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Summary Record of Proceedings



*CGIAR Secretariat
(A CGIAR System Office Unit)
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Acronyms Used

ADM	Archer Daniels Midland
AfDB	African Development Bank
AGM	Annual General Meeting
ARS	United States Department of Agriculture Agricultural Research Service
BMZ	Federal Ministry for Economic Cooperation and Development (Germany)
CBC	Committee of Board Chairs
CCER	Center Commissioned External Review
CDC	Center Directors Committee
CGIAR	Consultative Group on International Agricultural Research
CIAT	Centro Internacional de Agricultura Tropical
CIMMYT	Centro Internacional de Mejoramiento de Maiz y Trigo
CIRAD	Centre de coopération internationale en recherche agronomique pour le développement
CP	Challenge Program
CWANA	Central and West Asia and North Africa
DDG	Deputy Director General
DG	Director General
DGF	World Bank's Development Grant Facility
EC	European Commission
EMBRAPA	Empresa Brasileira de Pesquisa Agropecuária
EMR	External Management Review
EPMR	External Program and Management Review
EPR	External Program Review
ESA	East and Southern Africa
ExCo	Executive Council
FAO	Food and Agriculture Organization of the United Nations
FARA	Forum for Agricultural Research in Africa
GFAR	Global Forum for Agricultural Research
GO-AFU	Global Open Agriculture and Food University
GRPC	Genetic Resources Policy Committee
HBS	Harvard Business School
IARC	International Agricultural Research Center
ICARDA	International Center for Agricultural Research in the Dry Areas
ICRISAT	International Crops Research Institute for the Semi- Arid Tropics
ICRAF	World Agroforestry Center
IDRC	International Development Research Centre

IFPRI	International Food Policy Research Institute
IFAD	International Fund for Agricultural Development
IFRS	International Financial Reporting Standards
IITA	International Institute for Tropical Agriculture
ILCA	International Livestock Centre for Africa
ILRAD	International Laboratory for Research on Animal Diseases
ILRI	International Livestock Research Institute
INIBAP	International Network for the Improvement of Banana and Plantain
IPG	International Public Goods
IPGRI	International Plant Genetic Resources Institute
IRRI	International Rice Research Institute
IRS	Internationally Recruited Staff
ISNAR	International Service for National Agricultural Research
IWMI	International Water Management Institute
JIRCAS	Japan International Research Center for Agricultural Sciences
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MTP	Medium-Term Plan
NARS	National Agricultural Research System
NGO	Non-governmental Organization
NRS	Nationally Recruited Staff
OECD/DAC	Organization for Economic Cooperation and Development/Development Assistance Committee
PM	Performance Measurement
PSC	Private Sector Committee
SC	Science Council
SKEP	Scientific and Know How Exchange Program
SNC	Search and Nomination Committee
SRO	Sub-regional Organization
SSA	Sub-Saharan Africa
SWEP	Systemwide and Ecoregional Program
SWOT	Strengths, Weaknesses, Opportunities, Threats
SWP	Systemwide Program
TF	Task Force
TOR	Terms of Reference
UN	United Nations
WARDA	Africa Rice Center
WCA	West and Central Africa

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All documents for ExCo 8 are available at <http://www.cgiar.org/who/structure/executive/exco8/index.html>

ExCo Conclusions and Recommendations

2.a. Report from Director

Conclusions and ExCo Recommendations to the CGIAR:

F. Reifschneider presented the following recommendation to ExCo on behalf of the Steering Group Chair, Philippe Vialatte (who could not attend):

- *The complete Phase 1 and Phase 2 reports on IRS, as well as the powerpoint presentations at ExCo 6 and 8 (Montpellier and Berlin) should be made available to Board Chairs and DGs, and should be placed on the CGIAR Members Only restricted access website.*
- *The Compensation administration practice information such as type of salary structure, frequency of pay adjustments, etc. will be shown by Center name, as this is not confidential information.*
- *Due to confidentiality, no individual staff's salary data will be shown in the report (the DG and DDG data will be shown in bands so as not to be identifiable). The Centers' compensation data will be coded and the code for the Center will be provided only to the Board and DG of that Center.*

ExCo agreed with these recommendations.

2.b. 2004 Financial Report

Conclusions:

- *ExCo agreed to ask the CGIAR Chairman to write to Board Chairs of those Centers with red-flagged financial indicators as well as those with "deep green flags" requesting them to provide a plan of action to resolve the identified situation.*

3.a. CGIAR Priorities and Strategies: 2005-2015

Conclusions and ExCo Recommendations to the CGIAR:

- *ExCo thanked SC for significantly advancing the development of CGIAR Priorities and Strategies.*
- *SC should revise the report by taking into consideration the comments and questions raised by ExCo members.*
- *The revised report will be reviewed by ExCo members virtually for endorsement. ExCo members are asked to limit their comments, if any, exclusively to major issues in the revised report.*
- *The report should then be submitted to the CGIAR virtually for approval, in principle, on a no-objection basis, so that the new set of priorities could begin to be used in the analysis of soon to be submitted MTPs.*
- *A full discussion of the revised priorities should take place at AGM05, along with other issues of System strategy.*

3.b. SC Program Report

Conclusions:

- *The CGIAR should protect the independence of the SC. There should be no risk that the SC could be perceived as a tool of special interests because of the mode of financing its activities.*
- *The Task Force on Funding System Priorities should give utmost priority to this issue.*
- *A progress report on the outcome of consultations with Members should be tabled for discussion at ExCo 9.*
- *ExCo will review SC's 2006-2007 work plan and budget in October 2005 at ExCo 9.*

3.c. Challenge Programs—Progress Reports and Updates

Conclusions:

- *ExCo agreed to implement the proposed new standardized reporting process for Challenge Programs starting this year.*
- *A template for the CP annual reports will be developed by the CGIAR Secretariat and the Science Council. Beginning 2005, the programmatic part of this annual report should be an integral part of the MTP.*
- *CPs will be subjected to the same level of scrutiny as the Centers under the M&E process.*
- *ExCo should come up with a recommendation to the CGIAR on the question of opening up the process for new CPs. CPs should be regarded as one of CGIAR's tools for implementing System Priorities.*

4.a. IFPRI EPMR

Conclusions and ExCo Recommendations to the CGIAR:

- *ExCo recommends that the CGIAR endorse the EPMR and its recommendations.*
- *ExCo notes that:*
 - *The global nature of the ISNAR Program should be protected;*
 - *IFPRI should reassess its comparative advantage in coordinating GO-AFU; and*
 - *SC and the CGIAR Secretariat should follow-up the ExCo comments on the EPMR process.*

4.b. CIMMYT EPMR

Conclusions and ExCo Recommendations to the CGIAR:

- *ExCo commends EPMR team for an incisive and thoughtful report and recommends that the CGIAR endorse the Panel's recommendations.*
- *ExCo requests the CIMMYT Board Chair to submit a short written report on progress to ExCo 9 in October 2005. It also requests the Board Chair to make a special report to AGM05, in addition to the Center response to the EPMR, with*

- detailed updates on key issues raised by the Panel on programs, strategy, governance, finance and staff morale.
- SC and the CGIAR Secretariat should commission a follow-up focused review to be conducted in May/June 2006 by the EPMR Panel chair and a governance/finance expert. TOR for the review should be reviewed by ExCo.
 - Besides the specific CIMMYT issues, ExCo should also consider the lessons for the System emerging from this EPMR. Regarding governance, the System must at one point address if it needs to have more than 200 board members for a \$450 million program. Although Center Boards are autonomous, their governance needs to be balanced with oversight provided by the CGIAR, through ExCo, without becoming too intrusive. Of particular importance is the accountability of the Board Chairs, which needs to be clarified. The CGIAR Secretariat should prepare a note for discussion by ExCo covering these broad governance and oversight questions, with special emphasis on the role ExCo could play to add maximum value to the System.

4.c. Follow-up to External Reviews

Conclusions:

- SC and CGIAR Secretariat should further develop the process for follow-up to EPMRs so as to facilitate their discussion by ExCo. The revised process should build upon the MTPs as much as possible and bring clarity to the Center responses and the shelf life of EPMRs.

4.d. Pilot Performance Measurement System

Conclusions:

- ExCo is encouraged by the progress made in developing and implementing a CGIAR PM system and unanimously supports this effort.
- The results from the pilot year should be thoroughly discussed at the next AGM.
- Prudent transparency should dictate making the PM data available to the public and the CGIAR 2004 Annual Report will be featuring a chapter on this.
- ExCo should devise a means by which its performance could be assessed.

5.a. SSA Task Forces on Programmatic and Structural/Organizational Alignment

Conclusions and ExCo Recommendations to the CGIAR:

- Considering the TFs' presentation to ExCo and their clear indication that Recommendation 1 was indicative of their vision of the future, ExCo recommends that Recommendation 1 is placed separately on the agenda of AGM05, subject to CGIAR Members' interest in the topic. ExCo requests the CGIAR Secretariat to hold informal consultations with the membership to ascertain Members' interest.
- ExCo requests the TF Co-Chairs to revise the draft report to include scenarios that were considered in their exercise, and their views on each option.
- ExCo requests Centers to continue to develop the sub-regional MTPs, at a faster pace, including the elements required for full and effective facilitation. This

should be done in partnership with SROs, NARS, and FARA, with implementation to start in 2006. CDC/CBC, CGIAR Centers and their staff with a particular interest in SSA, should strive for ownership and full engagement of NARS, SROs and FARA in the process. ExCo requests that Centers organize a dialogue with the above institutions between now and ExCo 9. ExCo further requests that MTPs are fully aligned with the System priorities and fully consistent with the SSA Challenge Program currently under implementation. As noted by the TFs in Recommendation 5(i), the Centers should carry out this responsibility “during the interim period until the formation of the recommended SSA-based global entities.”

- *ExCo recommends that the CGIAR endorses Recommendation 2 as related to West and Central Africa and further requests the CGIAR Chair to take necessary actions to discuss with the Board Chairs of IITA and WARDA and WARDA’s Council of Ministers, steps towards implementation of this recommendation.*
- *ExCo recognizes the need for further discussions and analysis of best options for the East and Southern Africa Global Entity, and requests Members to specifically share with ExCo their views on options for discussion at ExCo 9 in October 2005.*
- *With regard to Recommendation 4, ExCo recommends this to be discussed at AGM05 as part of the discussion on Recommendation 1.*

ExCo’s recommendations will be submitted to the CGIAR for approval on a no-objection basis.

5.b. Report from Centers

Conclusions:

- *The Co-chair thanked the CBC and CDC Chairs for their reports.*

7.a. SC Membership

Conclusions:

- *ExCo endorsed the recommendation of the SC Chair to extend five SC members for two years, and request the CGIAR Secretariat to contact the Chair of the SNC to carry out a search to identify a replacement for K. Kainuma, using the criteria established by the Working Group on Science Council. Following endorsement by ExCo, the nomination would be sent to the CGIAR for approval.*

1. Opening Session

Welcome by Host Institution

State Secretary Erich Stather welcomed the CGIAR Executive Council (ExCo) to BMZ (Federal Ministry for Economic Cooperation and Development) and Berlin (Statement in Attachment 1). He noted that the Ministry was an appropriate place to hold the meeting since development policy and international agricultural research share the common goal of reducing hunger and poverty. He highlighted the importance of international agricultural research and the significant contributions the CGIAR has made.

Comments by Host Country (Germany)

Jochen de Haas welcomed ExCo to Berlin on behalf of the host country. He highlighted the transformation that has been taking place in former East Berlin and near the Ministry building.

I. Johnson's Introduction

CGIAR Director Francisco Reifschneider, on behalf of CGIAR Chair Ian Johnson (who could not attend the opening session), thanked the Government of Germany for hosting the meeting and for its support to the CGIAR. He welcomed ExCo members and formally opened the meeting. (Meeting participants are listed in Attachment 2)

Election of Meeting Co-Chair

Marina Puccioni (Italy) was nominated and elected Co-chair of the meeting.

Adoption of the Agenda

The draft agenda was adopted without change (see Attachment 3).

2. CGIAR Status Report

2.a. Report from Director

Francisco Reifschneider updated ExCo on new and ongoing activities that have taken place in the CGIAR since AGM04. As the ExCo agenda reflected several of these activities, his report focused on those that would not be discussed under the agenda items.

Task Force (TF) on Funding System Priorities led by Denmark: The terms of reference (TOR) for the study have been finalized, a consultant has been retained, a small TF of interested Members is being constituted, and a survey of Members to understand their funding and allocation decisions has been launched. A draft report of the TF is expected to be shared with ExCo at its October meeting and then finalized for presentation at AGM05.

Review of Center Boards (“Stripe Review”): The TOR have been drafted and efforts to identify panel members are in the final stages. TOR will be circulated to ExCo for information

Strengthening Governance/Leadership: As part of a pilot initiative that began in London in May 2004, the fourth CBC-organized board orientation program was held last week at the WorldFish Center in Penang, Malaysia. A CGIAR Leadership training program (including a media training component) took place at the Harvard Business School (HBS) in December 2004. Over 40 participants from throughout the CGIAR participated. A second leadership training program has been scheduled for the first week of October 2005. A first level leadership development program is also under implementation.

Restructuring of CGIAR Trust Funds within the World Bank: Key outcomes of this effort are maintenance of an efficient and low cost facility for receiving and disbursing approximately \$120 million in CGIAR Member contributions annually, maintenance of the unique feature of allowing Members to express their allocation preferences, and enhancement of compliance with World Bank Trust Funds reforms.

CGIAR Nominees Process: The ExCo *ad hoc* committee is facilitating the process and has provided feedback to Center Boards. The committee will continue its work after it receives responses from Center Boards.

World Bank Grant to the CGIAR: The process for securing the World Bank’s grant to the CGIAR through the Development Grant Facility (DGF) is becoming increasingly complex and competitive. However, the good news is that the CGIAR has received a green light for a grant of \$50 million for 2006. The intense process just completed has helped strengthen accountability and increase transparency and engagement with the World Bank.

Major international reports issued since AGM04: The Commission for Africa Report and “In Larger Freedom” released by the UN recognize the importance of agriculture, agricultural science and technology, and the important role of the CGIAR.

Communications and Outreach Activities: Since AGM04 there were many activities with major presence by the CGIAR, in addition to those implemented by the CGIAR. A few highlights include the CGIAR-China Seminar “Agricultural Research for Development in the 21st Century: Opportunities for Strengthening the China-CGIAR Partnership” hosted by the Chinese Academy of Agricultural Sciences (April 2005), and an International Conference on Agricultural Research for Development “European Responses to Changing Global Needs” (April 2005). The CGIAR will have a strong presence at the Japan Forum (co-sponsored by the CGIAR) in July 2005 in Tokyo. A redesigned CGIAR website was launched, following a rebuilding effort intended to enhance and make it more user friendly. It includes a “Members Only” password protected space. Initial reaction has been very favorable, with over 70,000 visitors in March 2005 alone.

CGIAR Compensation Study Progress Report

Sandra Lawrence, principal consultant for the study, presented an update to ExCo on Phase 2 of the study. She provided a brief background of the study for new ExCo members and highlighted the four phases:

- Phase 1: Review of compensation structures and mechanisms for ensuring transparency of internationally recruited staff (IRS)
- Phase 2: Comparison of CGIAR compensation packages for IRS with the market
- Phase 3: Review of CGIAR compensation structures for nationally recruited staff (NRS)
- Phase 4: Integrated results report

The results of Phase 1 were reported at ExCo 6. The main objective of Phase 2 was to provide a comparison with comparator organizations, particularly those engaged in agriculture/agricultural research, in private and public sectors, world-wide. The comparators chosen were comprised of:

- Government (National Agricultural Research Organizations): ARS, CIRAD, JIRCAS and EMBRAPA;
- International Organizations: IFAD and FAO; and
- For Profit companies. ADM, Cargill and Pioneer Hi-Bred.

Phase 2 covered staff at four research levels (RL I-IV), and two management levels (Director General (DG) and Deputy Director General (DDG)). Total compensation is comprised of cash compensation (actual base salary, bonuses and other cash payments) plus all employee benefits.

The major findings from Phase 2 included the following:

- The most notable finding was the level of disparity in pay levels and practices across the CGIAR Centers in base salary and total cash in all pay ranges.
- Given the level of disparity in base salary and allowances among the Centers, making accurate comparisons is challenging. However, the aggregate comparisons shed some light in terms of typical practices.
- Base salary for IRS employees at Research Levels I and II tend to lag all comparators, including Government. As this is the “feeder pool” for the research organization, attention to this gap may be needed.
- CGIAR tends to lead Government in total cash levels, with the exception of Research Levels I and II, but lags International (except at the DG level), and lags For Profits at all levels.
- When comparing base salary and allowances for IRS versus out-posted or expatriated employees to the comparators, CGIAR generally lags all the comparator groups.
- In order to make compensation decisions based on the external comparators, comparisons would need to be made with the individual Centers, taking into account factors such as location of the Center, cost of living in the country, benefit provisions, etc.

She concluded the presentation by updating ExCo on Phase 3 of the study on NRS. In order to prepare for this phase, a questionnaire has been developed in collaboration with Centers with a focus on (i) NRS grade and salary structure; (ii) salary administration procedures, and (iii) major benefit provisions (e.g., medical and pension).

The results of Phase 3 are scheduled to be reported to ExCo at its meeting in October 2005.

Discussion:

- ExCo thanked S. Lawrence for a very clear and useful presentation. Several questions were raised, including the following (Ms. Lawrence's responses are shown in parentheses):
 - Some past Center DGs have been provided golden handshakes and Center-paid sabbaticals at the end of their term. Do the compensation packages shown in Phase 2 include these benefits? (No, they do not.)
 - Is the range of comparators selected appropriate, especially among international organizations? (The study provides a reasonable overall picture. One more international organization could have been added, but that would not have changed the overall findings.)
 - The income tax treatment of one of the Centers appears to distort the findings for that Center. Could this be rectified? (The Center will be contacted once more to obtain salary data net of taxes.)

Conclusions and ExCo Recommendations to the CGIAR:

F. Reifschneider presented the following recommendation to ExCo on behalf of the Steering Group Chair, Philippe Vialatte (who could not attend):

- *The complete Phase 1 and Phase 2 reports on IRS, as well as the powerpoint presentations at ExCo 6 and 8 (Montpellier and Berlin) should be made available to Board Chairs and DGs, and should be placed on the CGIAR Members Only restricted access website.*
- *The Compensation administration practice information such as type of salary structure, frequency of pay adjustments, etc. will be shown by Center name, as this is not confidential information.*
- *Due to confidentiality, no individual staff's salary data will be shown in the report (the DG and DDG data will be shown in bands so as not to be identifiable). The Centers' compensation data will be coded and the code for the Center will be provided only to the Board and DG of that Center.*

ExCo agreed with these recommendations.

2.b. 2004 Financial Report

Juan Garafulic (Director of Finance, CIAT) and Shey Tata (Senior Financial Officer, CGIAR Secretariat) presented the draft 2004 CGIAR Financial Report. S. Tata introduced the presentation by noting that this was the second year of collaboration between CIAT and the CGIAR Secretariat in producing the CGIAR Financial Report, as well as the second year of using the CGIAR Finance Peer Review group in the review of the Centers' financial statements. He noted that this new way of working on CGIAR System financial products was the brainchild of Ravi Tadvalkar (CGIAR Secretariat) who recently passed away. A special recognition of Ravi's contributions to the CGIAR is planned for AGM05.

J. Garafulic presented the first part of the report covering the results for 2004. Overall, they show that the CGIAR again surpassed its financial targets for the year. For the first time Member contributions exceeded the \$400 million mark. Total contributions were \$437 million, \$45 million (12 percent) higher than originally forecast. Together with \$16 million in Center income, total financing was \$453 million. Against \$425 million in total expenditures (4 percent above the approved target), the System ended the year with a \$28 million surplus, up from an expected \$5 million deficit. Overall contributions for 2004 increased 15 percent compared with \$381 million in 2003.

Contributions increased across all Member groups. The main increases came from three Member groups: Europe, North America and Developing Countries. Europe increased its contributions by \$20 million (13 percent) compared with 2003. United Kingdom became the third largest contributor behind the United States and World Bank, while Italy ranked among the top 15 contributors for the first time in the last five years. North America increased by \$10 million (13 percent). Developing Countries increased their contribution by \$6 million (51 percent), led by Nigeria which became the largest developing country contributor. Non-CGIAR members increased their contributions by \$14 million, led by the Bill and Melinda Gates Foundations' contribution to the HarvestPlus Challenge Program (CP). Outcomes for individual Centers show that contributions increased for 12 Centers, compared with 14 in 2003. Operational results (expenditures matched against contributions and Center income) show that no Center, compared with three in 2003, ended the year with an operating deficit in excess of \$0.3 million.

The 2004 results confirm improvement in CGIAR finances in the aggregate. As in the last several years, however, there continues to be significant variation among the 15 Centers on a number of financial health indicators, suggesting a need for continued vigilance at both the Center and System levels. The six Centers whose financial health indicators were borderline or below the CGIAR-recommended standards in 2003 (CIAT, CIMMYT, IPGRI, IWMI, World Agroforestry and Africa Rice) all showed improvements in 2004 with two (IPGRI and World Agroforestry) now within the recommended target range.

S. Tata provided an update on compliance and accountability. He noted that the objective of compliance and accountability in CGIAR finances was to support decision making at the Center and System levels with the highest quality of information, in order to maintain and enhance stakeholder and public confidence. There are two principal mechanisms to achieve this: 1) codified standards of best practice, and 2) the Finance Peer Review. In the CGIAR finance community the agreed behaviors intended to achieve the objectives include:

- Adoption of best practices in accounting and reporting;
- Codification of new accounting guidelines effective for 2004;
- Adoption of International Financial Reporting Standards (IFRS) as the platform for the new standards;
- Agreement on a framework within the new guidelines for accounting and reporting on Challenge Programs;
- Timeliness and responsiveness; and
- Quality of information.

Based on these agreed behaviors, the Peer Review group assessed the 2004 Center financial statements for compliance against these benchmarks. The preliminary findings from the exercise suggest overall improvement in compliance and quality of information, compared with 2003; and broad adoption of new accounting guidelines. However, the exercise also revealed that there continued to be pockets of weakness (in compliance and quality) across the System (CIMMYT was cited as the only Center whose audited financial statements were qualified by the external auditor); there is room for improvement in timeliness, and there is room for improvement in CP reporting.

The next steps would be for the Peer Review group, coordinated by the CGIAR Secretariat, to continue monitoring the professional dialogue with colleagues at the Centers and share the individual Center reports from the peer review exercise with the individual Centers. The CGIAR Secretariat would also ensure that clarifications and updates of the new accounting guidelines would be incorporated and maintain the guidelines as live documents.

Discussion:

- Several members commended J. Garafulic and S. Tata for an excellent presentation and the clear and useful information provided on the financial health of the CGIAR System; as well as the Peer Review Group for their work in reviewing the 2004 Center financial statements and promoting best practice.
- The issue of excessive reserves and the message it might convey to Members who have to make the case for continued CGIAR funding was extensively discussed. Another aspect of reserves was whether they could be impacting Centers' ability to make needed capital improvements.
- Concern was also expressed on the cumulative unspent balance of \$28 million for CPs.
- Members wondered whether the rosy financial picture of the CGIAR at the System level might be different at the Center level if the data were disaggregated.
- Who has responsibility for getting the red flags (financial indicators below agreed levels) removed at the relevant Centers?
- It is important to continue highlighting the contributions of developing countries.
- Members highlighted the need to continue monitoring the quality of audited financial statements, especially in light of the CIMMYT qualification, and the fact that some international audit firms may not be performing up to expected standards.
- The issue of non-paying CGIAR Members was raised, with a request to know what action was planned vis-à-vis them.

Clarifications were made on some of the points raised during the discussion:

- Excessive reserves might send the wrong signal to Members, thus the need to request the relevant Centers to submit a plan to bring reserves down to a "reasonable" level. The Chairman's letter to Centers could include not only those with red flags but also those with "deep green flags."
- In the case of CP unspent balances, it was recognized that the main reason was the newness of the programs and the initial fast pace of disbursements from contributors. As the pace of implementation picks up, it is expected that this would no longer be an issue.
- In order to address the issue of disaggregated data (i.e. at the Center level), the Secretariat makes available detailed information as part of the CGIAR Annual Report

- The CGIAR guidelines have a clear policy on capital replenishment which is to set aside an amount at least equal to the depreciation charge to ensure future capital replacement. However, it should be noted that capital expenditures are funded from reserves, and are not part of the annual expenditures of Centers reported in the annual financial statements.
- Centers (Board and Management) have the responsibility for removing red flags from Centers while ExCo's role is to flag these issues and monitor the actions of the Centers in addressing them. As was seen in the presentation, the progress of the 2003 red flagged Centers was reported to ExCo.
- The CGIAR Secretariat is in the process of contacting non-paying Members as defined in the CGIAR Charter. Members not paying the minimum required contribution would be placed in "Member Observer" status.

Conclusions:

- *ExCo agreed to ask the CGIAR Chairman to write to Board Chairs of those Centers with red-flagged financial indicators as well as those with "deep green flags" requesting them to provide a plan of action to resolve the identified situation.*

3. Science Council and Program Matters

3.a. CGIAR Priorities and Strategies: 2005-2015

Per Pinstrup-Andersen presented the report on CGIAR System Priorities and Strategies. Describing the process, he noted that SC made some changes in the overall approach used by the interim SC that initiated the exercise. Three major approaches, i.e. deductive, historical, and inductive, were used in developing the system priorities. Research priorities were determined on the basis of their potential contribution to the overall goals of CGIAR research and their links to the Millennium Development Goals (MDGs). Specifically, the following criteria were used in identifying the priority research areas: (1) expected impact on CGIAR goals, (2) production of international public goods (IPG), and (3) existence of alternative sources of supply and CGIAR comparative advantage in conducting the research.

The process resulted in a set of 20 priorities/goals structured around five priority areas:

1. Sustaining biodiversity for current and future generations;
2. Producing more and better food at lower costs through genetic improvements;
3. Reducing rural poverty through agricultural diversification and emerging opportunities for high-value commodities and products;
4. Poverty alleviation and sustainable management of water, land, and forest resources; and
5. Improving policies and facilitating institutional innovation to support sustainable reduction of poverty and hunger.

The proposed priorities constitute a nested set, cascading from one CGIAR goal to five priority areas, 20 priorities/goals, and over 100 priority activities. New features and implications of the proposed priorities include:

- For the first time the CGIAR will have a set of System priorities that is not simply an aggregation of Center priorities;

- There is substantive linkage between CGIAR priorities and the MDGs;
- A more cohesive program for the System as a whole. SC suggests that at least 80 percent of CGIAR resources should be allocated to the system priorities, and the remaining 20 percent allocated to exploratory (“blue sky”) research and capacity strengthening activities;
- Elimination of non-IPG work, which currently constitutes a big share of Center projects;
- Explicit focus on income generation among the poor;
- Explicit focus on agricultural trade and food security aspects; and
- Focus on the development of a genomics platform, new genetic enhancement approaches, landscape integration, and cross-cutting topics.

On implementation of the priorities, the SC believes it would be best to first have the priorities approved so that the System can take the necessary actions to begin their implementation (without additional committees and high transaction costs). A first step would be to have the Medium-Term Plans (MTPs) for 2007 be fully based on the approved system priorities. This requires approval of the priorities, at least in principle, before AGM05 in December.

Discussion:

- While welcoming the report, several members said that they did not get a clear sense of what is new in the identified priorities. All existing Center activities seem to fall into one or the other of these priority areas. If the priorities do not allow Centers and Members to discriminate among potential activities, what purpose will they serve?
- Does the listing of priority areas indicate their corresponding rankings?
- What research activities are going to be dropped or discontinued? The section of the report which attempts to answer this question (starting on p. 81) is not as convincing as the presentation and needs strengthening and further elaboration. Also, a new table should be developed (following Table 2) which describes the “no go zone” for the CGIAR (for both Centers and donors), e.g., activities that should not be carried out with CGIAR funds.
- The 80/20 rule should not be applied universally since capacity building needs differ among regions, with SSA having the largest need.
- Funding could actually go down as a result of a rigid application of the 80/20 rule.
- The report only focuses on priorities, whereas the entire exercise is on “priorities and strategies.” The strategy part is completely missing. How will this void be filled?
- Several members felt that capacity building and product delivery mechanisms were not given the level of importance they ought to have. It was also pointed out that keeping or retaining capacity is also a major issue, particularly in SSA.
- Agriculture and health is an area of innovation and deserves to be treated at the level of a priority area.
- Fruits and vegetables are important new priorities. How will these be treated institutionally?
- A clearer mechanism for updating priorities is needed at an early stage.
- The results of the current task force on “Funding System Priorities” are much anticipated since they will provide a clearer mechanism for Members to allocate unrestricted funds to System priorities.

The Chairman suggested that ExCo focus on discussing “what” (activities) and leave “how” questions to a later discussion.

P. Pinstrup-Andersen clarified that the order in which the priorities are listed does not indicate their ranking. In response to the comment on capacity building, he emphasized that collaborative research with partners (which also serves a capacity building purpose) would be treated as part of the 80 percent. He also pointed out that 80 percent is an approximate range for the System as a whole and could vary by region. He recognized that implementation of the priorities could result in reduced funding for the System because a sizable portion of the current Center activities are primarily of a consulting nature that does not fit the IPG requirement. Centers ceasing to function as consulting firms would be good for the System, even if it is at the expense of reduced resources. On the CGIAR Centers’ role as product delivery mechanisms, he suggested there should be a limit to the extent that role could be played.

Conclusions and ExCo Recommendations to the CGIAR:

- *ExCo thanked SC for significantly advancing the development of CGIAR Priorities and Strategies.*
- *SC should revise the report by taking into consideration the comments and questions raised by ExCo members.*
- *The revised report will be reviewed by ExCo members virtually for endorsement. ExCo members are asked to limit their comments, if any, exclusively to major issues in the revised report.*
- *The report should then be submitted to the CGIAR virtually for approval, in principle, on a no-objection basis, so that the new set of priorities could begin to be used in the analysis of soon to be submitted MTPs.*
- *A full discussion of the revised priorities should take place at AGM05, along with other issues of System strategy.*

3.b. SC Program Report

The SC Chair reported on SC and SC Standing Panel activities and on SC and SC Secretariat work plan and budget for 2004-2005. He noted that a number of incomplete activities inherited from the interim SC have been cancelled.

Discussion:

- On monitoring and evaluation, the effort towards a more streamlined approach is appreciated; however, in view of the recent evidence on the inadequacy of Centers’ internal control processes, reliance of future monitoring and evaluation on self-assessments by the Centers should be approached with strong caution. The new recommended monitoring and evaluation (M&E) process will move the System in the direction of an evaluation and impact culture, with greater flexibility for adaptation to change through a continuous M&E process.
- SC should look further for opportunities to sharpen the focus of its activities.
- Concern was expressed about the projected deficit in 2005.

- During the last two years the World Bank has served as funder of last resort for SC. However, it cannot play that role beyond 2005. SC was advised that it should look for ways to constrain its expenditures.
- The World Bank representative made a plea to other CGIAR Members to contribute funds to support the operations of the SC. Several members expressed willingness to participate, but that a collective rather than an *ad hoc* approach is needed to avoid SC activities becoming a prisoner of special interests. The Denmark-led Task Force on Funding System Priorities should address this issue as a matter of urgency.
- FAO reassured ExCo of its continued financial support to the SC Secretariat.
- The SC Chair reminded ExCo that when he accepted the offer to serve in that role, he understood that he would not have to worry about fund raising to support operation of the SC and SC Secretariat. The CGIAR Chair confirmed that this is a Member issue, not one that should be sorted out by SC. SC should be concerned about the efficiency of its own operations, not the source of funds. The CGIAR Director also confirmed that the Science Council Secretariat should continue with the hiring of staff as approved by ExCo.

Conclusions:

- *The CGIAR should protect the independence of the SC. There should be no risk that the SC could be perceived as a tool of special interests because of the mode of financing its activities.*
- *The Task Force on Funding System Priorities should give utmost priority to this issue.*
- *A progress report on the outcome of consultations with Members should be tabled for discussion at ExCo 9.*
- *ExCo will review SC's 2006-2007 work plan and budget in October 2005 at ExCo 9.*

3.c. Challenge Programs—Progress Reports and Updates

ExCo received summary progress reports submitted by CP managers. The ExCo Executive Secretary reminded ExCo that, within the CGIAR, ExCo itself carries the oversight responsibility for the CPs. To support this role, and streamline the reporting process for the CPs, he presented the following proposal:

- CPs should submit more detailed and uniform reports (instead of *ad hoc* progress reports). A template for these reports would be provided and this should be fully aligned with and built on the approved MTPs and contain a summary highlighting, at the minimum:
 - Main accomplishments (by program component),
 - Financial outcome for the previous year,
 - Operational issues and challenges,
 - Lessons learned during the year.
- For the 2004 calendar year they should be submitted by June 15 to both SC and CGIAR Secretariat.

Results of SC analysis of research progress and assessment would be presented to ExCo at its October meeting together with CGIAR Secretariat's comments on governance and financial aspects.

Discussion:

- ExCo members welcomed the proposed process.
- It was suggested that a template (standardized format) be formulated for this purpose.
- Follow-up to Systemwide and Ecoregional Programs (SWEPs) should also be taken up by ExCo, in a manner similar to CPs.
- Several ExCo members inquired about the timetable for opening up the process for consideration of new CPs. The SC Chair noted that this is an issue that should be taken up when considering the implementation of System priorities. CPs are one of the tools (in addition to SWPs and Center programs) the System can use.

Conclusions:

- *ExCo agreed to implement the proposed new standardized reporting process for Challenge Programs starting this year.*
- *A template for the CP annual reports will be developed by the CGIAR Secretariat and the Science Council. Beginning 2005, the programmatic part of this annual report should be an integral part of the MTP.*
- *CPs will be subjected to the same level of scrutiny as the Centers under the M&E process.*
- *ExCo should come up with a recommendation to the CGIAR on the question of opening up the process for new CPs. CPs should be regarded as one of CGIAR's tools for implementing System Priorities.*

4. Evaluation

4.a. IFPRI EPMR

P. Pinstруп-Andersen noted that, as he was the DG of IFPRI during part of the period covered by the EPMR, he has recused himself from all discussions on the report to avoid any perceived or real conflict of interest.

Ruben Echeverria presented the SC commentary and noted that, overall, IFPRI has received a very positive evaluation. The SC was pleased with the performance of the Center in terms of its science, management and strategy, and aspects such as integration of the ISNAR program and contributions to the HarvestPlus CP. IFPRI has a new DG and a rising budget. The peers of the Center consider it to be a premier food policy research institute. The SC has endorsed all 10 recommendations of the Panel, and it is pleased the Center has accepted nine of the 10, while generally welcoming the 10th.

F. Reifschneider noted that the CGIAR Secretariat supports all of the recommendations on governance and management and is content with the Center's response and the SC Commentary. CGIAR Secretariat recommends endorsement of the EPMR's recommendations by ExCo and the CGIAR.

Discussion:

- Members complimented the quality of the report and expressed support for the recommendations.
- Some members noted that IFPRI had a very broad agenda and suggested that there is need for greater focus. For example, IFPRI's comparative advantage to coordinate the Global Open Agriculture and Food University (GO-AFU) is not clear.
- Several members expressed concern that the ISNAR program does not appear to be maintaining its global mandate. The Program is important to other regions besides SSA.
- Two shortcomings of the EPMR process were highlighted: (1) SWOT analysis (strengths, weaknesses, opportunities and threats) was dealt with trivially by the report, and (2) there is no clear analysis of the adequacy of the Center's self-assessment mechanisms, including the Center Commissioned External Reviews (CCERs).

Conclusions and ExCo Recommendations to the CGIAR:

- *ExCo recommends that the CGIAR endorse the EPMR and its recommendations.*
- *ExCo notes that:*
 - *The global nature of the ISNAR Program should be protected;*
 - *IFPRI should reassess its comparative advantage in coordinating GO-AFU; and*
 - *SC and the CGIAR Secretariat should follow-up the ExCo comments on the EPMR process.*

4.b. CIMMYT EPMR

I. Johnson introduced the item by commending the EPMR panel for a thorough review. He noted that the review points to some major issues, especially in governance. He illustrated this by referring to two quotes from the report highlighting the seriousness of the problems faced by CIMMYT.

P. Pinstrup-Andersen presented the SC Commentary, stating that SC is very concerned about CIMMYT. He noted that the Center had agreed to almost all of the recommendations of the last EPMR but had implemented only a few of the programmatic recommendations and none of the recommendations on management. Had those recommendations been implemented, the crisis could possibly have been avoided. The new MTP process would help avoid a repeat of the same situation as follow-up to EPMRs is embedded in this process.

The key question is “does CIMMYT have a future?” CIMMYT's comparative advantage lies in genetic enhancement, which should be the focus of CIMMYT's future work. Yet, CIMMYT is de-emphasizing plant breeding in favor of other areas such as integrated natural resources management, crop-livestock interaction, and work on livelihoods. These other areas are also important, but should best be left to other parts of the System, with which CIMMYT can collaborate.

On the positive side, SC commends the current management for making important internal managerial changes that have successfully broken down the “silos” that previously existed at CIMMYT. It is important that CIMMYT also modernize its facilities and pay much more attention to modern breeding methods.

SC agrees with the panel that CIMMYT lacks a clearly articulated strategy. There is need for a solid business plan. The MTP due next month should include such an operational plan.

SC believes the situation is sufficiently serious to warrant a follow-up review one year from now by the chair of the EPMR panel and a governance/finance expert.

F. Reifschneider presented the CGIAR Secretariat Commentary and highlighted five main points:

1. Had the last recommendations of the 4th CIMMYT EPMR on governance and management been implemented, perhaps the current financial crisis would have been averted. (It is important to think about the last two ISNAR EPMRs and the analogies between the two Centers.)
2. CIMMYT has agreed to all but one of the recommendations of the current review. This requires close monitoring of the situation.
3. The recommendations point to the need for the Board to re-examine how it handles business. There is a clear need for a better balance between the Board's oversight of research and science quality, and its oversight of management and finance. The imbalance between the two led to the experienced failure in governance.
4. This EPMR provides yet another example of the significant impact governance, management, and institutional health have on program performance and the need for EPMRs to carefully balance the review of program and non-program matters.
5. It is not enough for ExCo to endorse the panel's recommendations. There should be a consequence for those who were/are responsible for the mismanagement that took place. This will serve as a litmus test for ExCo and the CGIAR.

F. Reifschneider suggested that, in addition to having a follow-up review by the Panel Chair and a governance/finance expert, the CIMMYT Board Chair could be asked to provide a special report at AGM05 on actions taken since the EPMR. This would be in addition to presenting the Center's response to the EPMR.

Discussion:

- ExCo expressed strong support for the EPMR recommendations as well as the recommendation for the Board Chair to present a special report at AGM05 and for a follow-up review in one year's time.
- Several members noted their continued support of CIMMYT, while noting they look forward to implementation of the strongly needed reforms in governance and management.
- Concern was expressed about the low morale of CIMMYT staff and the compounding effect of introducing a matrix management system.
- Several members questioned how the current situation was allowed to happen. Why was there no follow-up to the recommendations from the previous EPMR? The failure at the Center also represents a failure of the System. How can a repeat of this situation be avoided?

- It was pointed out that perhaps ExCo should think more carefully about the System's processes for appointment of board members, and especially board chairs, and the competencies that are required to ensure good governance, in order to avoid similar failures in the future. One member noted that in the private sector such a situation would usually warrant either a change of the entire board or, at least, the board chair.
- It was also noted that close monitoring of the CGIAR nominee process would be essential to determine if the process is effective and whether changes will be needed at some point in the future.
- The CBC Chair noted that several Center boards are examining the role of boards and some have adopted some of the CIMMYT EPMR recommendations. However, the autonomy of the Center boards means a "one-size-fits-all" approach should not be the way to go. The autonomy of Center boards also means that ExCo does not select board members and especially board chairs. The principle that was accepted when developing the CGIAR-Nominee to Center Boards process clearly stated that such CGIAR nominees do not report to ExCo or to the CGIAR. The process avoids creating two classes of board members.
- Boards have traditionally served primarily as program advisory committees rather than true governing bodies. It is clear that this is no longer appropriate and that there is need for modifying modalities of governance to fit today's realities. While the autonomy/independence of boards is appreciated, at the end of the day, the entire System pays a price for failures.
- Several members commended the efforts of the current DG, who inherited a very difficult situation upon taking office in 2002.
- Members agreed that the Center needs to sharpen its focus and develop a more coherent strategic plan that concentrates on its strengths in genetic enhancement.
- CIMMYT needs to reassess its modes of partnerships with private sector and other civil society organizations in view of the fact that it should not try to duplicate competencies that exist in partner organizations inside and outside the CGIAR System.
- The lack of synergy in several areas among CGIAR Centers is not limited to CIMMYT but is a larger problem faced at the System level. While members noted that the situation between CIMMYT and ICARDA needs to be resolved, and that the Centers collectively have not been able to address it, this is only a symptom of a larger problem.
- Discussion of the EPMRs underlined the need for reform of M&E discussed above.

The Chair invited the CIMMYT DG Masa Iwanaga and the Vice-Chair and Incoming Chair of the Board Lene Lange, who attended the ExCo meeting as observers, to make comments.

Masa Iwanaga, stated that the Center recognizes its past failures and is working to rectify the situation and is making a major effort to develop a clear strategy both programmatically and financially. He noted his belief in the future of CIMMYT and the CGIAR. He looks forward to contributing to the System's effort to avoid similar situations in the future.

Lene Lange stated that she appreciated the comments from ExCo, the SC and CGIAR Secretariat in terms of what needs to be done. The problems at CIMMYT are not intractable and the Center will respond very carefully to the EPMR recommendations. CIMMYT looks forward to its role

in implementing the SSA TF recommendations and furthering the alliance with IRRI, as well as resolving problems with ICARDA.

F. Reifschneider clarified some of the issues raised during the discussion. In the future, it is expected that EPMRs will be conducted every five years, not extend to six or seven years as happened in the case of some Centers. CCERs are expected to play a more relevant role as well, and their quality will need careful monitoring. The MTPs, increasing use of the peer review mechanism on financial reports, ExCo's role in the oversight of follow-up to EPMRs, and the Performance Measurement (PM) system will help strengthen the CGIAR's early warning systems. He also noted that an evolution in governance is taking place in the System, but the CGIAR may not be able to afford to take the time necessary for an evolutionary process to show results.

Conclusions and ExCo Recommendations to the CGIAR:

- *ExCo commends EPMR team for an incisive and thoughtful report and recommends that the CGIAR endorse the Panel's recommendations.*
- *ExCo requests the CIMMYT Board Chair to submit a short written report on progress to ExCo 9 in October 2005. It also requests the Board Chair to make a special report to AGM05, in addition to the Center response to the EPMR, with detailed updates on key issues raised by the Panel on programs, strategy, governance, finance and staff morale.*
- *SC and the CGIAR Secretariat should commission a follow-up focused review to be conducted in May/June 2006 by the EPMR Panel chair and a governance/finance expert. TOR for the review should be reviewed by ExCo.*
- *Besides the specific CIMMYT issues, ExCo should also consider the lessons for the System emerging from this EPMR. Regarding governance, the System must at one point address if it needs to have more than 200 board members for a \$450 million program. Although Center Boards are autonomous, their governance needs to be balanced with oversight provided by the CGIAR, through ExCo, without becoming too intrusive. Of particular importance is the accountability of the Board Chairs, which needs to be clarified. The CGIAR Secretariat should prepare a note for discussion by ExCo covering these broad governance and oversight questions, with special emphasis on the role ExCo could play to add maximum value to the System.*

4.c. Follow-up to External Reviews

F. Reifschneider commented that follow-up to external reviews is another responsibility of ExCo and noted this is the first time they are being dealt with by the full ExCo and not by the ExCo subcommittees that were abolished at AGM04. Manuel Lantin (CGIAR Secretariat) reviewed the progress reports received from the Centers that underwent an EPMR over the last three years. He informed ExCo that:

IITA: All recommendations of the 5th EPMR presented at AGM01 were accepted and most were implemented. Appointment of a DDG for Research has not been implemented; instead a participatory research management arrangement through creation of a Research-for-Development Council was put in place. CCERs for this organizational set-up and on Center Board governance are scheduled for this year.

IPGRI: Eleven of 12 recommendations of the 5th EPMR presented at AGM03 were accepted and implementation of eight of the 11 recommendations has been completed. The rest are scheduled for completion in 2005. Progress has been made towards the full integration of INIBAP into IPGRI.

ICRISAT: All but one recommendation of the 5th EMR and EPR presented at AGM03 were accepted (eight of nine EPR and all 13 EMR recommendations). The Center has implemented seven of the EPR recommendations, and implementation of the remaining recommendation was started in 2004 and is ongoing. Implementation of nine EMR recommendations have been initiated or completed. No action was taken on two EMR recommendations (the Board decided not to reduce the number of host country positions on the Board and not to accept the recommendation that the Vice Chair position should not be held by a host country Member).

IRRI: Eight of the 10 recommendations of the 6th EPMR presented at AGM04 were fully accepted and one was partially accepted. Most of the implementation activities are expected to be completed in 2006.

In the future follow-up to EPMRs would be handled, in the first instance, through the MTP process. Centers that have gone through an EPMR in the previous three years would include a section in their MTP submission on actions taken on the recommendations and SC will examine implementation on the programmatic side and the CGIAR Secretariat on the governance and management side. ExCo will be apprised of the outcome during the second semester meeting, or virtually, following review of the MTPs.

Discussion:

- ExCo's responsibility is to monitor Center actions against agreed recommendations. ExCo and the CGIAR at this time have no legal authority over the Centers to induce change, but they do have the power of voice, and if not heard, the power of persuasion. Ultimately, they have the power of the purse.
- When do follow-up reports to ExCo drop off the agenda? Centers are expected to report until all recommendations are implemented or a satisfactory explanation is provided for not complying with a recommendation. Centers would normally report on progress for three years following completion of the EPMR.
- There is a need for "crispier" Center responses to EPMRs so that it is clear what exactly a Center is agreeing to.

Conclusions:

- *SC and CGIAR Secretariat should further develop the process for follow-up to EPMRs so as to facilitate their discussion by ExCo. The revised process should build upon the MTPs as much as possible and bring clarity to the Center responses and the shelf life of EPMRs.*

4.d. Pilot Performance Measurement System

Maria Iskandarani (CGIAR Secretariat) presented the preliminary results from the pilot phase of the Performance Measurement system which covers Center performance in 2004. She provided an overview of the PM system, noting that it consisted of eight performance elements grouped under two areas, “results” and “potential to perform”:

Results:

- Outputs
- Outcomes
- Impacts
- Stakeholder perceptions

Potential to Perform:

- Quality of research and managerial staff
- Quality and relevance of programs
- Institutional health
- Financial health

Four of the eight performance elements are still under review and assessment by the SC (Outputs, Outcomes, Impact; and one indicator for Quality and Relevance of Programs). Consequently, the preliminary results represent a snapshot from the remaining elements. The results presented are based on self-assessments by the Centers and data are yet to be fully verified.

The next steps of the process are as follows:

- (i) Continue verification of data;
- (ii) Finalize the SC assessments of the programmatic performance data;
- (iii) Make results available, in the first instance, to Centers and Members only; and
- (iv) Compile lessons learned so that adjustments could be made in the indicators to be used in future years.

R. Echeverria stated that the SC plans to provide its assessment of Centers’ performance in the programmatic areas by the end of July 2005 or earlier if at all possible. The SC will also evaluate the quality, usefulness and effectiveness of the pilot indicators for further improvement.

Discussion:

- Members indicated strong support for the performance measurement exercise. The establishment of a sound performance measurement system will need time and indicators will require continued refinement.
- Several members noted the increasing importance being given to performance measurement systems within the development assistance community. In this regard, the CGIAR is “ahead of the game” which should be more widely recognized. The next CGIAR Annual Report should include a section on selected indicators
- Trends in performance over time should be reflected by the System once it begins to develop a time series.

- One of the primary uses of the PM system is as a management tool by the Centers. Centers are encouraged to use the data and help the PM system evolve into a more reliable and valid measurement tool. Centers indicated their readiness to help in further refining the pilot indicators in cooperation with the SC and the CGIAR Secretariat.
- There is need for “prudent transparency” in making the PM indicators available to the public.
- While the PM system focuses only on the Centers, there is also a need for ExCo to look critically at its own performance.

Conclusions:

- *ExCo is encouraged by the progress made in developing and implementing a CGIAR PM system and unanimously supports this effort.*
- *The results from the pilot year should be thoroughly discussed at the next AGM.*
- *Prudent transparency should dictate making the PM data available to the public and the CGIAR 2004 Annual Report will be featuring a chapter on this.*
- *ExCo should devise a means by which its performance could be assessed.*

5. Governance Matters

5.a. SSA Task Forces on Programmatic and Structural/Organizational Alignment

J. de Haas, Co-Chair of the SSA Task Force on Structural/Organizational Alignment (TF2) reported on the work of both task forces and presented the five recommendations made jointly by the two TFs:

Recommendation 1: The TFs recommend that the CGIAR agree in principle, and put in place a process, to consolidate all CGIAR Centers and activities into one global corporate entity.

Recommendation 2: The TFs recommend that over the next 18 months and as a first step towards global restructuring of the System’s operations, the CGIAR consolidate the Centers headquartered in SSA into two global entities: one in West and Central Africa (WCA), and the other in East and Southern Africa (ESA).

Recommendation 3: The TFs recommend that the CGIAR plan and implement its research activities focused on SSA through two MTPs, one for WCA and the other for ESA.

Recommendation 4: The TFs recommend that the CGIAR commission other task forces to identify programmatic and structural alignment needs and opportunities in the remaining regions

Recommendation 5: The TFs recommend that the CGIAR take the following actions for implementing the stepwise structural reform suggested in this report:

- i. During the interim period until the formation of the above recommended SSA based global entities, request CDC/CBC to develop in partnership with the SROs and NARS sub-regional MTPs for SSA, starting with CY2006.*
- ii. Request the SC to review the MTPs and submit commentaries to the ExCo which will perform oversight function on their implementation;*
- iii. Request the Boards of IITA and WARDA to form a CGIAR global entity in West and Central Africa, starting with the establishment of a single Board;*
- iv. Establish, in cooperation with ICRAF and ILRI Boards, a CGIAR global entity in East and Southern Africa, following a corporate model and with ILRI and ICRAF as its initial constituent units.*

J. de Haas clarified that, although stated as a recommendation, Recommendation 1 reflects the TFs' collective vision of what is desirable. It is stated first in order to place the SSA-related recommendations in a futuristic context.

P. Pinstrup-Andersen, Co-chair of the SSA Task Force on Programmatic Alignment, highlighted several points:

- The TFs spent a great deal of time on programmatic issues, before they considered structural concerns. As the report notes, programmatic problems in SSA are serious and demand urgent attention by the CGIAR.
- The TFs identified and discussed several other options in addition to those reflected in the recommendations. These included, (a) having only one center for SSA, (b) having five regional programs for the CGIAR, (c) asking the Centers collectively to take responsibility for addressing integration, coordination and efficiency problems faced in SSA. Each had its own advantages and disadvantages, but, on balance, what is recommended was considered, unanimously, as the best option for the CGIAR.
- The TFs stressed building on the existing structures, rather than replacing them.
- The recommended alignment should help facilitate the CGIAR work in SSA.
- As the report notes, none of the recommendations made since the mid-1980s on aligning CGIAR research in SSA have been implemented. As a result, the CGIAR would risk losing credibility if action is not taken on this occasion.

Following the presentation, the Chair noted the tremendous amount of strategic and intellectual thinking that went into the report and commended the work of the TFs. He thanked everyone who has been involved in the exercise.

Discussion:

- Recommendation 1 is a long term vision and should be discussed separately. A more in depth risk-benefit analysis would be needed for such a discussion.
- Members expressed general agreement with the analysis in the report, especially on the diagnosis of problems.
- There was also general support for Recommendations 3 (having two MTPs for SSA), 4 (commissioning TFs for other regions), and 5(i) and 5(ii) (initiating the MTP process through the Centers and having them reviewed by the SC).
- The first part of Recommendation 2 (alignment of IITA and WARDA into a CGIAR WCA Global Entity) received broad support from CGIAR Members. It was recognized

that implementation required close consultation and coordination with not only the Boards of IITA and WARDA, but also WARDA's Council of Ministers.

- Regarding the second part of Recommendation 2, while agreeing with the need to form a complementary CGIAR ESA Global Entity, some members questioned whether ICRAF and ILRI were the right Centers to form the nucleus of this entity. It may not be prudent to lock the System into a configuration which would limit the degrees of freedom available to the CGIAR when it considers alignment possibilities in the rest of the System. Further clarification is needed from the TFs on the rationale for the recommended alignment.
- Maintaining the global mandates of the components of both recommended sub-regional Centers is crucial, and the role of both Centers as “facilitators” for system-wide efforts in Africa is key to the success of the recommended alignment.
- The MTP process needs to be meaningful in order to serve as mechanism for delivering change.
- The CBC and CDC representatives offered an alternative scenario, with five elements: (1) developing a global vision and strategy for the CGIAR and one for SSA; (2) initiating annual multi-Center priority setting consultations with SSA partners; (3) developing sub-regional MTPs that integrate and streamline CGIAR Center activities; (4) developing a mechanism to oversee the implementation of the MTPs through a director; (5) integrating research support and corporate services in ESA and WCA. The Centers would collectively take responsibility for implementing this scenario.
- The Chairman cautioned against pursuing two separate, parallel processes for reform in SSA, which would be unhealthy for the CGIAR. The Chair of the CBC responded by noting that one of the TF co-chairs had welcomed the introduction of new scenarios. He did not see its presentation as a “separate, parallel process.” An ExCo member stated that the presented scenario deserved to be considered. The CBC Chair indicated that the scenario provided solutions to some of the issues raised, e.g. who is to implement the MTP and how? Several members saw the Centers' alternative proposal as an expensive (costly and time-consuming) undertaking, and therefore starting with SSA, as requested by the CGIAR at AGM03, seemed more practical.
- Franklin Moore (USAID), a member of TF2, remarked that the TFs made an effort to balance pragmatic considerations with the need for improved governance arrangements for the Centers and the System. The two models recommended minimize upheaval and preserve existing operating units. In this sense they are different from the ISNAR experience and the merger of ILRAD and ILCA into ILRI.
- There is a need for more clarification about other options reviewed by the TFs and elaboration on reasons for not pursuing them.

Conclusions and ExCo Recommendations to the CGIAR:

- *Considering the TFs' presentation to ExCo and their clear indication that Recommendation 1 was indicative of their vision of the future, ExCo recommends that Recommendation 1 is placed separately on the agenda of AGM05, subject to CGIAR Members' interest in the topic. ExCo requests the CGIAR Secretariat to hold informal consultations with the membership to ascertain Members' interest.*
- *ExCo requests the TF Co-Chairs to revise the draft report to include scenarios that were considered in their exercise, and their views on each option.*

- *ExCo requests Centers to continue to develop the sub-regional MTPs, at a faster pace, including the elements required for full and effective facilitation. This should be done in partnership with SROs, NARS, and FARA, with implementation to start in 2006. CDC/CBC, CGIAR Centers and their staff with a particular interest in SSA, should strive for ownership and full engagement of NARS, SROs and FARA in the process. ExCo requests that Centers organize a dialogue with the above institutions between now and ExCo 9. ExCo further requests that MTPs are fully aligned with the System priorities and fully consistent with the SSA Challenge Program currently under implementation. As noted by the TFs in Recommendation 5(i), the Centers should carry out this responsibility “during the interim period until the formation of the recommended SSA-based global entities.”*
- *ExCo recommends that the CGIAR endorses Recommendation 2 as related to West and Central Africa and further requests the CGIAR Chair to take necessary actions to discuss with the Board Chairs of IITA and WARDA and WARDA’s Council of Ministers, steps towards implementation of this recommendation.*
- *ExCo recognizes the need for further discussions and analysis of best options for the East and Southern Africa Global Entity, and requests Members to specifically share with ExCo their views on options for discussion at ExCo 9 in October 2005.*
- *With regard to Recommendation 4, ExCo recommends this to be discussed at AGM05 as part of the discussion on Recommendation 1.*

ExCo’s recommendations will be submitted to the CGIAR for approval on a no-objection basis.

5.b. Report from the Centers

CBC

Uzo Mokwunye updated ExCo on several issues discussed by CBC at its recent meeting in Penang:

- CBC discussed experience to date on implementation of the CGIAR nominee process. He made a plea to members to help populate the database so as to increase the number of qualified candidates.
- CBC also examined the possibility of a shared approach to addressing board liability. CBC canvassed the situation for individual boards, including costs for insurance.
- CBC is greatly satisfied with the board orientation programs, although a significant number of Board members have still not benefited from them. Two more programs are planned in Morocco in December 2005. To date, 92 members have attended. Quality of boards is very important to CBC and it is working to ensure that those who agree to serve are empowered to carry out their responsibilities.
- The Board Chairs held a two day retreat on how the CBC can be a more effective organ in the CGIAR. A retreat report will be available at the end of June 2005.
- In partnership with the CGIAR Secretariat, the CBC will shortly commence a stripe review of board governance. The review is expected to be finalized in time for discussion at the spring (northern) 2006 ExCo meeting.

CDC

William Dar updated ExCo on CDC and Alliance Executive matters not otherwise covered in the agenda. He noted that the Alliance Executive plans to adjust its meeting schedule so that it is far enough in advance of ExCo meetings to enable the submission of a written report. He reported on the following:

- A set of “Guidelines for Collaboration with the Private Sector” was approved for use by all Centers. A Scientific and Know-how Exchange Program (SKEP) between Centers and selected private sector organizations was recently initiated, with the first exchange to take place shortly. The PSC and Centers are organizing a “CGIAR-Private Sector” conference in October 2005 to explore how Centers and the private sector can work better together. A further initiative on delivery systems for specific products is also being undertaken.
- CDC is working with GRPC and has approved two documents in regards to Centers that manage genebanks and in-trust collections. The first document is titled *Agreements Between Governing Body and the IARCs and Other Relevant International Institutions*. CBC and CDC have authorized the DGs of Centers that manage genebanks to sign the agreement on behalf of their Centers, following approval by their respective Center Boards. The document will replace former agreements signed in 1994 with FAO. The second document is titled *Guiding Principles for the Development of Future Harvest Centres’ Policies to Address the Possibility of Unintentional Presence of Transgenes in Ex Situ Collections* and is meant to protect Centers from criticism that they have not paid attention to this important matter. A communications campaign is suggested when final wording is approved in 2006.
- Systemwide and Ecoregional Programs (SWEPS): In January 2005 Centers completed achievements report and an assessment on 10 SWEPS supported by the World Bank. The report is available from Meryl Williams of the Future Harvest Alliance Office.
- The Marketing Group continues to be an important unit in presenting a unified public face of the CGIAR System to the world. The CDC has discussed ways to make it more strategic and effective.
- Alliance of Future Harvest Centers of the CGIAR: The Alliance has made rapid progress in the past year to create mechanisms to undertake and govern collective action. CDC has constituted itself as the Alliance Executive. CBC has been developing the basis to constitute itself as the Alliance Board. An Alliance Charter has been drafted. The Alliance has made substantive progress on SSA “quick wins” identified in 2004.

Discussion:

- One member asked if there isn't a way for the Centers to undertake some consolidation on their own. The cost savings from reducing the number of boards and board members would be significant and it shouldn't be too difficult to deal with given the impending reconstitution of CDC and CBC.
- Details on the TOR for the stripe review were requested. Although a report is scheduled for presentation in 2006, it would be good for ExCo to receive an interim update.
- How does the alliance eventually see itself operating? It would be helpful for ExCo to receive a note on this. The Chairman suggested that this note should cover the work plan, budget, staffing, and the value added of the Alliance. It should be submitted for

discussion by ExCo at its next meeting. Such a note would be helpful to CGIAR Members as many do not understand the Alliance.

U. Mokuwunye noted that the point about the number of board members is well taken, but CBC can not mandate consolidation of Centers. The Centers are not one organization and they operate in different environments with different mandates; one size does not fit all.

F. Reifschneider informed ExCo that the TOR for the stripe review would be shared with ExCo, for information.

Conclusions:

- *The Co-chair thanked the CBC and CDC Chairs for their reports.*

6. Planning ExCo Business

ExCo Business Agenda

The ExCo business agenda flowchart was made available to members for information.

Discussion:

- It would be helpful to have a more transparent planning process for Members to know what to expect and can better plan their own time allocation for ExCo activities.
- Adding regular and extraordinary items to the flowchart as well as preparing a list of acronyms would be useful.
- Adding major activities of the SC to the flowchart would also be helpful.
- Members prefer to receive documents as early as possible prior to meetings.

Feedback on New Member Orientation Session

An informal briefing was held for six members prior to ExCo 8 and briefings were held for other members in Washington as well.

Discussion:

- Members thanked the CGIAR Secretariat for organizing the briefing sessions. Several felt that the opportunity to be briefed on the mechanics of ExCo enhanced their participation in the meeting. It would be useful if some of the experienced members of ExCo also attend the session to help new members on some of the issues.
- The session also helped new members better understand the time commitments involved.

Future Meetings

It was previously announced that ExCo 9 would be held the week of October 17th. F. Reifschneider confirmed the specific dates of October 19-20, at a location yet to be decided.

7. Other Business

7.a. SC Membership

The item was added at the request of the SC Chair because the initial terms of SC members ends at the end of calendar year 2005 and action needs to be taken on SC membership for 2006 and beyond. In addition, one of the current SC members (Keiji Kainuma) has expressed his inability to serve beyond 2005, and thus a replacement needs to be identified over the coming months. P. Pinstrip-Andersen explained that SC members are appointed to renewable two years terms (to a maximum three terms). Three options on renewal were discussed by the SC and the SC Chair recommends replacing K. Kainuma this year and extending the remaining five members for two more years, after which time one-half would be replaced.

F. Reifschneider clarified ExCo's role in appointment of SC members. It requires endorsement by ExCo and approval by the CGIAR. As renewal and extension of members is upon recommendation of the SC Chair, ExCo is being asked (1) to endorse the extension of the terms of five SC members for two more years, and (2) to initiate a process for search and nomination of a replacement for the position being vacated by K. Kainuma. F. Reifschneider suggested that, as the SC Search and Nomination Committee (SNC) that nominated the current Council members and their Chair is still in existence, its Chair (Mohamed Hassan) could be asked to conduct the search and make the nomination for a replacement for K. Kainuma.

Discussion:

- Members supported the SC Chair's recommendation to renew five SC members and replace the one who is leaving.
- Members agreed that M. Hassan should lead the search effort.
- Staggered rotation of SC members beyond year four is also supported.

Conclusions:

- *ExCo endorsed the recommendation of the SC Chair to extend five SC members for two years, and request the CGIAR Secretariat to contact the Chair of the SNC to carry out a search to identify a replacement for K. Kainuma, using the criteria established by the Working Group on Science Council. Following endorsement by ExCo, the nomination would be sent to the CGIAR for approval.*

8. Closing Session

I. Johnson thanked M. Puccioni for co-chairing the meeting and J. de Haas for hosting the meeting. He thanked J. de Haas for his service to the System and noted that he will be missed.

He noted the sense of purpose and professionalism of the meeting and thanked members for their discipline and helping to get through a large amount of business. He also noted the quality of the documentation.

He commented on civil society representation on ExCo and noted the ways in which to address representation are being considered, following the unilateral decision of the NGO Committee to disengage from the System. He concluded by thanking those Members who volunteer on the various TFs, and committees, and expressed appreciation for their work.

Statement by State Secretary Stather
On the occasion of the
Opening of the 8th session of the Executive Council of CGIAR
on 11 May 2005 in Berlin.

It is a special pleasure for me to welcome you to Berlin, our still new capital. You will certainly know that, having overcome the division of our country, we now have to struggle with the division of our ministry – the majority of our staff is still domiciled in Bonn. I am all the more pleased, therefore, that this time you have chosen to come here to our Berlin House.

It seems to me that our ministry is a very apt place for a meeting of the CGIAR's Executive Council. Development policy and international agricultural research, after all, have one common goal: that of containing hunger and poverty in the world. The interim report on the Millennium Development Goals this year will show how much still needs to be done, notwithstanding much progress having been achieved. And it is no exaggeration to say that the achievement of the first of these development goals depends to a substantial degree on your work, the work of the CGIAR.

In this context, international agricultural research is confronted by a variety of tasks:

The key challenge still remains to develop technologies and cultivation methods which help supply a growing world population with food in the long run. With efficiently produced food, that is, which can be paid for even by the poorest of people and which at the same time ensures an adequate income for the producers.

Consumer demands in terms of quality, health and variety of foodstuffs will continue to grow and not only in the industrial countries, a trend which also agricultural research must gear up to. This applies for example to the demand for fruit and vegetables where, for reasons of health, diversification and variety come into play to an increasing extent. It is therefore somewhat amazing that the production of vegetables or permanent fruit cropping has not yet become more of a priority for CGIAR.

Ecological sustainability, resource protection and protection of bio-diversity are other central fields of action for agricultural research. A field which most certainly will grow in importance in the years ahead.

Last but not least – and I am particularly interested in this aspect: Scientific innovation must be the mainspring of economic and social development in rural areas. Without a dynamic rural development the struggle against hunger and poverty will be lost. After all, three quarters of the poor people on our planet continue to live in rural areas. And the decision about whether we will achieve the Millennium Development Goals will fall there. Which is why the policy field is in urgent need of scientifically well-founded development strategies for rural areas. The CGIAR has recognised this and has made “Wealth creation among the rural poor through high-value commodities and products” one of its priorities. I am glad to note this fact. You may rest assured of the support of our ministry in this context.

In terms of politics, success in rural development presupposes a far-reaching coherence between agricultural, trade and development policies. Accordingly, a reform of the European sugar market system is indispensable. However, when shaping such a new order, account must be taken of the reform considering as much as possible its impact on the poverty reduction goals. Here again, there is a major field of science providing advice to the policy sector.

Quite generally speaking, the need for pragmatic, i.e. understandable and action-relevant policy advice, is enormous. But unfortunately, politics and science still have their dialogue problems. How else is it possible that we politicians sometimes are urgently looking for tangible solutions, but do not get the proper advice from scientific circles. This lack of dialogue became once again particularly clear to me just recently. When last year a locust plague was threatening to afflict West Africa in particular, no environment-friendly solution was at hand. If I remember correctly, locust plagues figure among those events already mentioned in the Bible. And, what is even more, as an event returning at regular intervals. And yet, little has been done to master the situation in an ecologically acceptable manner. Why is that so? Is it a lack of mutual understanding? Or merely a matter of not listening properly? And is that not an admonition directed at us all to address such problems more intensively and in a more target-oriented way?

Ladies and gentlemen, let me say in conclusion:

Target-oriented policy advice, effective development strategies for rural areas and scientific innovation serving a high-quality, low-cost and ecologically sustainable food production worldwide, these are among the expectations the policy sector harbours vis-à-vis international agricultural research. The CGIAR has done important work on this in the past. If today and tomorrow you take decisions on research priorities, strategies and organisational issues you are paving the way for the CGIAR being able to perform this important function also in the years to come. With this in mind I wish your deliberations good and sustainable success.

Thank you.

List of Participants

Eighth Meeting of the CGIAR Executive Council

<i>Chairman:</i>	Ian Johnson	
<i>Cosponsors:</i>	Dietrich Leihner	FAO
	Kevin Cleaver	World Bank
	Rodney Cooke	IFAD
<i>CDC:</i>	William Dar	CDC Chair
<i>CBC:</i>	A. Uzo Mokuwunye	CBC Chair
<i>SC:</i>	Per Pinstrup-Andersen	SC Chair
<i>GFAR:</i>	Mohammad Roozitalab	GFAR Chair
 <u><i>OECD/DAC:</i></u>		
<i>Americas</i>	Jimmy Smith	Canada
<i>Asia-Pacific</i>	Peter Core	Australia
<i>Europe</i>	H. Jochen de Haas	Germany
	Marina Puccioni	Italy
	Pilar Castro-Martinez	Spain
 <u><i>Developing Countries:</i></u>		
<i>Americas</i>	Jose Laborde Cansino	Mexico
<i>SSA</i>	Being Identified	AfDB (could not attend)
<i>Asia-Pacific</i>	Mangala Rai	India (could not attend)
<i>CWANA</i>	Badawy El-Tantawi	Egypt
<i>Regional Fora</i>	Pape Abdoulaye Seck	FARA
 <u><i>Foundations:</i></u>		
	Jean Lebel	IDRC
 <u><i>Partners:</i></u>		
<i>Civil Society</i>	Temporarily Vacant	
<i>Private Sector</i>	Usha Barwale Zehr	PSC Chair (could not attend)

Executive Secretary, ExCo: Francisco Reifschneider

CGIAR Secretariat Support: Fionna Douglas
 Maria Iskandarani
 Manuel Lantin
 Selçuk Özgediz
 Shey Tata
 Jason Yauney

Speakers:

Juan Garafulic
Sandra Lawrence

Observers:

Carlos Arellano Soto	Mexico
Robert Bordonaro	FAO
Finn Norman Christiansen	Denmark
Marc Debois	EC
Ruben Echeverria	Science Council Secretariat
Anne Germain	Canada
Masa Iwanaga	CIMMYT
Stephan Krall	Germany
Lene Lange	CIMMYT
Philip Mikos	EC
Takeshi Mizoguchi	Japan
Franklin Moore	U.S.A.
Eva Ohlsson	Sweden
Meryl Williams	Future Harvest Alliance Office

Revised Agenda

1. Opening Session

- Comments by Host Country (Germany)
- I. Johnson's Introduction
- Election of Meeting Co-Chair
- Adoption of the Agenda

2. CGIAR Status Report

2.a. Report from Director

- CGIAR Compensation Study Progress Report (S. Lawrence)
- Discussion

2.b. 2004 Financial Report (J. Garafulic/S. Tata)

- Discussion

3. Science Council and Program Matters

3.a. CGIAR Priorities and Strategies: 2005-2015 (P. Pinstrup-Andersen)

- Discussion and ExCo Recommendations to the CGIAR

3.b. SC Program Report (P. Pinstrup Andersen)

- Discussion

3.c. Challenge Programs—Progress Reports and Updates

- Discussion and ExCo Recommendations

4. Evaluation

4.a. IFPRI EPMR

- Introduction by SC Exec. Director and CGIAR Director
- Discussion and ExCo Recommendations to the CGIAR

4. Evaluation (cont'd)

4.b. CIMMYT EPMR

- Introduction by SC Chair and CGIAR Director
- Discussion and ExCo Recommendations to the CGIAR

4.c. Follow-up to External Reviews

- Discussion and ExCo Recommendations

4.d. Pilot Performance Measurement System (M. Iskandarani)

- Discussion

5. Governance Matters

5.a. SSA Task Forces on Programmatic and Structural/ Organizational Alignment (P. Pinstrip-Andersen and J. de Haas)

- Discussion and ExCo Recommendations to the CGIAR

5.b. Report from the Centers

- CBC (U. Mokuwunye)

- CDC (W. Dar)

- Center Alliance Update

- Discussion

6. Planning ExCo Business

- ExCo Business Agenda

- Feedback on New Member Orientation Session

- Future Meetings

7. Other Business

7.a. SC Membership

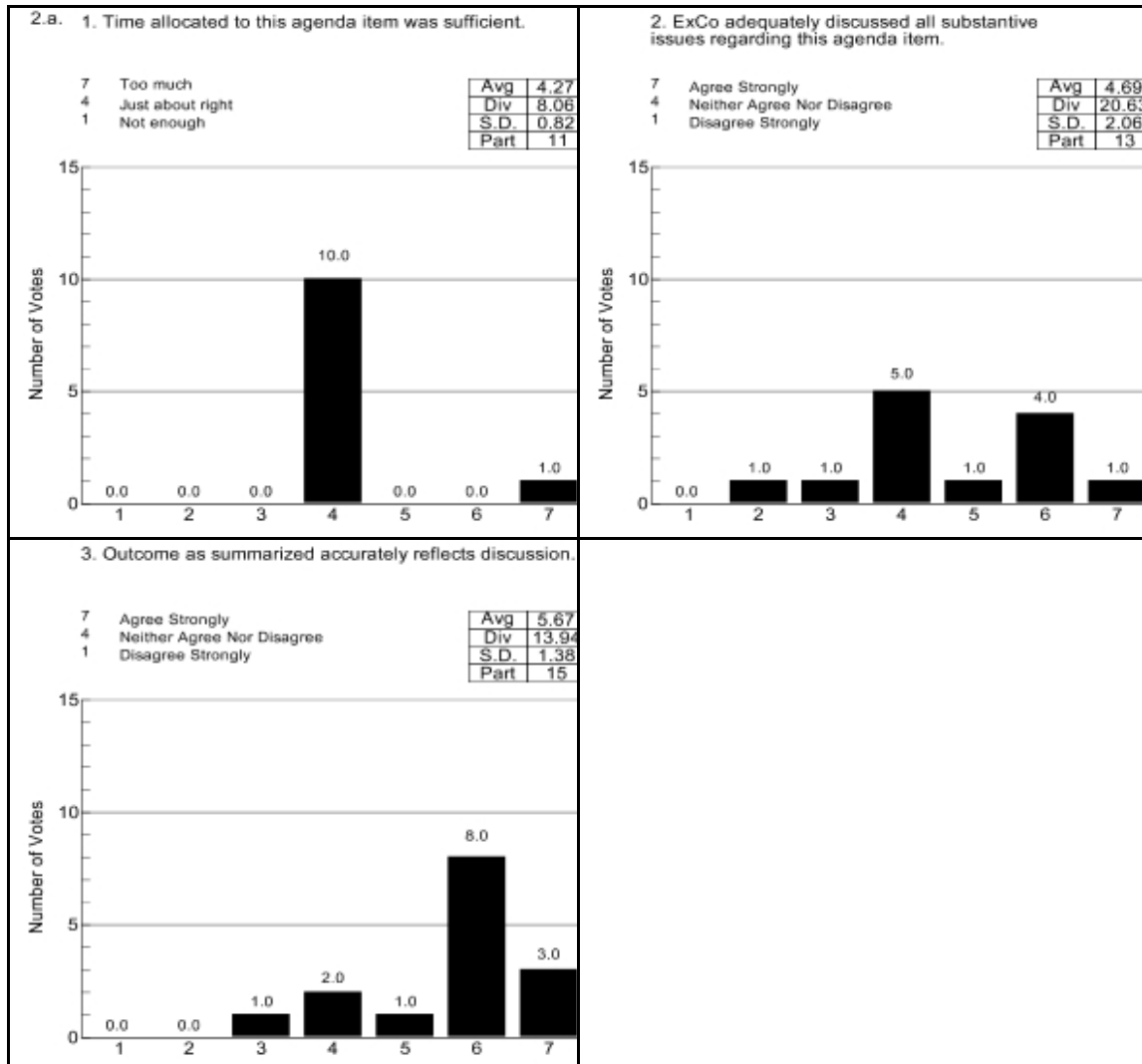
- Discussion

8. Closing Session

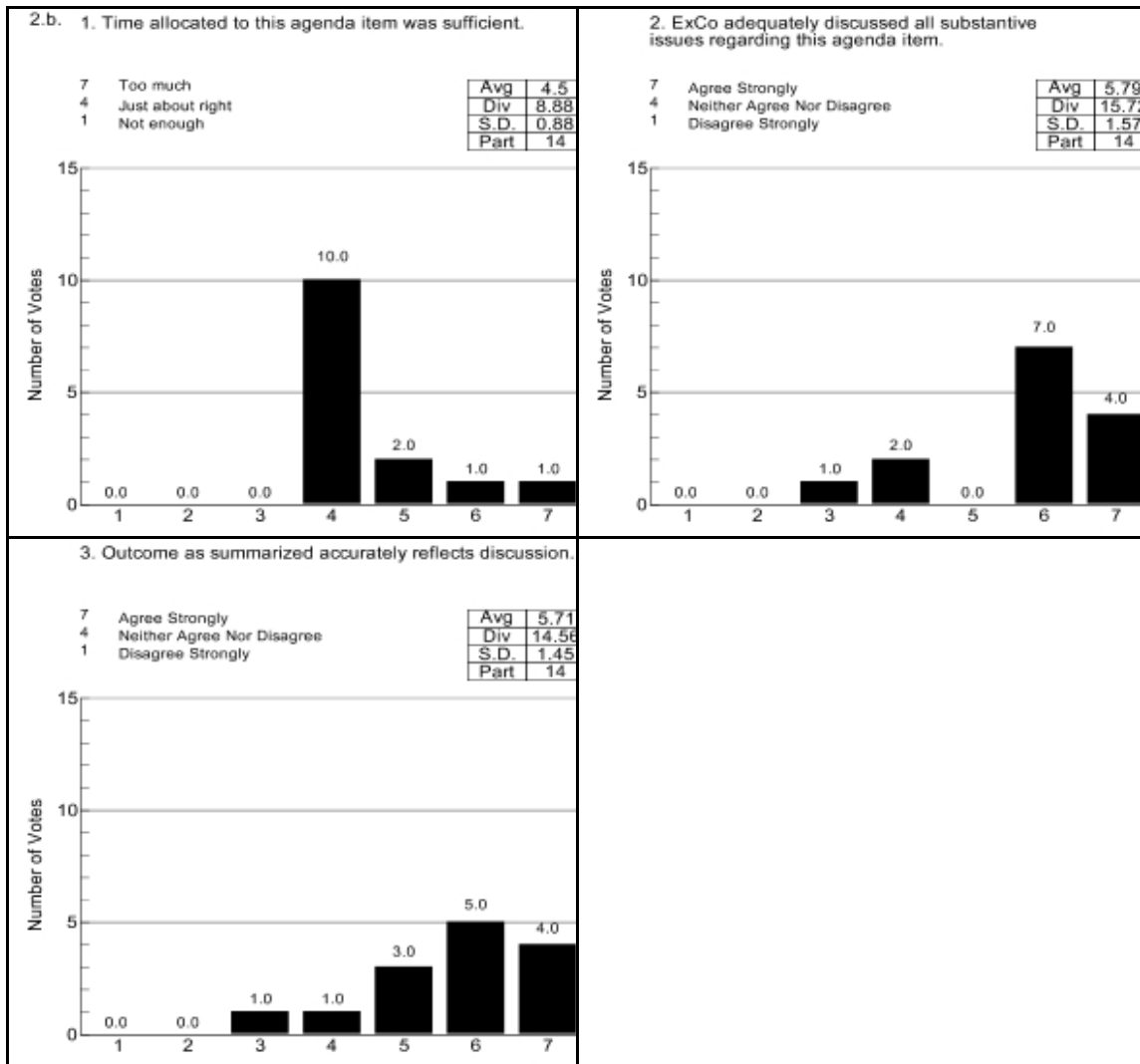
Attachment 4

ExCo Member Feedback on ExCo 8

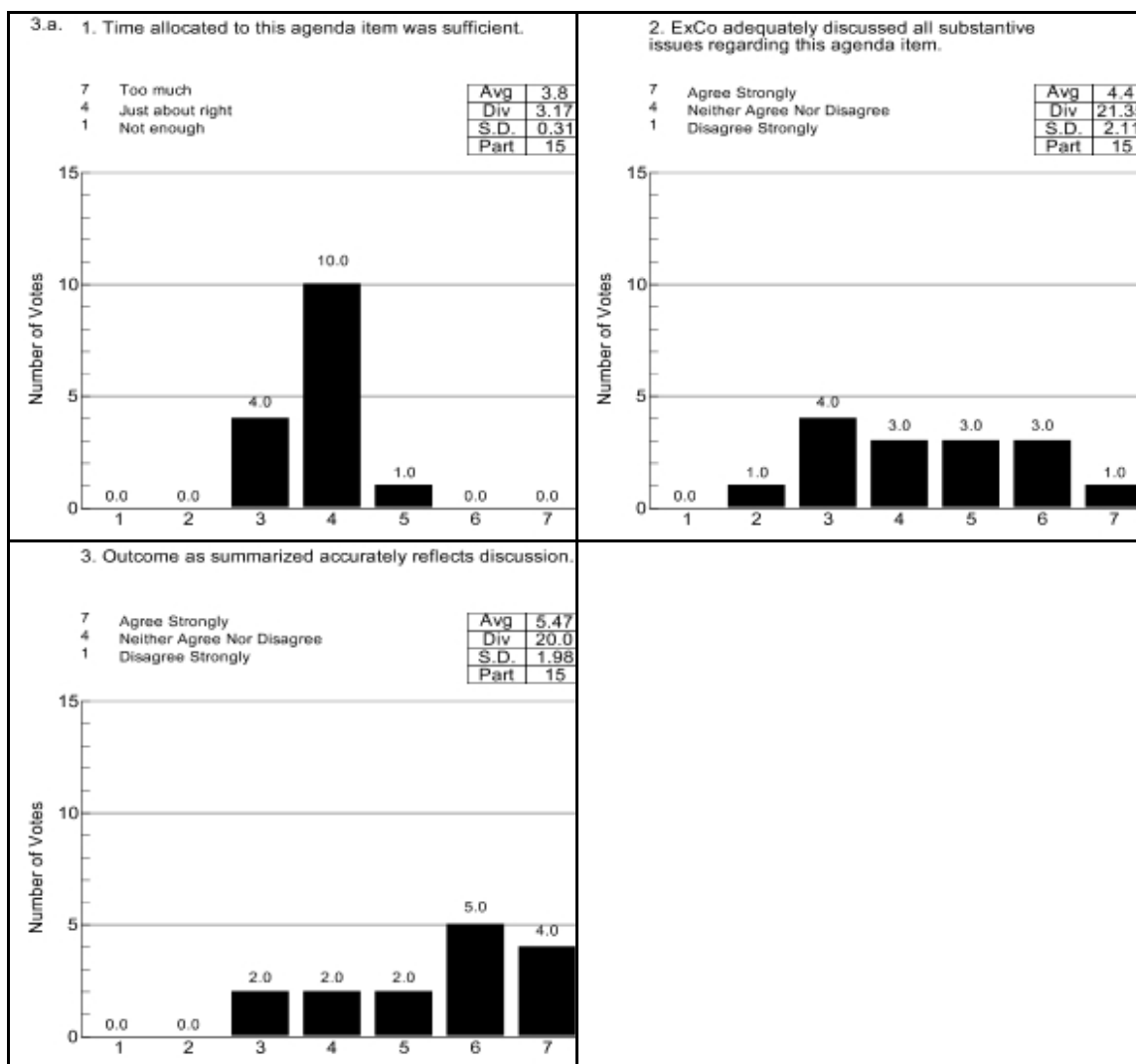
2.a. Report from Director



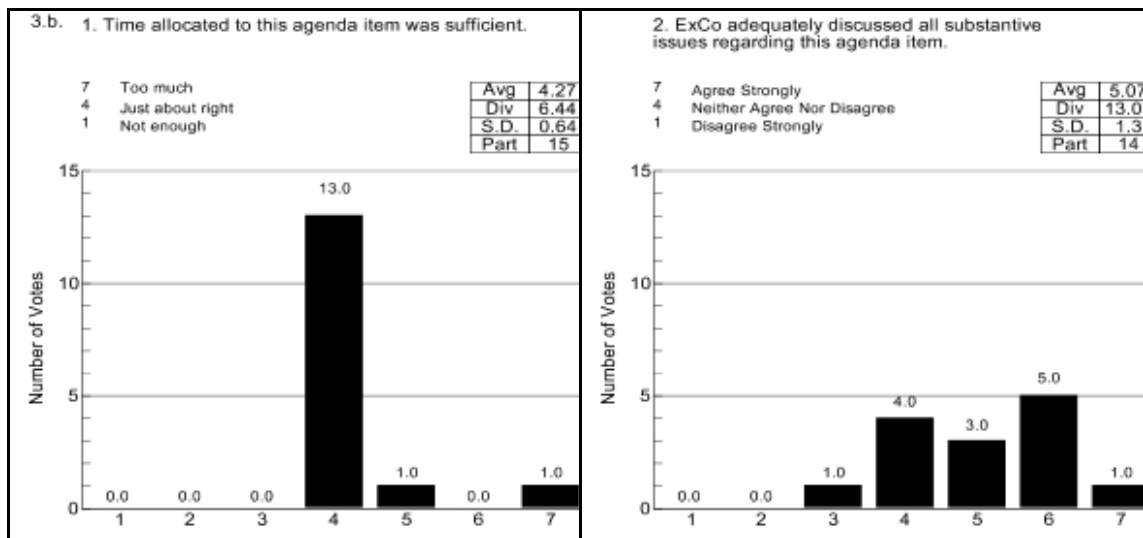
2.b. 2004 Financial Report



3.a. CGIAR Priorities and Strategies: 2005-2015

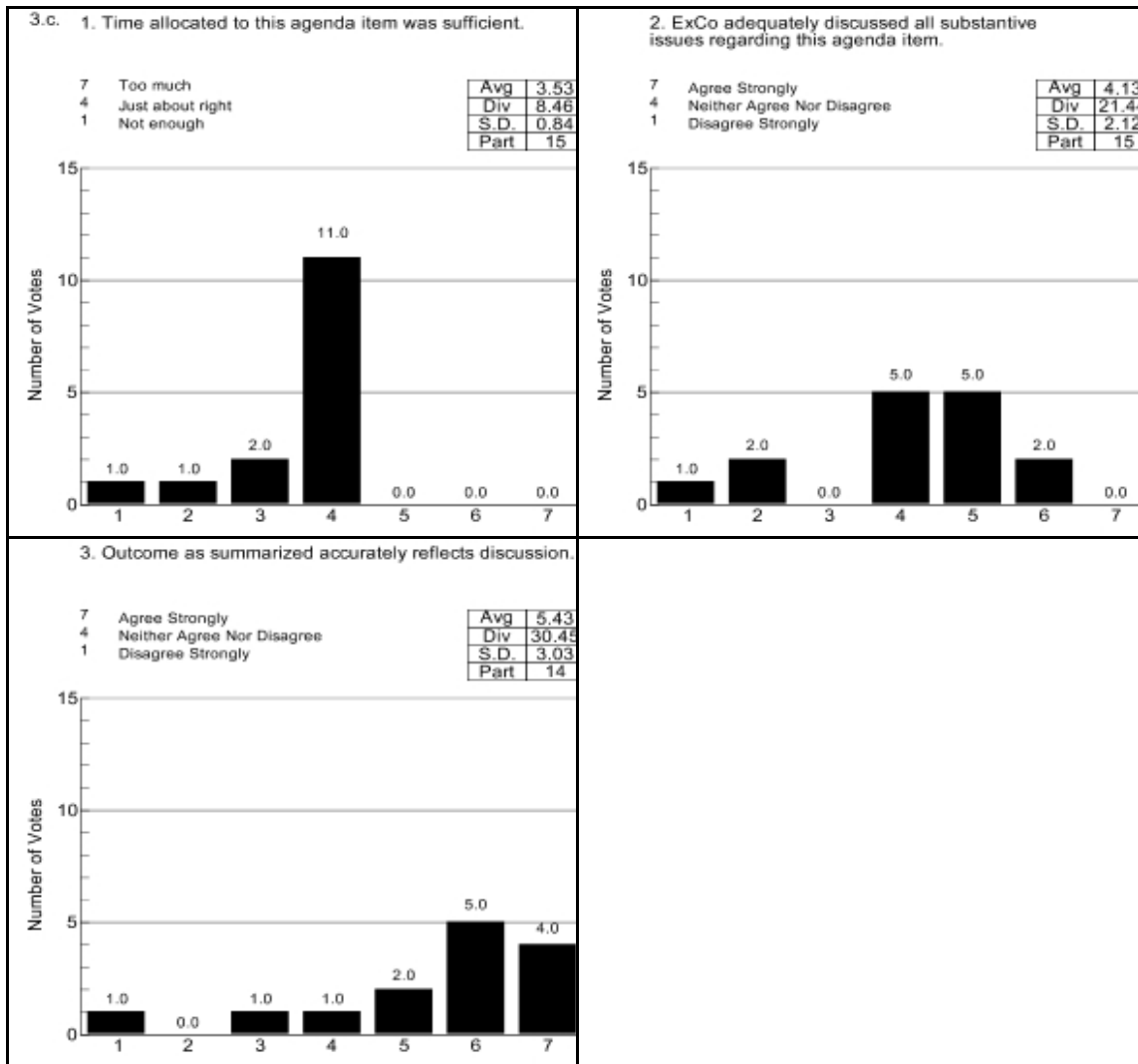


3.b. SC Program Report¹

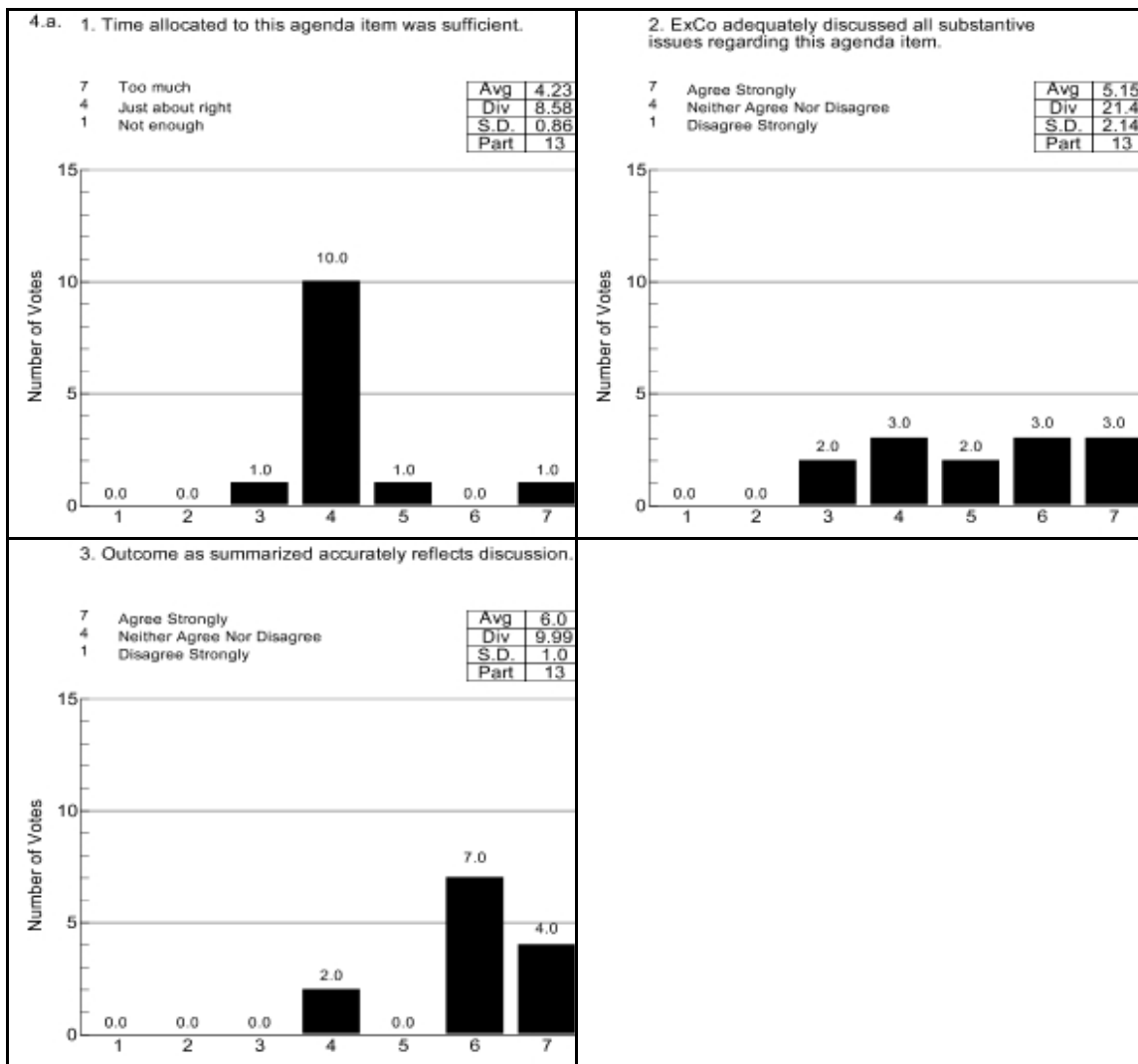


¹ Data not captured on question 3.

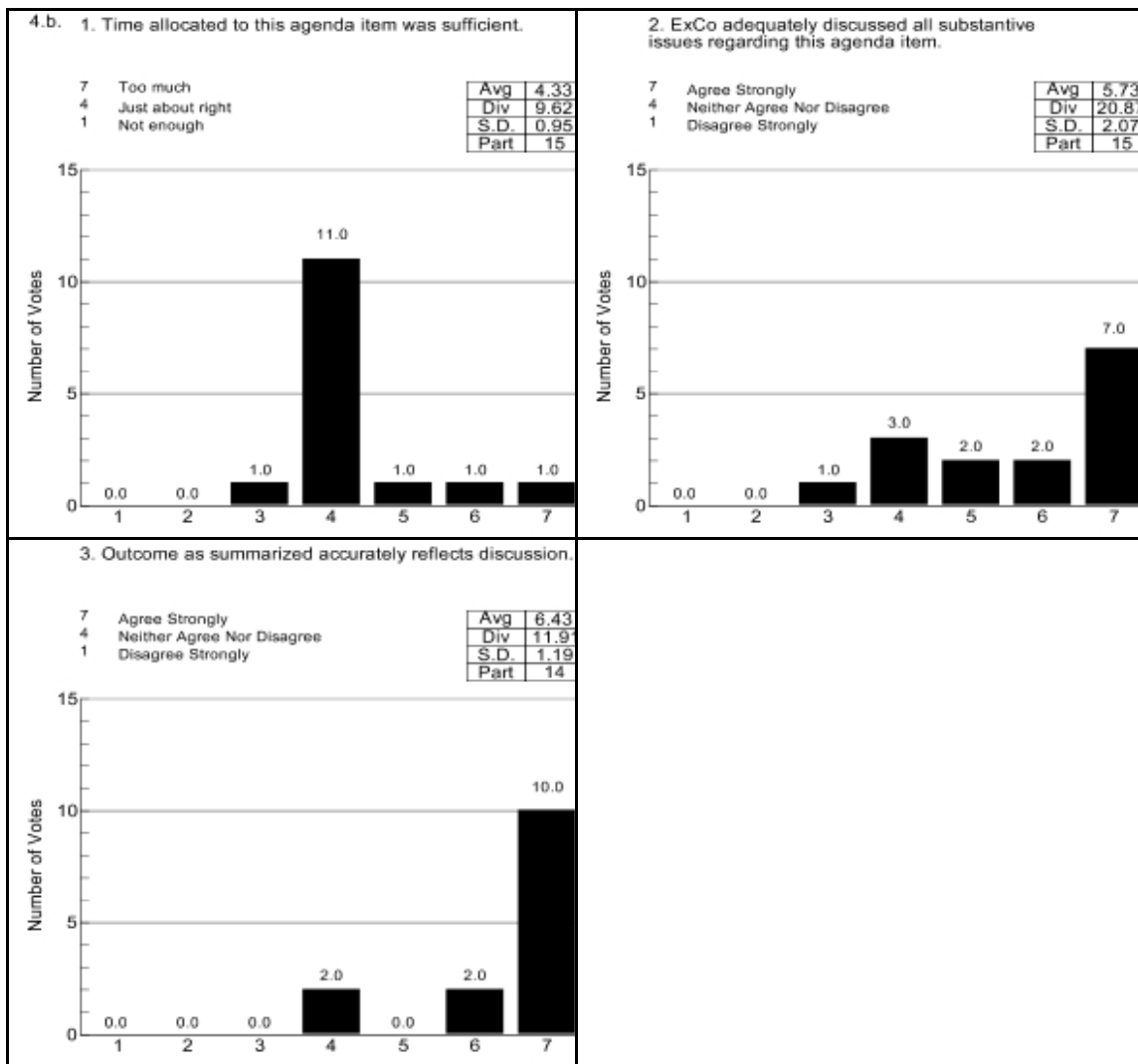
3.c. Challenge Programs—Progress Reports and Updates



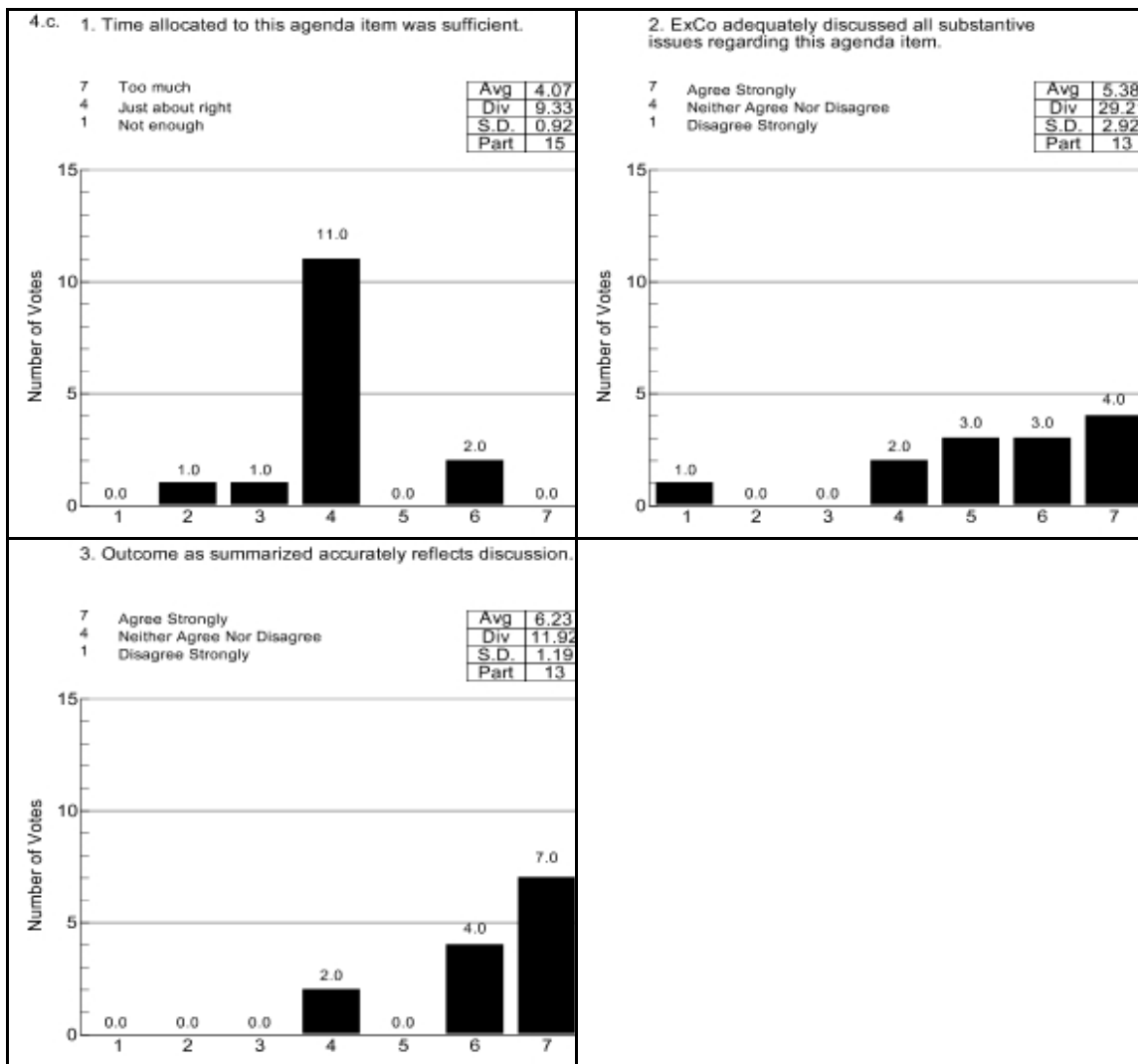
4.a. IFPRI EPMR



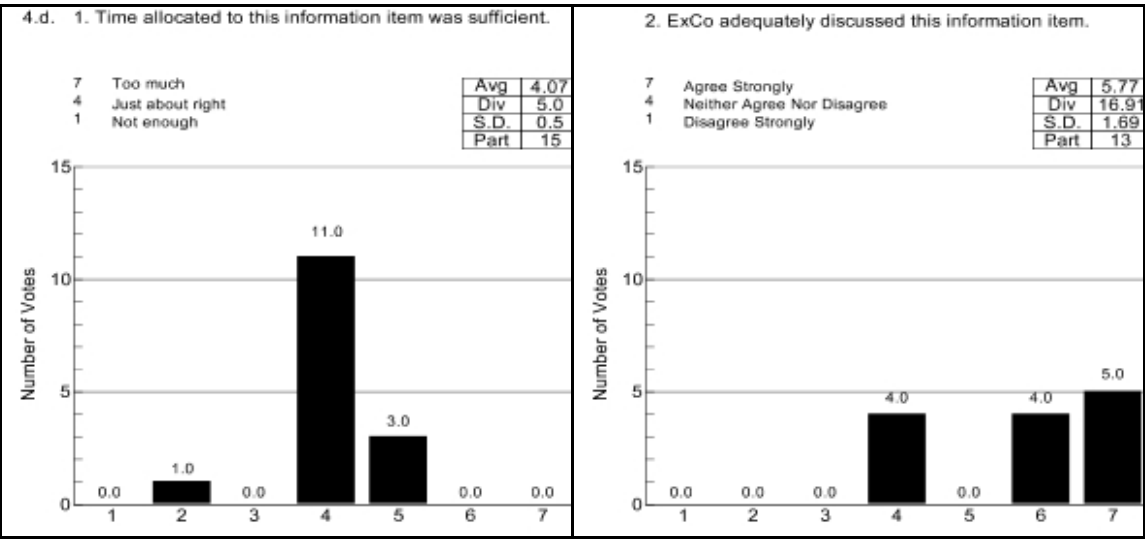
4.b. CIMMYT EPMR



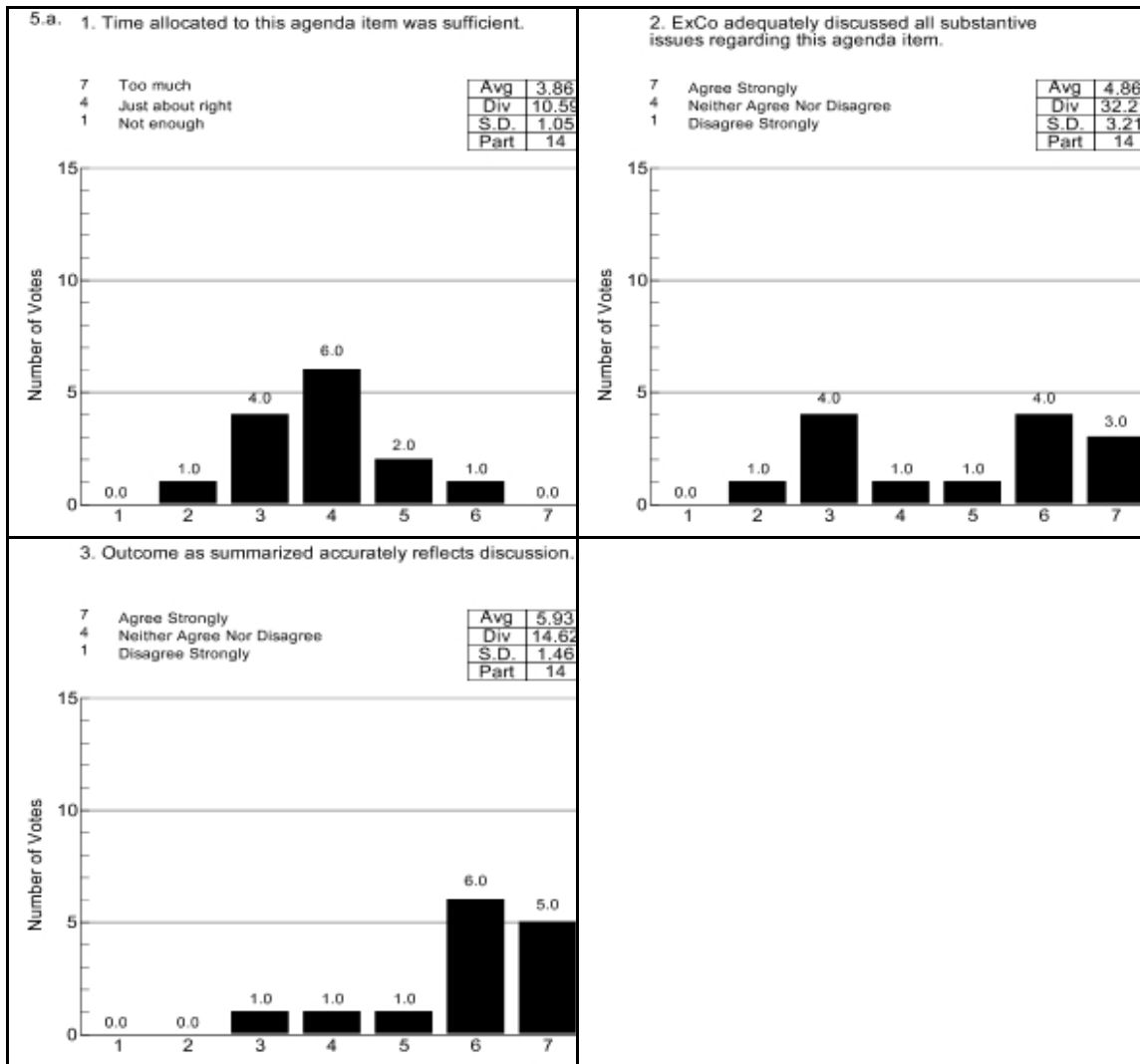
4.c. Follow-up to External Reviews



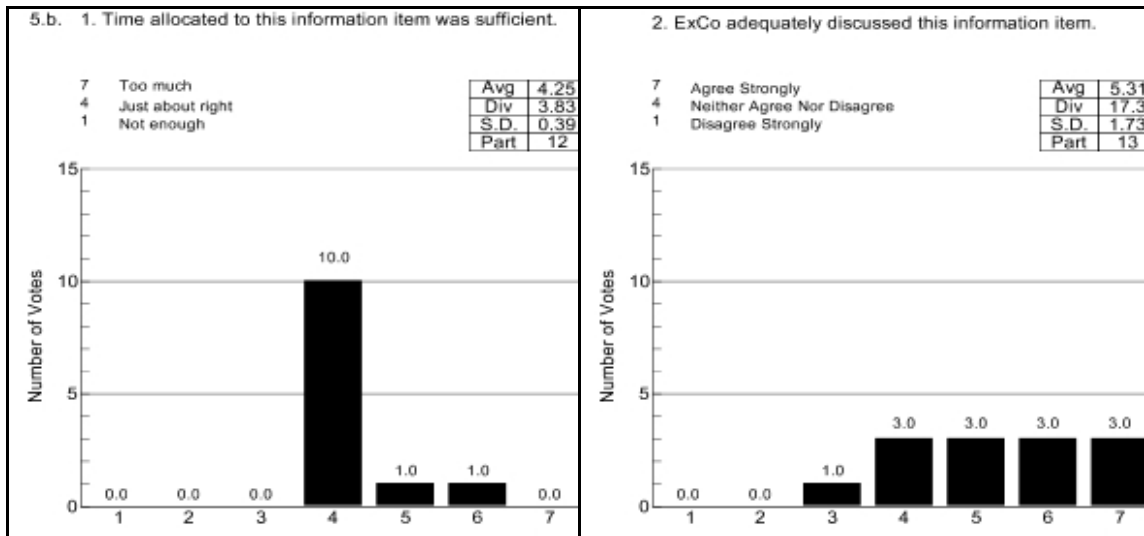
4.d. Pilot Performance Measurement System



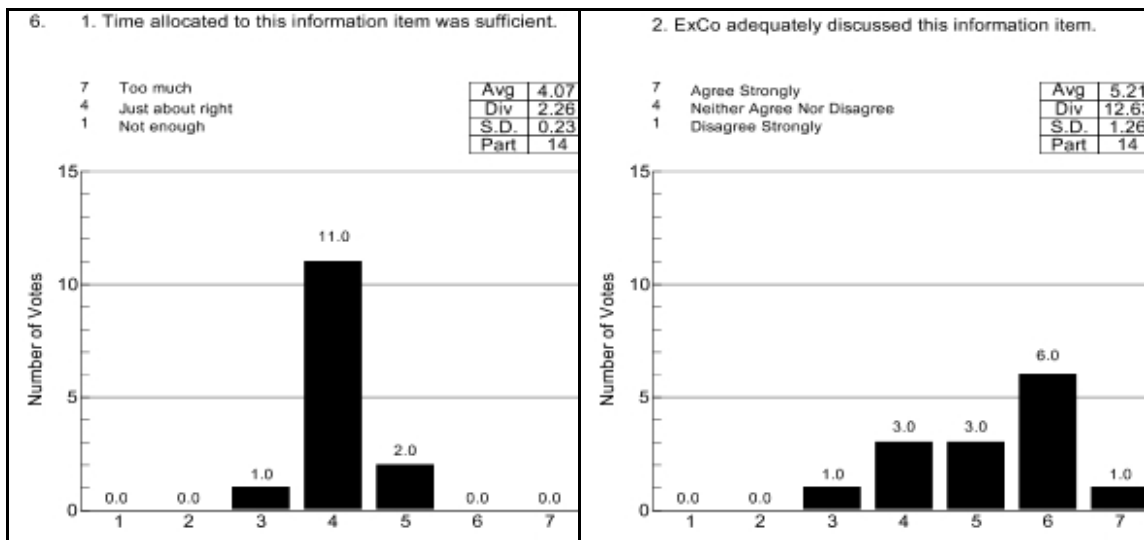
5.a. SSA Task Forces on Programmatic and Structural/Organizational Alignment



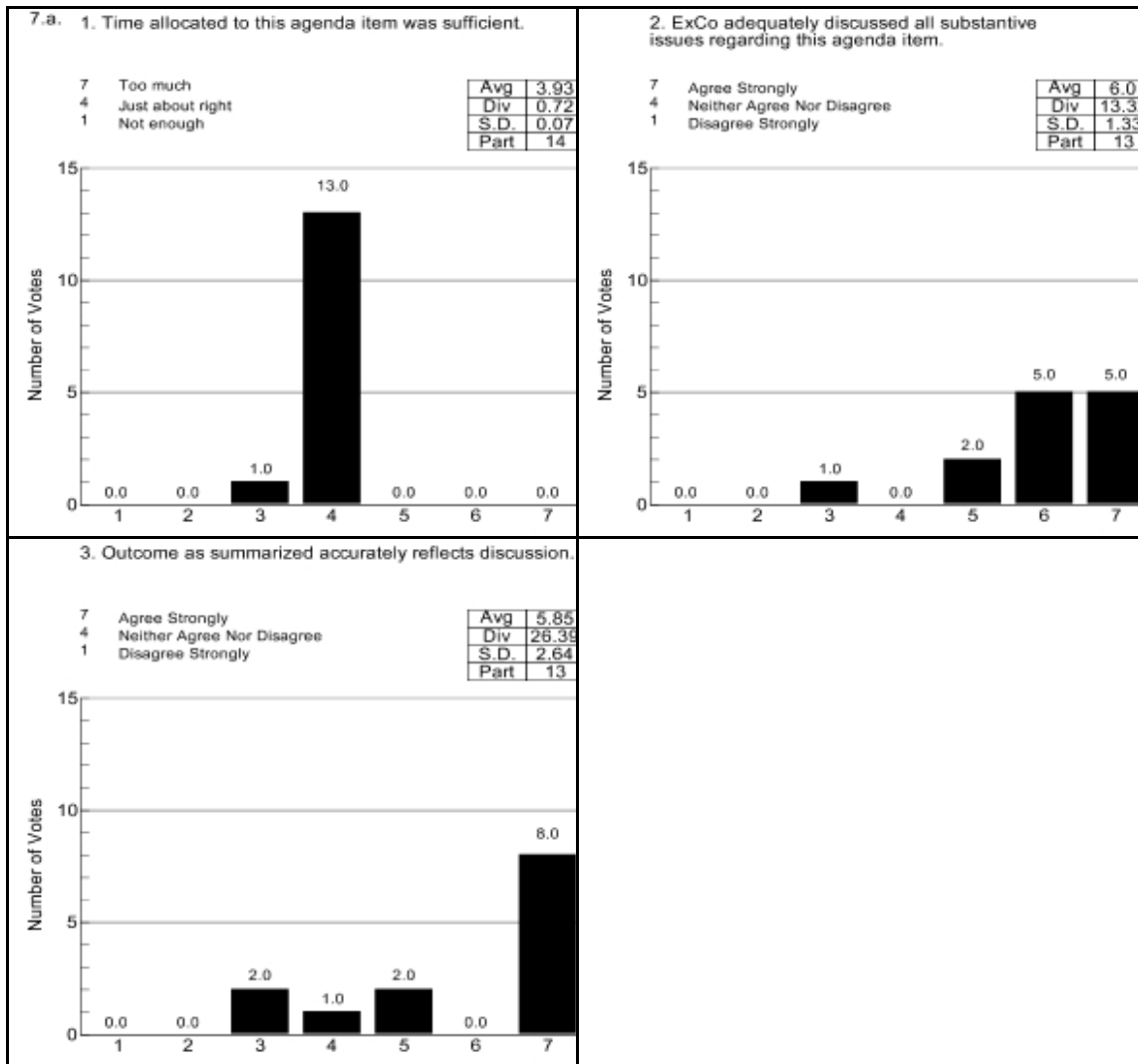
5.b. Report from the Centers



6. Planning ExCo Business



7.a. SC Membership



ExCo 8 Feedback

