

Chair's summary of highlights and decisions
5th System Council meeting, 9-10 November 2017

Dear System Council Members and Active Observers,

As everyone returns home from our 5th meeting in Cali, this Chair's summary provides a record of the formal decisions we took and a list of those who attended.

On behalf of the Council, I would extend our sincere appreciation for the remarkable hospitality extended to us these past few days by CIAT's Board, Director General and staff. This support was even more notable given that CIAT was simultaneously celebrating 50 years of delivering science to cultivate change with a very broad range of stakeholders and friends. The System Council was also very ably supported by Juan Lucas Restrepo Ibiza, the Latin America and Caribbean representative, and member of the CIAT Board, who served as a very effective meeting Co-Chair.

Each time we come together as a group it seems we are getting better at doing our job. Not only did we get through a demanding agenda of essential business, but we were also able to have very constructive discussion and share information on some long-run strategic issues that concern CGIAR. As Chair I am encouraged by all members' willingness to participate and make their views known so constructively. This is at the heart of working together multilaterally. So, a big thank you for everyone's prior preparation and their participation "on the day" that made our meeting markedly effective and efficient.

By adopting several measures on budgeting, fund allocation, risk management, system-wide reporting, performance measurement and agreeing a more structured business cycle, we opened the way for more effective governance, oversight and management to be implemented at the right levels of the system, each with their particular responsibilities and accountability. Creating the System Management Office (SMO) is proving to be have been an excellent decision.

In approving the Grain Legumes and Dryland Cereals CRP (GLDC) as an important strategic element of the shared research agenda the Council showed its determination to support research relevant to some of the most vulnerable and conflict affected areas. This set the scene for an initial discussion of an idea from the WANA region representative about their bottom-up initiative to establish a regional programme with CGIAR support. This is a conversation that will continue as stakeholders and partners continue to debate how best to create synergies.

Sessions on future donor strategies and new CGIAR opportunities, such as new global challenges like Anti-Microbial Resistance (AMR), underscored an acute awareness that CGIAR must ensure sufficient agility to respond to a continually evolving global environment. We must be clear on CGIAR's role with respect to emerging complex challenges that extend beyond agriculture, and how what we as a system do, can make an essential contribution to providing multilateral solutions.

As usual, a comprehensive meeting summary will shortly be shared for System Council inputs.

To assist with forward planning let me remind you we agreed to hold our 6th meeting in Berlin in May 2018, and our 7th meeting in Seattle in November 2018.

I am looking forward to seeing you on both occasions, if not before.

Yours sincerely,

Dr. Juergen Voegele,
System Council Chair

Annex 1 - The decisions that we took

SC/M5/DP1: Meeting Co-Chair

The System Council **elected** Juan Lucas Restrepo Ibiza, representative of the Latin America and Caribbean constituency, as the non-voting Co-Chair for the meeting pursuant to Article 5.2 of the CGIAR System Framework.

SC/M5/DP2: Adoption of the Agenda

The System Council **adopted** the Agenda, as issued on 18 October 2017.

SC/M5/DP3: Grain Legumes and Dryland Cereals Agri-food Systems CGIAR Research Program

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

1. **Approved**, on the recommendation of the System Management Board, the Grain Legumes and Dryland Cereals proposal submitted on 3 August 2017, to be a strategic element to include in the CGIAR Research Portfolio 2017-2022 with effect from 1 January 2018, taking note of the desirability of flagship 2 being further strengthened.
2. **Noted** that indicative funding amounts to be provided from funds from the CGIAR Trust Fund for the approved proposal will be decided later in this meeting.

SC/M5/DP4: Adopting a strategic business cycle approach

The System Council **endorsed** a business planning cycle concept for the CGIAR System, with a proposed multi-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.

SC/M5/DP5: Results reporting

The System Council:

1. **Endorsed**, for the period 2017-2022, nine common results indicators comprising those set out in Table 1 of meeting document SC5-05 (titled CGIAR System-Level Results Reporting: Progress and Plans), and an additional indicator on partnerships (disaggregated between research and downstream delivery partnerships), to provide System-level aggregated reporting results.
2. **Endorsed** the concept of delivery of a CGIAR System Annual Performance Report to provide consolidated programmatic, financial and intellectual assets reporting for the 2017-2022 CGIAR Portfolio, requesting that the System Management Office develop a proposed template for this report for consideration at the Council's 6th meeting in May 2018.

SC/M5/DP6: An allocation strategy for the CGIAR System

The System Council:

1. **Endorsed** the allocation strategy set out in meeting paper SC5-06 (titled 'An allocation strategy for the CGIAR System');
2. **Approved** the allocation criteria domains and proposed information sources set out in Annex 1 to paper SC5-06; and
3. **Affirmed** that System Council allocation levels 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.

SC/M5/DP7: Funding Modalities

The System Council:

1. **Endorsed** the introduction of the process of within-cycle adjustments to CGIAR Research Programs (CRPs) and Platforms as set out in meeting document SC5-07 ('Improving System Financing Modalities') to enable CGIAR's research agenda to respond when relevant to an evolving environment, noting that any independent scientific review would follow existing regular practice, and that the System Council would be the final decision-maker on any major reduction in scope/dropping a flagship.
2. **Decided** 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.

SC/M5/DP8: 2018 System Entity Budgets

The System Council **approved** US\$13.87 million as the combined ceiling for 2018 System entity budgets with a work plan for the CGIAR System Organization and the System Internal Audit Function to be presented for electronic approval by the System Council by end-January 2018.

SC/M5/DP9: Flagship programs resubmitted in 2017 for W1&2 funding in 2018

The System Council **agreed** 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.

SC/M5/DP10: 2018 Portfolio Funding scenario

The System Council **approved** the following as the basis for building a funding scenario for the 2018 indicative W1/2 allocations for the CGIAR Portfolio of CRPs and Platforms:

- i. Indicative W1/2 funding of approximately \$180m;
- ii. GLDC would receive an indicative allocation of \$8.1m (prior to any general CRP/Platform funding reduction set out at item v. below), with FP2 receiving no W1/2 funding in 2018;
- iii. The returning 5 flagships receive an indicative allocation of \$6.5m, plus management and support costs of \$1.7m (prior to any general CRP/Platform funding reduction at item v. below);

- iv. A stretch funding target of 10% or \$18m¹; and
- v. CRP and Platforms (with the exception of Genebanks) reduction of approximately 2% on a pro rata basis.

SC/M5/DP11: 2018 Portfolio Funding scenario

The System Council **endorsed** the guiding principles set out in Part 4 of meeting paper SC5-09A ('Funding Allocations for 2018') as forming the basis of the development of the 2018 CGIAR Portfolio Financing Plan for CRPs and Platforms ('2018 FinPlan'), **taking note** that the 2018 FinPlan will be submitted for System Council approval on a no-objection basis on the recommendation of the System Management Board.

SC/M5/DP12: A System-wide Risk Management Framework

The System Council **approved** 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

SC/M5/DP13: Amending the CGIAR System Framework

Subject to subsequent approval of the System Management Board and the General Assembly, the System Council **amends** the CGIAR System Framework as follows:

- 8.2(a) an **Assurance Oversight Committee** ~~Audit and Risk Committee~~, with a majority of independent members, the purpose of which shall be to provide: The System Council with assurance of the completeness and effectiveness of the Internal Audit Function and the independence of external audit functions; a structured reporting line between internal and external auditors and the System Council; and oversight of system-wide governance, risk management and internal controls

~~6.1(j) Review findings and follow up emanating from the Internal Audit Function~~

¹ Programs encouraged to under-execute unless realized

Annex 2 - Meeting Participants

| |
|---|
| Meeting Leadership |
| Juergen Voegelé (System Council Chair) |
| Juan Lucas Restrepo Ibiza (Co-Chair) |

| System Council Voting Members | System Council Member Representatives | System Council Member Alternates & Other Delegation Members |
|--|--|---|
| AfDB represented by IFAD | Malu Ndavi* | |
| Australia | Melissa Wood* | |
| Bill & Melinda Gates Foundation | Tony Cavaliere | |
| Canada | Christophe Kadji* | Robert Hofstede |
| East Asia & Pacific (represented by China) | Dandan Huang* | Kaiyu Lyu |
| European Commission | Bernard Rey | |
| Germany and Belgium | Juergen Anthofer* | |
| Japan | Masa Iwanaga* | Masashi Takizawa; Shuhei Toriumi |
| Latin America and Caribbean | Juan Lucas Restrepo Ibiza <i>Served as Co-Chair of this meeting</i> | |
| Netherlands | Melle Leenstra | |
| Norway | Daniel van Gilst | |
| South Asia (represented by India) | Shri Chhabilendra Roul | |
| Sub-Saharan Africa (represented by Kenya) | Eliud Kireger* | |
| Sweden | Philip Chiverton | |
| Switzerland | Michel Evéquoz | |
| United Kingdom | Alan Tollervey | |
| USA | Rob Bertram | Eric Witte |
| West Asia & North Africa (represented by Turkey) | Nevzat Birişik | Merve Altan |
| World Bank | Michael Morris* | |

| Non-voting Ex-officio members | Member | Alternate |
|---|--|-----------|
| Chair, System Management Board | Marco Ferroni | |
| Executive Director, CGIAR System Organization | Elwyn Grainger-Jones | |
| Center Representative (Convener of the Chairs of Center Boards of Trustees) | Nicole Birrell | |
| FAO | Samy Gaiji* | |
| IFAD | <i>Representing AfDB at this meeting</i> | |

| Active Observers | Representative | Additional Delegate |
|------------------|-------------------------|---------------------|
| GFAR | Raffaele Maiorano* | Mark Holderness |
| IEA | Rachel Sauvinet-Bedouin | Sirkka Immonen |
| ISPC | Maggie Gill | Leslie Lipper |

*Indicates that the Member/Active Observer is being represented at the meeting by the alternate or a delegated representative.

| Invited attendees | Representative |
|--------------------------|-----------------------|
| France - Host Country | Bernard Hubert |
| Trustee | Darius Stangu |

| Additional participants | |
|--------------------------------|---|
| World Bank | Jonathan Wadsworth, Adviser, (Agriculture and Research) |
| CGIAR System Organization | Karmen Bennett, Head, Board and Council Relations |
| | Albin Hubscher, Head, Finance and Program Performance |
| | Andre Zandstra, Head, Funder and External Engagement |
| | Olwen Cussen, Board and Council Relations Associate |
| | Victoria Pezzi, Meetings and Events Associate |

| Apologies - System Council Voting Members |
|--|
|--|

| |
|--------|
| Mexico |
|--------|

| Apologies - Ex Officio Non-Voting Members |
|--|
|--|

| |
|--|
| Matthew Morell, Center Representative (Convener of the Directors General) |
|--|