5th CGIAR SYSTEM COUNCIL MEETING

ANNOTATED
PROVISIONAL AGENDA

Thursday 9 November & Friday 10 November 2017

CIAT, Cali, Colombia
DAY 1: Thursday 9 November 2017, 09:00-16:30, CIAT, ‘Tropics Room’

**Agenda Item 1: Opening Session**

09:00 – 09:15 am

**Led by:** System Council Chair

**Supporting document:**

SC5-01: Provisional Agenda, 18 October 2017

**Notes:**

* As an advance item, the System Management Office will have determined whether a quorum is present to conduct meeting business according to Article 7.3 of the CGIAR System Framework (“Framework”).

**Agenda Item - Elements and process:**

a. **Welcome:** Juergen Voegele, System Council Chair will open the meeting, and welcome all System Council members, Active Observers, Invited attendees and other participants. The Chair is expected to recognize the hosting of this 5th System Council meeting by the International Center for Tropical Agriculture (CIAT), and extend the Council’s appreciation for the efforts and financial contribution that this hosting has entailed, as well as thanking CIAT for the hospitality shown to the System Council during the excellent CIAT-50 anniversary events the day prior. The System Council Chair is also expected to welcome Dr. Marco Ferroni, elected as System Management Board Chair with effect from 1 September 2017, to his first System Council meeting.

b. **Election of Co-Chair:** The Chair will call for the nomination and second of a Co-Chair to be elected pursuant to Article 5.2 of the Framework. Pursuant to Articles 3.1. (b) and 5.3 of the Framework, both the Chair and Co-Chair of the System Council serve as impartial, ex-officio non-voting members. The Co-Chair, upon appointment, will be invited to nominate an alternate to fulfil his/her functions as a System Council voting member during the meeting pursuant to Article 5.4 of the Framework. There is no requirement that such a nomination be made. However, if not, the voting seat remains empty during the meeting.

**Action:** The Chair will call for a nomination and a second for the Co-Chair role

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**c. Adopting the Agenda and declarations of interest:** The Chair will ask if there are requests for any other business, and subject to discussion, the Chair will call for adoption of the Provisional Agenda as the formal Agenda for the meeting. **Declarations of interest:** System Council members and Active Observers will then be asked to make any relevant declaration of interest regarding agenda items for the meeting for inclusion in the meeting record.

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1 **System Council tradition is that the host country would typically take on this role, but it may be filled by another System Council member representative**
**Summary of actions requested on Agenda item 1:** The System Council is invited to:

1. Adopt the meeting agenda
2. Elect a meeting Co-Chair
3. Declare any conflicts of interest

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**Agenda Item 2: Visioning for CGIAR**

09:15 – 10:00 am

**Led by:** System Council Chair

**Supporting document(s):** None

**Agenda Item - Elements and process:**

- **The Chair will frame the session**, highlighting its purpose is to build on the collective willingness expressed by the Council at its 4th meeting in Amsterdam in May 2017 to work together to help CGIAR continually adapt to a world that is undergoing radical change.

- This session is intended to build on the external speakers at SC4 who challenged and inspired the Council to think about: (i) the longer-term future for research for agricultural development in a world with growing cross-sectoral engagement; (ii) CGIAR’s place in that longer-term future; and (iii) and possible organizational innovation that may be required to ensure that CGIAR remains a frontrunner.

- **A panel comprising System Council members and the ISPC Chair will be invited to share their thoughts** on what is happening in the world around CGIAR, what is the longer-term vision and needs of CGIAR from the perspective of a funder and scientific foresight, and what are the actions in the short to medium term that will be important to prepare CGIAR for the longer term.

- **Thematic concepts** such as breaking down potential barriers to future success, and how CGIAR can be nimbler and better placed to use opportunities to position ourselves are likely to be explored.

- System Council participants who have kindly agreed to support this session as **panel members** are:
  - Mellissa Wood (Australia);
  - Tony Cavalieri (BMGF)
  - Dandan Huang (China);
  - Alan Tollervey (UK)
  - Maggie Gill (ISPC)
• The **System Council Chair will moderate the panel**, and invite snapshots from the panel discussants, interspersing these in turn with questions to guide the discussions. Other System Council members are anticipated to be brought into the discussion, with a view to ending the session with some thinking on work that may need to be done to arrive at a dynamic and robust forward vision for CGIAR.

• The System Council Chair is then expected to seek high-level reflections on the panel’s observations from the **System Management Board Chair**, seeking inputs on whether those reflections resonate, and how they may inform the System Management Board’s forward-looking agenda.

• The **System Council Chair will make some concluding remarks**, including relating how the observations made during the panel session provide an interesting entry into several of the Council’s deliberations across the forthcoming agenda items.

**Summary of actions requested on Agenda item 2:** No formal action is requested

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**Agenda Item 3: Moving forward with drylands research**

10:00-10:30

**Led by:** SC5 Meeting Co-Chair

**Supporting documents:**

- **SC5-03A:** System Management Board recommendation on 2017 Grain Legumes and Drylands Cereals CGIAR Research Program Proposal, 2018 – 2022 (‘GLDC’)
- **SC5-03BR1:** Full text of the GLDC CRP Proposal
- **SC5-03BR2:** Collated ISPC and funder-perspective assessments of the GLDC proposal
- **SC5-03BR3:** GLDC Response to the ISPC review of the proposal

**Agenda Item - Elements and process:**

• This session returns the System Council to the conversation it had during its 4th meeting, at which time it was agreed that drylands research represents an essential building block of a holistic CGIAR research portfolio. At SC4 it was agreed that the System Management Board would take Council inputs from that earlier meeting, together with questions and concerns, and consider how to frame a robust call for a new proposal for research, and how and when to present the resulting proposal to the Council and to the ISPC for independent review.²

• **This session provides an opportunity for the Council to decide whether it wishes to bring this proposal in as part of the Portfolio based on its scientific merit.**

  Discussion on the proposed allocation of Window 1 and 2 funding for 2018 are intended to be covered during Agenda item 9, 2018 Budgeting.

• It is anticipated that the Co-Chair will:

1. **Call on the Chair of the System Management Board** to take the Council through the Board’s consideration of the proposal, and the basis of Board’s formal submission to the System Council to approve the CRP as part of the holistic Research Portfolio pursuant to Article 6.1(q) of the CGIAR System Framework.

2. **Call on the ISPC Chair** to comment on the process and conclusions of the ISPC review of the submitted proposal to help to guide the Council in their deliberations.

3. **Turn then to System Council members to seek observations and inputs**, taking note also of the funder-perspective review being part of the background information for the session. As for the conversations in Mexico in September 2016 at the time when the Council approved the current 2017 – 2022 Portfolio of CRPs and Platforms, it is anticipated that Funders may wish to make observations about the whole proposal, and then certain elements.

4. **Seek observations from the Centers’ representatives**, serving as ex-officio non-voting System Council members, to further inform the System Council’s deliberations.

• To support the System Council reaching an agreed outcome on the System Management Board’s recommendation to approve the proposal, it is expected that the Co-Chair will recall how discussions proceeded in Mexico in 2016: With the Council on that occasion agreeing to recommend a strong Portfolio of CRPs and Platforms, but separating out the question of what is an appropriate amount of indicative funding for the proposals over their lifetime, and then specifically for the annual allocation.

• After taking the views of the floor, it is expected that the Co-Chair will summarize the prevailing view of the Council’s voting members, and put forward if appropriate, the following proposal:

**Possible decision: Pursuant to its functions as described in Article 6.1 (q) of the CGIAR System Framework, the System Council:**

1. **Approves** on the recommendation of the System Management Board, the Grain Legumes and Drylands Cereals proposal submitted on 3 August 2017, to be a programmatic element of the CGIAR Research Portfolio 2017-2022 with effect from 1 January 2018; and

2. **Notes** that indicative funding amounts to be provided from funds from the CGIAR Trust Fund for the approved proposal will be decided later.
**Agenda Item 4: Adopting a strategic business cycle approach**

11:00-12:00  FOR INPUT/ENDORSEMENT

**Led by:** System Council Chair

**Supporting document:**

SC5-04: Adopting a CGIAR Business Cycle

**Agenda Item - Elements and process:**

- **The Chair is expected to frame the session**, highlighting that the impetus for the development of a proposal on a holistic business cycle approach came out of the work that the System Management Office has been leading since the Council’s 4th meeting to identify a compelling and successful approach to the allocation of System-level funding to CGIAR’s research Portfolio of CRPs and Platforms.

- The Chair is expected to invite **Elwyn Grainger-Jones, Executive Director, CGIAR System Organization** to lead the System Council through the rationale and initial proposal for moving forward with a business planning cycle to deliver a more streamlined and systematic approach to CGIAR’s operations and decision-making.

- The Executive Director’s observations are expected to focus on how the adoption of a business planning cycle, on a recommended 4-year basis, brings into the CGIAR System an important mechanism to periodically consider, and as required, re-focus CGIAR’s actions and operations to ensure delivery against its strategic goals. He is also expected to note that several other of the items before the Council at this meeting have a natural linkage to the concept of business planning cycle: including an allocation strategy that is built upon a multi-year funding model where possible; discussions on how independent evaluations and scientific advisory services provide timely strategic information upon which decision making is based; and periodic assessment of CGIAR’s risk management framework for adequacy and relevance.

- Following the presentation, **the Chair** is then anticipated to take views from Council members and Active Observers on the proposed business planning cycle concept, noting that the indicative business plan cycle (2019-2022) presented in the SC5 meeting paper, is offered as an early elaboration of what would be a more detailed proposal to come to the Council for additional inputs in May 2018, and then for final approval in November 2018.

- **Accordingly, the Chair is anticipated to seek to focus Council inputs on whether there is overall support for such a concept**, and if so, what are the questions/inputs that Council members believe to be important so that the business planning cycle concept can be further elaborated in a way that can provide important opportunities for CGIAR to periodically take stock of its capacity as a System to deliver against its goals whilst retaining the essential element of innovation in an ever changing world.
• Subject to the discussions that take place, the Chair is anticipated to present to the Council the following proposal:

**Possible decision:** The System Council endorses a business planning cycle concept for the CGIAR System, with a proposed 4-year business plan for the CGIAR System being brought for final approval to the System Council’s November 2018 meeting (and launched from 1 January 2019), with an update on progress being provided to the System Council’s May 2018 meeting.

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**Agenda Item 5: CGIAR System-Level Results Reporting**

12:00-12:30  
**FOR ENDORSEMENT**

**Lead by:** Co-Chair

**Supporting document:**  
SC5-05: Results Reporting

**Agenda Item - Elements and process:**

• The Co-Chair is expected to frame the session, noting that the Council recognizes the need to be able to define expected results, monitor and evaluate progress towards achievement of the results and integrate lessons learned into management decisions and reporting.

• The Co-Chair is expected to recall that at the Council’s 4th meeting in May 2017, an update was provided on the work to develop a harmonized set of results indicators to provide high-level, consistent quantitative reporting at a System-wide level, recognizing that there is additional, more detailed reporting already being provided across the System, but that there are considerable benefits for higher-level System reporting being available on a more aggregated basis. Council members present at that 4th meeting may recall that emphasis was placed on taking this work forward as a priority, whilst ensuring that high-quality indicators are selected.

• The Chair is expected to invite the Executive Director to summarize developments since; present the proposed common indicators set; and then briefly comment on the related on-going work to put in place a System-wide performance management system by mid-2018.

• He is also expected to propose to the System Council that it adopts, for reporting on calendar year 2017 (delivered during 2018) and beyond, the concept of a more holistic approach to program and financial reporting, in the place of the quite separate multiple System-level reports which are currently available.
• Noting the number and length of existing reports; the diverse delivery time frames for each of them, and a resulting disconnect between financial and program data, the Executive Director is anticipated to identify how a consolidated ‘CGIAR Annual Performance Report’ could provide Funders and other partners with a single, robust source of program and financial information – including sufficient detail of specific CRPs and Platforms.

• **The Executive Director** is anticipated to conclude his introductory remarks by emphasizing the timetable in the supporting paper for:
  - The delivery of first results according to the proposed common indicator set,
  - If endorsed, delivery of a first consolidated ‘CGIAR Annual Performance Report,’ and
  - Highlighting the next steps in developing a dash-board to provide improved data on CGIAR’s research actions.

• **The Co-Chair** is then expected to take questions and observations from the floor, turning to the Executive Director to respond as appropriate.

• If appropriate based on the nature of the conversation during the session, the Co-Chair is then expected to recall for Council participants the following proposals for endorsement:

  **Possible decisions: The System Council:**

1. **Endorses** for the period 2017-2022, the eight common results indicators set out in meeting document SC5-05, and titled CGIAR System-Level Results Reporting: Progress and Plans, as the standardized method of system-wide aggregated reporting results.

2. **Endorses** the concept of delivery of a CGIAR Annual Performance Report to provide for the CGIAR System, consolidated programmatic and financial reporting on the 2017-2022 CGIAR Portfolio in place of the existing reporting frameworks, such reporting to commence for the 2017 reporting period.

12:30 – 13:30  LUNCH
Agenda Item 6: Agreeing a funding allocation strategy
13:30-15:00

Lead by: Chair

Supporting document(s):
SC5-06: Allocation Strategy

Agenda Item - Elements and process:

- The Chair is expected to frame the session, recognizing the number of conversations among the Council at past meetings relating to the need to move towards an optimal, strategic approach for allocating System resources.

- It is expected to be noted that the CGIAR System Framework tasks the System Management Office to develop a proposal for guidelines and criteria for prioritization of funding, noting that the work discussed under the previous agenda item 5 on Results Reporting is a key element in informing that work.

- The Chair is expected to invite the Executive Director to elaborate on the elements of the proposed approach and seek the Council’s support to move forward with the elaboration of an allocation strategy for System-level resources based on a series of 12 proposed building blocks, noting that at this System Council meeting, emphasis is on obtaining Council support for the first 6 of the key elements of what is a much broader allocation strategy approach.

- In taking Council participants through the selected 6 building blocks, the Executive Director is anticipated to provide a summary of the insights that have been shared as thinking has evolved since the Council’s May 2017 meeting, which includes but is not limited to inputs from the ISPC, IEA, and many of CGIAR’s Funders.

- The Executive Director’s observations are also likely to note the inherent challenges in taking a highly formulaic approach to the allocation of System-level resources. Further, he is anticipated to highlight the fundamental connection between the System working to an agreed business cycle, and having an allocation strategy that informs periodic allocation decisions that find an appropriate balance between providing predictable System-level funding and the System – or parts of it - being able to re-prioritize and evolve as may be required to respond more appropriately to external needs.

- Recognizing the 12 building blocks bring with them multiple concepts, and many of them require greater elaboration to fully explain the elements involved, the Executive Director is anticipated to focus his more detailed remarks on the ‘Proposed Allocation Criteria’, as set out in Annex 1 to the meeting paper. He is likely to note the importance of criteria being agreed at this meeting to help take other elements forward.
Regarding **Building Block 5 (confirm that annual allocations will continue to be made at the CRP level)**, it is expected that the Executive Director will note the importance of forward-looking annual/multi-year allocation decisions being made at an aggregated CRP and Platform level. He is likely to explain this would remain important even if, at the time of making their individual budget year contributions, selected CGIAR’s Funders earmarked their Window 2 contributions to specific flagships within a CRP and/or Platform, should Window 2 flagship-level earmarking be approved by the System Council as part of its deliberations under agenda item 7 (the following item).

The Executive Director is anticipated to explain that for this session, the discussion is intended to focus on a set of common principles, which would not prevent the System Council from approving Window 2 flagship earmarking in the subsequent session if thought to be in the best interests of the System.

**The Chair is then expected to take the views of System Council members**, and then turn to ISPC, IEA and other Active Observers to share their views on the overall ‘building block’ framework, and more specifically on the “Proposed Allocation Criteria.”

It is anticipated that the Chair will take questions and observations in several rounds, and invite the **Executive Director and the System Management Board Chair** to reply and add more information as appropriate.

**Taking stock of the inputs from Council members, the Chair** is then expected to summarize the Council’s thinking on the proposed methodology to develop an allocation strategy, and if considered appropriate put the following proposals to the Council to consider:

**Possible decisions: The System Council:**

1. **Approves** the Allocation Criteria as set out in Annex 1 to meeting paper SC5-06, titled ‘An allocation strategy for the CGIAR System.’

2. **Affirms** that System Council allocations to CRPs and Platforms will continue to be made at CRP and Platform level, irrespective of whether flagship-level earmarking for Window 2 funds is adopted by the System Council at a future time.
**Agenda Item 7: Taking forward concrete funding modality options from SC4**

**15:00-16:30 FOR DECISION**

**Lead by:** Chair

**Supporting document(s):**
- SC5-07: Improving System Financing Modalities
- SC5-07A: Multi-Funder Initiative to achieve SDG2

**Agenda Item - Elements and process:**

- **The Chair is expected to frame the session**, reminding Council colleagues that during the Council’s 4th meeting in Amsterdam in May 2017, a detailed ‘Scoping Paper’³ had been presented in response to a request from the Council to undertake thinking on the efficiency and effectiveness of CGIAR’s current funding modalities, and whether those modalities provide the right stimulus and incentives to bring new and/or additional funding into the System.

- As additional background to that framing, it is noted that at SC4, discussions were held on the identification of key issues and challenges around funding, with the focus being on: (i) some ideas to consider on possible incremental adjustments to make, (ii) areas to clarify or tighten up; and (iii) potentially, some parts to be liberalized. Guidance was given during that meeting and a request made to refine the thinking and bring a proposal to this meeting.

- It is expected that the Executive Director will then be invited to elaborate on the two specific concepts included in meeting document SC5-07 that appear to have gained the most traction after the Council’s May 2017 meeting, namely:
  - Enabling mid-program revisions to a CRP; and
  - Flagship-level earmarking of Window 2 funds, with the encouragement to funders to only earmark at the flagship-level if there is a strong funder-specific need.

- The Executive Director is anticipated to raise the inherent challenge of achieving an appropriate balance between predictability and change in a research portfolio that necessarily includes certain elements requiring longer term horizons than others. He therefore is expected to raise certain risk mitigation measures that may ensure that flagship-level earmarking of Window 2 funding achieves its desired goals.

- As the Chair then turns to Council members for reflections and inputs, it is anticipated that one or more of the Funders engaged in the Multi-Funder Initiative to achieve SDG2 will speak to the concepts in meeting document SC5-7A, as providing a directly relevant example of what could provide the impetus for mid-program

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adjustments, with that initiative focusing on enhancing CGIAR’s ability to deliver climate, pest-, and disease-resilient nutritious crops to help meet SDG 2 based on a consultation amongst several of CGIAR’s Funders (as mentioned in the paper itself).

- It is expected that the Chair will invite the System Management Board Chair to share early observations from the Board regarding such initiatives, and how they are perceived to fit within the broader efforts of the System Management Board to ensure a strategically focused Portfolio of research actions that contribute to broader development goals, and which look well beyond the boundaries of CGIAR itself, in terms of how the System can and should be working.

- **The Chair** is expected to bring the session to an end by summarizing key messages from Council members on the proposals, presenting for Council endorsement the following decision if in line with the direction that the session has taken:

**Potential decisions: The System Council:**

1. **Endorses** the introduction of the process of within-cycle adjustments to CGIAR Research Programs (CRPs) [and Platforms] as set out in meeting document SC5-07 to enable CGIAR’s research agenda to respond when relevant to an evolving environment; and

2. **Requests** the System Management Board to present for System Council endorsement clearly-defined criteria for adjustments in advance of implementation of the process.

3. **Decides** to introduce the possibility of flagship-level earmarking of Window 2 funding contributions, noting that the mechanism is intended to provide flexibility to respond to the needs of individual Funders who may not otherwise be able to contribute funding to CGIAR’s shared agenda funding mechanism.

16:30 Close of day 1

System Council members are invited to join the CIAT50 Closing reception.

Transport back to Cali will be provided at 18:30.

**Notes for day 2:**

- **The System Council will reconvene on day 2 at 10:00am**, again in the Tropics Room

- **There will be a breakfast conversation on “Where is the World on Anti-Microbial Resistance and how does this relate to CGIAR’s future work?” taking place in the Tropics Room from 08:30-09:30 before the start of Day 2 of SC5.
DAY 2: Friday, 10 November 2017, 10:00-17:00, CIAT, Tropics Room

The Chair will reconvene the meeting at 10am, thanking people for their inputs during the informal breakfast event, and then outlining the key elements before the Council for day 2.

Agenda Item 8: Meeting the System’s need for advisory services
10:00 – 12:00

Led by: System Council Chair

FOR DECISION

Supporting document(s):
SC5-08: Think Piece of the Council’s Strategic Impact, Monitoring and Evaluation Committee
** As shared by email on 2 November 2017 with all SC5 participants:
- Final Report of the Evaluation of ISPC
- ISPC response to the Evaluation

Agenda Item - Elements and process:

- As background to this item, at SC4, the Council reflected on what its independent advice needs now are, post the mid-2016 governance reform, and what future needs might be. As reported in the Chair’s Summary for that meeting, the Council felt that it was the appropriate moment to begin exploring a range of options on how best advisory services could now be provided to the Council, responding to key questions such as: what is the profound role that they are to play in the current system and what are the best and most efficient institutional arrangements to deliver these services?

- The Council tasked its Strategic Impact, Monitoring and Evaluation Committee (‘SIMEC’) to consult amongst the Council and with other stakeholders before bringing options to the table during a virtual conversation led by the SIMEC Chair on 11 October 2017.

- It is expected that Chair will invite a representative of SIMEC to present the Committee’s think-piece on the future of advisory services to meet the CGIAR System’s needs as an input into the Council’s discussions, and then open the floor to voting members to request clarifications on the proposal.

- The Chair is then anticipated to invite FAO to provide additional inputs for Council consideration, expressing the Council’s appreciation for the hosting arrangements that FAO is continuing to provide to the System under current arrangements.

- The Chair is then expected to invite the Head of the IEA, Rachel Sauvinet-Bedouin to provide commentary on the recently completed independent evaluation of ISPC; and the ISPC Chair, Maggie Gill to provide a summary of the ISPC’s observations on the evaluation report.
Taking note that the question of providing clarity to both the IEA and ISPC on what the System’s forward-looking needs are has been outstanding since the July 2016 new governing instruments took effect, Council members are anticipated to be invited by the Chair to be as concrete as possible in terms of preferences and priorities.

Should consensus be reached on the appropriate forward-looking mandate for the System’s scientific advisory and evaluation functions, it is expected that the Chair will request SIMEC to present, prior to calendar year closure, a final proposed Terms of Reference for approval by the Council through the non-objection procedure.

**Summary of action requested on Agenda item 8:** The System Council is asked to consider the way forward for advisory needs as informed by the SIMEC ‘think piece’, the Final Report of the Evaluation of ISPC, and ISPC’s response, amongst other materials.

**Agenda Item 9: 2018 Budgeting – funding allocations for 2018**

13:00 – 15:00

**FOR DECISION**

**Led by:** System Council Chair

**Supporting document(s):**

- **SC5-09A:** 2018 Budgeting presentation
- **SC5-09B:** 2018 Funding System Costs – paper providing details in part 2 of the presentation
- **SC5-09B-Annex-1:** System entity Sub-group 1 budgets (ISPC, IEA and Council Chair support)

**Additional background resources**

- **SC5-09BR1_Returning-5-flagships:** ISPC and relevant funder-perspective assessments
- **SC5-09BR2 - Responses from the CRPs:** Flagship Project Responses

**Agenda Item - Elements and process:**

- It is anticipated that the Chair will call on the System Management Board Chair, to frame the session and take the Council through the 4 elements that, when taken together, provide the basis for the Board’s recommendation:

  i. That the System Council approve a combined 2018 budget ceiling for CGIAR System entities and functions of US$13.87 million pursuant to Article 8.1(gg) of the Charter of the CGIAR System Organization (‘Charter’); and

  ii. The System Council agree an indicative 2018 allocation of Windows 1 and 2 funding in the amount recommended by the System Management Board during this session to finance the approved CGIAR Portfolio for 2018 pursuant to Article 8.1(ee) of the Charter.
• Drawing on meeting document SC5-09A, the System Management Board Chair is expected to take Council members through a proposed 2018 allocation for the Portfolio that has as its starting point the following considerations:

  i. **The current projections for the 2018 calendar year to fund the CGIAR Portfolio of CRPs and Platforms from W1/2 are US$ 170 million net of payment of the cost-sharing percentage (‘CSP’) on W1/2 and Window 3 and bilateral funds (with the CSP used to pay for System entity costs).**

  ii. **Demand for funding of the CGIAR Portfolio in 2018 exceeds this amount, based upon:**

      a. **The year 2 projected expenditure of those CRPs and Platforms approved by the System Council at its 2nd meeting in September 2016 for W1/2 funding in 2017, which now enter their second year of delivery;**

      b. **The year 2 projected expenditure of 5 flagships that were approved as programmmatically within the new 2017-2022 Portfolio but were not approved for W1/2 funding in 2017, and which now present the case for eligibility for an allocation of W1/2 funds in 2018; and**

      c. **The year 1 (2018) projected expenditure of the GLDC proposal, being an adjusted 5-year (2018 – 2022 CRP), which the System Management Board will recommended for inclusion as an important programmatic element of a holistic CGIAR research portfolio through to 2022.**

• The System Management Board Chair is anticipated to propose the following two mechanisms to provide an additional projected US$ 10 million of available 2018 W1/2 funds, whilst acknowledging that concerted efforts are being made by CGIAR’s Funders, the System Management Board, Centers, and with the strong backing of the System Management Office, to address funding needs:

  i. **Proposed as the final year to do so, drawing down US$ 7 million from the centralized CGIAR Balancing Fund held by the World Bank.** A balance of US$ 10 million in that central Balancing Fund would thus result (down from a higher figure of US$ 30 million before the 2016 reforms).

  ii. **When taken together, a projected combined US$ 3 million saving on the overall costs for System entities and functions against the formally approved 2017-2018 approved budget ceilings, recognizing the concerted effort of all System entities and functions to continue to find efficiencies.**

• Thus, providing a projected US$ 180 million of 2018 W1/2 funding for the Portfolio.

• The System Management Board Chair is then expected to introduce how the System Management Board has considered the returning 5 flagship proposals from 2018,
emphasizing that the System Council accepted in its 2016 discussions, that these elements were an important part of the approved CGIAR Research Portfolio, but had not been convincing in terms of an allocation of W1/2 funding in 2017.

- He is anticipated to speak to the various scenarios considered by the System Management Board, before putting forward a proposed System Management Board recommendation for 2018 funding allocations depending on whether the System Council:

  i. **Approves the inclusion of the GLDC proposal as a new programmatic element of the CGIAR Portfolio of CRPs and Platforms** (from the earlier agenda item 3), and thus can be considered as eligible for possible W1/2 funding in 2018; and

  ii. **Accepts that the 5 returning flagships are eligible for W1/2 funding in 2018 based on the overall outcomes of the 2017 ISPC and funder-perspective reviews.** (The technical background for this material is at Agenda item 9 meeting resource documents SC5-9BR1 and 9BR2.)

- The **Executive Director** is also anticipated to provide additional information around:

  i. The manner of developing the proposed 2018 Portfolio Financing Plan (‘2018 Fin Plan’) after taking inputs from the Council at this meeting; and

  ii. The proposed timing for the presentation of the 2018 work plan for the System Management Office, taking note that many of the earlier agenda items for this meeting, if approved, would heavily influence that work plan.

- The **Chair** is then anticipated to invite inputs from the floor, taking the 4 parts of the cover presentation to this agenda item as the means of providing detailed inputs to inform Council decision making.

- Depending on the outcome of the Council’s deliberations, the **Chair** is anticipated to present for endorsement, as relevant, the following decisions:

  **Possible decisions: The System Council:**

  1. **Approves** US$13.87 million as the combined ceiling for 2018 System entity budgets;

  2. **Agrees** that the 5 flagships re-submitted in July 2017 are considered as being eligible for W1&2 funding based upon scientific review of their technical merit;

  3. **Approves** scenario [to be inserted] from meeting paper SC5-09A as the 2018 indicative W1/2 allocations for the CGIAR Portfolio of CRPs and Platforms; and

  4. **Endorses** the guiding principles set out in Part 4 of meeting paper SC5-09A for the development of the 2018 CGIAR Portfolio Financing Plan.
15:00- 15:30 Break

Agenda Item 10: Agreeing a system-level risk management framework
15:30-16:15 FOR DECISION

Led by: Co-Chair

Supporting document(s):
- SC5-10: Cover Paper-Risk Management Framework
- Background Introductory Slides: Developing a CGIAR Risk Management Framework and CGIAR System ‘Internal Audit Function’

Materials proposed for Council Approval at SC5
- SC5-10_Annexes_A1-to-3
  A1 - CGIAR System Risk Management Framework
  A2 - CGIAR System Risk Appetite Statement
  A3 - Terms of Reference for System Council’s Assurance Oversight Committee

Materials for Council Inputs at SC5 or following
- SC5-10: Annex B1 DRAFT Risk Management Guidelines for Input
- SC5-10: Annex B2 DRAFT Terms of Reference – CGIAR System Internal Audit Function

Agenda Item-Elements and process:

- The Co-Chair is expected to introduce the agenda item, highlighting that in June 2016, CGIAR’s Centers and Funders agreed, as set out in the CGIAR System Framework (Article 6.1(1)), that the System Council would approve a risk management framework of the CGIAR System, that will be developed by the System Management Board, collaboratively with the System Management Office and Centers.

- It is expected that the Co-Chair will invite the CGIAR System Organization’s Head of Board and Council Relations to introduce the materials that are being recommended by the System Management Board for approval at this meeting.

- Building on the covering paper prepared for the meeting, the Head of Board and Council Relations is expected to reflect on how CGIAR’s ‘federation’ model of its Centers, and the engagement of many other stakeholders as key actors in decision making, has shaped the development of the materials now presented.

- This, she is expected to note, has resulted in the adoption of a best-practice ‘extended enterprise’ concept to the allocation of roles and responsibilities on risk and assurance
for the CGIAR System. This compares to the relatively simpler process of role and responsibility allocation for opportunity and risk management with a single corporation, having one board, one management team, and one implementing body.

- It is anticipated that the introductory remarks will highlight that when taken as a collective whole, the materials presented:
  
  i. **Offer for the first time at System-level a means to work according to a small set of shared operational objectives**, which enable a realistic risk assessment to be undertaken. An agreed set of ‘risk families’ are proposed in the Risk Management Framework to facilitate more informed conversations on cross-System risks through use of common concepts. In turn, these materials are anticipated to increase awareness of where cross-System opportunities may be being missed and/or greater risk is being taken than desirable.

  ii. **Identify the System Management Board as being the owner and proactive oversight body of a CGIAR System risk-register**. The risk register will be routinely considered between the System Council’s Assurance Oversight Committee and System Management Board’s Audit and Risk Committee, to assess its adequacy, and the System’s responsiveness and appropriate prioritization of opportunities and risks. The proposed Risk Appetite Statement at System-level, sets appropriate limits of risk-taking actions.

  iii. Establish the System Council’s planned Assurance Oversight Committee, comprised of a small number of Council members and risk and assurance professionals, to provide oversight of strategic risk and assurance matters.

- It is expected to be noted that the materials as now presented have been benchmarked against other international/intergovernmental development and aid organizations, including the World Food Programme risk materials, The World Bank’s Risk Framework for Operations, the Gavi Alliance’s Risk Management Policy and Risk Appetite Statement, as well as drawing on the strengths of Center-own materials.

- A concluding introductory remark that may be offered is that the materials serve to better collate and give visibility to an existing broad range of risk management and assurance materials across the Centers. The System-level materials now proposed enable a holistic view of the available assurance sources, so that they may be better targeted to deliver increased efficiencies, whilst at the same time providing highly reliable risk-based assurance.

- It is anticipated that the Co-Chair will then invite Council member inputs, prioritizing those matters before the Council for possible decision, with the opportunity to provide additional inputs on the two matters for input subsequently.
**Possible decisions:** The System Council approves the following materials to provide for a risk management and assurance framework at the CGIAR System level:

1. **Risk Management Framework of the CGIAR System**
2. **Risk Appetite Statement of the CGIAR System**
3. **Terms of Reference for the Assurance Oversight Committee of the System Council**

- **Time permitting,** the System Council is also invited to provide inputs into the draft CGIAR System Risk Management Guidelines and draft Terms of Reference for the CGIAR System Internal Audit Function arrangements, in advance of the System Management Board’s consideration of these materials at their 11-12 December 2017 meeting. However, inputs on these materials are also able to be provided through the System Management Office post SC5.

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### Agenda Item 11: OTHER BUSINESS

16:10 – 17:00

**FOR DISCUSSION**

**Led by:** Chair

**Supporting document(s):** There are no advance documents for this session.

**Agenda Item - Elements and process:**

- This agenda item is intended to provide space for informal updates, and other items of business to be presented as identified before the meeting as well as any items raised for ‘Other Business’ during the Council’s consideration and approval of the Agenda for this meeting.

- At the date of issue of this Annotated Provisional Agenda, the following matters are anticipated to be included in this session:

  a. **Dr. Birisik,** the representative of Turkey as the member for the West Asia and North Africa (WANA) constituency, has proposed to provide a brief ‘Update on consultations in the WANA region,’ which was identified as a follow-up action from the 4th System Council meeting.

  b. **Samy Gaiji,** the representative from FAO, has proposed to share with the Council a briefing on the ‘Global Agriculture Innovation Symposium being organized by FAO’ in 2018.

  c. **A representative of the System Council’s SIMEC,** is expected to propose that the System Council hold a virtual meeting in January to present the final
reports and management responses to three recently completed independent evaluations on: capacity development in the CGIAR System, partnerships, and results based management.

d. **May 2018 System Council meeting dates**, Council members are invited to hold **16 and 17 May 2018** as the official meeting dates, with a possible side-event taking place on 15 May 2018, with the host Country expected to be announced during SC5.

e. **November 2018 System Council meeting dates**, Council members are invited to hold the dates of **14 and 15 November 2018**, as the official meeting dates, with the meeting host to be confirmed by end November 2017.

- After taking any other business, and agreeing follow up actions as appropriate, the **System Council Chair** is expected to again express the Council’s appreciation to CIAT for their hosting of the 5th Council meeting, and then bring the meeting to a close.

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<tr>
<th>Time</th>
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<tbody>
<tr>
<td>17:00</td>
<td>Close of day 2.</td>
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<tr>
<td>17:00- 19:00</td>
<td>System Council informal closing drinks</td>
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