contributed. This communications consultancy is expected to recommend a major investment in ramped up “central CGIAR external communications”.

In discussion, Board members pointed out that CGIAR in a good position to approach global communications firms and request a special “charity” price. It is expected that these efforts will be funded as part of the larger resource mobilization efforts initiated by the FC/FO, not as part of the Consortium budget. The acceptance of co-branding as an approach is now very strong and has become fully supported by a majority of Centers.

CBC congratulated the Director KMCI on a job well-done and noted that the Board has indeed observed notable, and positive, changes.

Agenda Item 12 - Consortium Diversity and Inclusion Strategy

The CEO reminded the CB that this work was undertaken at the request of the FC. The essence of the current strategy is:

1. To accept the target of a 50% gender balance in leadership positions across the Consortium and its members, to be reached within 5 years, as proposed by the FC.
2. To have Centers put in place a Center-Board approved Diversity and Inclusion Strategy before the end of 2015.
3. To add an HR section to the CGIAR Annual Report that will serve as the primary vehicle for monitoring progress made on implementation of the Diversity and Inclusion strategies, to report back to the FC.
4. To put in place a “menu” of HR actions that can advance diversity and inclusion issues across the Consortium and its members, and that some Centers may want to work on jointly, on a voluntary basis.

The current strategy was discussed with the Centers in the Joint meeting on October 8th. Centers raised the concern that, as formulated, the current strategy suggests that with reference to point 4 above, the implementation of HR actions would be mandatory rather than voluntary. When the CEO committed to edit/correct the strategy to reflect that these actions will be voluntary rather than mandatory, the Centers agreed that the current strategy is acceptable (with those corrections).

Decision: The Board approved the Consortium Diversity and Inclusion Strategy, with the edits to ensure that HR actions are voluntary rather than mandatory.

Agenda Item 13 – Shared Services

The Director Shared Services provided an update on progress related to Shared Services. By and large the Centers have an increased interest in shared services, as they also expressed in their joint submission to the MTR Panel as one of the successes of the reform. The CO has explored opportunities to accelerate the implementation of shared services under the heading of “Thinking Like a Billion \$ Organization”. The CO, with champions from among the Center corporate services executives and an external consultant, prepared a proposal to request the FC to invest \$1 million in a study that would provide a solid business case for massively increased shared services and platforms, through an intensive, granular data collection exercise that would allow a solid ex-ante assessment of costs and benefits. A recent development is, for example, that 10 Centers have expressed interest to set up a shared ICT function in 2015.

This proposal was discussed with the Centers in the joint meeting and it was determined that there was insufficient widespread support among the Centers to proceed and the CO has therefore agreed to withdraw the proposal.

The Board took note of the significant progress on the shared services front and encouraged the Director to proceed along the lines of the plans approved earlier this year.

Agenda Item 14 – Any other business

Latin America:

Board members requested an update from the CB Chair on his efforts to improve CGIAR visibility in Latin America and in particular his visit to Brazil earlier this year.

The CB Chair explained how he has worked with the CO (Daniela Alfaro, the Montevideo Office) and the four Centers in the Americas (CIAT, CIP, CIMMYT and IFPRI) this year to increase the profile of the CGIAR in Latin America, particularly through a consultation of partners. Given the importance of EMBRAPA, he made a visit to Brazil to encourage EMBRAPA to take a more prominent proactive role in the CGIAR. The President of EMBRAPA confirmed that he is very interested to explore a stronger engagement of EMBRAPA in CRP 2nd Call – possibly following more closely the example of the active engagement of CIRAD in several CRPs. He also reported on a successful consultation he chaired in late September of key partners in the region, including potential partners from the private sector, with the CGIAR Centers, in Montevideo. The CEO also attended this consultation. A Synthesis report from the consultation will be completed shortly.

In two weeks an EMBRAPA delegation will visit the Consortium Office in Montpellier to move collaboration forward.

PZ brought to the Board's attention the legal agreement Bioversity developed with the Brazilian government after many years of preparation, which enables Bioversity – and the CGIAR as a whole - to operate in Brazil, and which may provide a platform other Centers, or the Consortium, can take advantage of.

CIMMYT:

PZ requested an update on CIMMYT, given that the DG and several senior members of staff are all departing at the same time. Since the last CB meeting, Board members and the CO have stepped up efforts to improve communication with CIMMYT. MK attended a CIMMYT Center Board meeting. MG met with the former CIMMYT Board Chair. PZ met with the current CIMMYT Board Chair. The legal Community of Practice met at CIMMYT. The data and open access communities also have met with (and at) CIMMYT and received strong contributions from the Center. The CEO had telephone meetings with the DG, the DDG Corporate Services and the Director of International HR after their departures were announced. Overall, the conclusion is that communication between the Consortium and the Center is much improved.

None of the contacts reported above identified a specific concern that warrants follow up by the CB. It was suggested that the ARC Chair contact the CIMMYT audit committee chair to have another follow-up conversation, which she agreed to do. The CB has agreed to hold its March meeting at CIMMYT, and CIMMYT's management has confirmed its willingness to receive the CB. This will be an excellent opportunity for the Board to follow up.

GCARD3 Proposal

Following guidance received at FC11, GFAR and the CO have developed a new proposal for GCARD3 that emphasizes GCARD as a consultation process rather than an event. The proposal lays out the consultation process for the CRP 2nd Call. Following comments from the Centers and CRPs consultation on the SRF has been added more explicitly. In the Joint meeting with the Centers the point was made that rather than "validation of the SRF" as it is described in the document in the CB documentation, the consultation around the SRF should be more open than just a validation.

The CO will change this in the version of the proposal that will be shared with the FC. The CO and GFAR are fully aligned on this proposal for GCARD3.

It was noted that some Centers and CRPs have questioned whether the country consultations in some 20 countries, together with "site integration plans" in those countries, should be mandatory or voluntary, and whether such consultations are feasible in as many as 20 countries. The CO put to the CB that both the FC and Consortium would indeed require such consultation in the key countries where the CRPs expect to contribute to significant development outcomes.

The Board also had some concerns on the budget of GCARD3, as the budget presented will not cover the full cost of the consultation process. The CEO responded that it is clear that the FC is unwilling to consider a higher contribution to GCARD3 – and therefore the costs of the consultation process will have to be borne by the CRPs (as the normal cost of doing business to prepare their phase 2 proposals).

Decision: The CB approved the GCARD3 proposal, with the change to be made to strengthen the consultation on the SRF.

Disbursement Process:

This issue was not discussed due to lack of time and will be put to the CB for an out-of-session virtual decision.

Next meeting:

The CB selected the week of March 23 for its Spring 2015 meeting, at CIMMYT, presuming this week is convenient for CIMMYT.

The open session of the Board was adjourned and an In-Camera session started at 15:30

Agenda Item 15 – In Camera Session

The In-Camera session focused on a letter to be sent by the CB Chair concerning the breakfast meeting at the World Bank on the MTR report on Saturday October 10th.

It was decided to defer the performance evaluation of the CEO to the December meeting of the CB.

The Board committee assignments for 2015 will also be taken up in December (once the results of elections for new members are known). The Chair proposed that in 2015 the PoCCO and GRRC committees could be combined and that PZ could continue as chair of that new combined committee (the PoCCO Chair had left the meeting, but the CB Chair indicated he had discussed this issue with her and she supports this proposal).

It was also agreed that in 2015 all CB committees should review and revise their charters.