INTERIM CHAIR'S SUMMARY
5th System Management Board Meeting
Bioversity HQ, Rome, Italy

Dear Board colleagues,
Dear Center Board of Trustee Chairs, Directors General and other colleagues,

To maintain the Board's practice of communicating key decisions and follow-up actions to all Centers at the earliest opportunity, under cover of this note I provide an early, high level summary of decisions taken and key follow-up actions agreed at the Board's 5th meeting, as hosted at Bioversity's headquarters in Rome on Tuesday 28 and Wednesday 29 March 2017 ('SMB5').

The Board were joined at this meeting by Matthew Morrell as Convener of the Directors General as an invited guest, in addition to Karen Brooks standing in for Victor Kommerell as as the active observer representative of the CRP Leaders. I thank them both for their thoughtful contributions to the Board's discussions, in addition to our ISPC and IEA colleagues.

My note has the following three parts (and some Annexes to each Appendix also included), with a short summary below to help with interpretation:

- Appendix 1 – Record of the five (5) formal decisions we took
- Appendix 2 – Listing of the thirteen (13) other actions that we will track
- Appendix 3 – Colleagues present at SMB5

Before briefly commenting on those decisions, I think its also very important to share the very positive feedback that everyone gave to Elwyn and his team for the work that they are all doing. The office is providing very good support to the Board, its working groups and the Audit and Risk Committee. Although the formal meeting summary will capture more of this input, I think it is very positive to share that the facilitating role that the office has taken on received very positive input from everyone present – and that is great news as we all work together for what will be again another very busy year for the System.

Now, to make a few introductory comments about the decisions and actions, but not a full record:

Appendix 1 – Decisions we took

As the decisions show, a lot of time was spent talking not only about what to do try to bring back into the CGIAR Portfolio prioritised, critical research from the former GLDC proposal, but also how we as a System are proposing to address the funding landscape for 2017 in what is

clearly a year that is pretty complex to predict for now. With our obligation as a Board to develop and approve a 2017 CGIAR Research Financing Plan ('FinPlan') we as a Board focused on what is in the best interests of the System and not a particular Center. I want to commend my Board colleagues for being very clear about that when they each spoke on the FinPlan that we as a Board have now adopted after much consultation also with Centers. Thanks to Elwyn and his team for their hard work to get to this point. What the 2017 FinPlan does, critically, is puts in a mechanism for what happens if funding falls short – and so it will be for the newly constituted SMB after 1 July to take careful watch on this.

With much appreciation for the work overseen by Eugene Terry, and led by Peter Matlon as Chair of the Independent Expert Panel on the key questions arising in respect of a possible future proposal on research from the from the former GLDC proposal, we as a Board also received the formal report of the Panel and their proposal on how to take things forward. The Board's decision records our clear support that we need the key questions back in the Portfolio, and that the SMB has an important role to issue the relevant call to make this work. There were however several additional strategic and technical considerations raised during the SMB5 meeting, that can help shape the program development work and the office is collating these for the relevant teams now, with the view to taking them up with the ICRISAT team and other colleagues. As a new piece of information, the question was raised in the System Council adhoc call on 30 March as to whether we as a System have the timing right, with Peter Matlon not being fully confident in that regard. Thus, on balance, the Board has stopped short of confirming the formal call to be issued on 7 April as originally planned, and we want to bring this back to our 18 April, 6th SMB meeting to discuss this further with all the timing information in hand.

I was also very pleased to hear from Board members, as well as our Active Observers – our CRP representative, the two funders, and IEA and ISPC express their appreciation for the approach taken by Elwyn to speak to, and even more importantly as we all know, listen to a wide range of voices in the System.

Many Center colleagues have been part of one of the Board's 7 adhoc working groups, convened at our first meeting in July 2016 to help get some things quickly moving as an interim step. All that hard effort enabled the Board at this past meeting to bring to an end those working groups that we don't as a Board now need (because there's some other way that work can be taken up), and also keep those that there's a recognised need to be in place for a few more months, or for Resource Mobilization, for the foreseeable future. The outcomes of the Board's decisions on the Working Groups is attached as Annex B of this Chair's Summary, and I take this opportunity to thank the Chairs and members of each of these groups for their very solid work to get our new System working so well over the past 9 months.

Appendix 2 – Actions we agreed

Following the discussions on key System-level risks at the General Assembly earlier this year, and by Chairs of the Audit Committees of each Center, work has been underway on consulting on an approach on a Risk Management Framework for the CGIAR System. Thank you to all those who responded to a survey and provided your Centers' materials; this means that we can

ensure that the Framework is built on what great practices already exist. The Audit and Risk Committee of this Board will do further thinking using these and come back to Center Audit Chairs for additional inputs in the coming weeks, with a view to the System Council having before it a possible first draft 'risk appetite' statement to test with Council members, all the while ensuring that this is being designed from the bottom up, and building/heavily relying upon what we already have in place and know works.

This meeting also afforded us an opportunity to do some strategic thinking on the challenges and opportunities for CGIAR in the coming weeks, months and years, and what questions and implications these raise for us to consider. We recorded an action to convene a group of 3-4 DGs and Board of Trustee representatives to do some thinking on these to inform further discussions, and invites Funders to join these conversations if they wish.

I heard from many at the General Assembly the importance of Resource Mobilization at the System-level and we heard from the working group and the System Management Office about their plans in that regard. We very much hope that after our 18 April SMB6 meeting, we will have a stronger message out to all the Centers in that regard.

Of course, this wasn't the full scope of our discussions – but I hope it gives a flavor of how hard the Board has been working in the interests of the System as a whole.

Finally, this meeting the last in-person session with the Board in its current configuration; it has been a privilege to serve in this role and my thanks go out to you all for your highly collegial and active support to the System Management Board in its first year of operation

Martin Kropff
Interim System Management Board Chair

Part A - Decisions we took

SMB/M5/DP1: Meeting Agenda – 5th Meeting, 28-29 March 2017

The Board **adopted** the Agenda (Document SMB5-01, Revision 1)

SMB/M5/DP2: Finalizing the Portfolio

Subject to further revision based upon inputs from the ad hoc call with System Council members on 30 March, the Board:

1) **endorsed** the overall recommendation that a single proposal to be developed to take up key, prioritised research that was included in the former GLDC proposal;

2) **adopted** the recommendation that ICRISAT take the lead on developing that proposal, taking up the key considerations outlined by the expert panel, and according to the guidelines for full proposals and review criteria dated 19 December 2015, against which ISPC will undertake its review; and

3) **emphasized** the need to ensure that there is a different and more innovative and prioritized process for program design, with the engagement of all the key stakeholders.

SMB/M5/DP3: Funding Our Work

The Board;

1) **endorsed** the approach that W1 would be allocated across all funding gaps between W2 and System Council indicative W1/2 allocations such that these are reduced by the same percentage amount until W1 funding is exhausted. This would aim to offer a middle ground between full and zero coverage of the gap with W1, thus creating some incentive for W2 fund-raising while partially helping reduce gaps for all CRPs (just at different rates); and

2) **approved** the 2017 CGIAR Research Financing Plan (2017 FinPlan), as amended to take into account the Board's endorsed position.

SMB/M5/DP4: Forming the Board's second Standing Committee on strategic/program topics

The Board **authorized** the Interim Chair of the System Management Board to form a nominations committee to identify the initial members of the Board's second Standing Committee taking into consideration the outcomes of the Centers' decisions on the voting members of the System Management Board from 1 July 2017.

SMB/M5/DP5: Adhoc System Management Board Working Groups

In respect of the Board's ad hoc working groups, the Board:

1) **Approved** an extension of the term of the Resource Mobilization Working Group, subject to the adoption of a revised Terms of Reference;

2) **Approved** an extension of the term of the Rules of Governance Working Group until 1 July 2017;

3) **Endorsed** the addition of Shenggen Fan as an additional member of the Rules of Governance Working Group;
4) **Approved** an extension of the term of the Working Group on CGIAR Country Collaboration until 30 June 2017; and
5) **Endorsed** the nature and direction of the new design and plan for CGIAR Country Collaboration.

SMB/M5/DP6: Internal Audit Unit Interim Charter

The Board **approved** the Interim Charter of the CGIAR IAU (dated 22 March 2017), for use in the period until the Internal Audit Function arrangements for the provision of assurance and advisory services to the System Council and the CGIAR System Organization are agreed between the System Council and the System Management Board, and then formally approved by the System Management Board.

Appendix 2 - Actions we agreed

Advisory bodies and mechanisms

SMB/M5/AP1 – System Council's ISPC and IEA
By 12 April 2017: The System Management Board members will provide any additional written inputs on the draft ISPC and IEA Terms of Reference to the System Management Office to contribute to ongoing System Council deliberations.

SMB/M5/AP2 – Strengthening knowledge of role of SPIA
By November 2017: SPIA be invited to make a presentation at an appropriate forthcoming System Management Board Meeting, to ensure that the work of this panel is better communicated to the Board.

Finalizing the Portfolio

SMB/M5/AP3 – Revising Flagship submissions – 5 flagships not receiving W1/2 funding in 2017
By 31 July 2017: Any of the five flagship programs interested in resubmission for consideration for W1/2 funding in 2018 are invited to prepare an addendum to the original proposal that updates the affected flagship program (and not to resubmit a full proposal). The Board's proposal is for the addenda to include strategies to expand the available resource base to finance the flagship from W1-2 rather than further dividing funding for other CRPs. The timetable for the resubmission process is set out in Annex A of this Chair's Summary.

Thinking about the way we work

SMB/M5/AP4 – CGIAR Strategic Reflections
In Q2 2017: A group of 3-4 DGs and Board of Trustee members will be convened by the Interim Board Chair to review the list of potential strategic reflections on emerging challenges and opportunities highlighted during the Board's discussions, and consider the questions and implications for CGIAR, and invite Funder representation on that group. The outputs of the group's reflections will inform future discussion on these by the System Management Board.

SMB/M5/AP5 – Representation of the CGIAR System
By end-April 2017: A register of all CGIAR System representation roles carried out and who currently carries out each role will be compiled and shared across Centers and used to inform ongoing collaboration, andalso facilitate future discussions on where CGIAR should be represented and by whom.

Funding our work

SMB/M5/AP6 – Resource Mobilization

By end-April 2017: Noting the ongoing work of the Resource Mobilization Working Group and subject to their revised Terms of Reference being developed, the System Management Office will support the development of Resource Mobilization tools and strategic activities, specifically the development of a revised CGIAR narrative (programmatic story) and of a short slide series showcasing CGIAR that can be provided to all Centers to use, to Funders and any other key stakeholders to ensure that they have the tools to talk about CGIAR. The potential use of a Dashboard tool to monitor activity and progress in this area will also be explored for consideration by the working group.

Platform and CRP Governance matters

SMB/M5/AP7 – Supporting the Board's taking stock of CRP governance arrangements in 2017

In Q2 2017: Centers will be requested to provide the Terms of Reference for each of the Independent Steering Committees/Advisory Committees of each CRP and Platform to feed into the System Management Board's taking stock of of CRP and Platform governance arrangements.

SMB/M5/AP8 – Board Orientation Program invitees

By September 2017: The Global Crop Diversity Trust Executive Board members will be invited to the 2017 Board Orientation Program to facilitate improved understanding of the CGIAR System and their governance responsibilities as Board Members of a Lead Center. Communication between the Interim Chair of the Board and the Chair of the GCDT Executive Board will also be facilitated.

SMB/M5/AP9 – Stronger engagement with the Global Crop Diversity Trust MOU

By end-April 2017: The System Management Office will ensure that the downstream agreement to be signed between the Global Crop Diversity Trust and the CGIAR System Organization includes a clause that addresses the assurance requirements typically required of a CGIAR Center in respect of risk management and internal audit matters..

Committees & Working Groups

SMB/M5/AP10: Handing over from *adhoc* Working Groups at end of term

By end April 2017: Concise 'end of term' notes will be prepared for each of the Working Groups whose activity will no longer continue to ensure effective handover of their mandates where applicable and to ensure that the outcomes and outputs are communicated to all Centers.

Risk and Assurance matters

SMB/M5/AP11 – End-2016 Center financial positions

By mid-April 2017: The Board to receive a report on the financial position of each Center at 31 December 2016 (and annually thereafter, by early April, recognizing that some reports may not be fully finalized, but key headline information should be available). For 2017, the Board will consider this information at their 6th meeting (virtual) on 18 April 2017.

SMB/M5/AP12 – Finalization of a 2017 Internal Audit Plan for Board approval

By early-April 2017: The Chair of the Audit and Risk Committee will facilitate consultation with Centers on the CGIAR IAU Audit Plan for 2017 to ensure that the intended focus on non-duplication of Center assurance work is made clearer. In addition, an explanatory document on audit and other independent review will be prepared to ensure that the purposes and responsibilities of each type of review or audit are clearly delineated.

Assessing performance

SMB/M5/AP13 – Board self-assessment

By end-May 2017: At the request of the Board, the Board and Council Relations Unit of the System Management Office will facilitate a Board self-assessment.

Appendix 3 – Meeting Participants

System Management Board Members	Capacity
Martin Kropff (Interim System Management Board Chair)	
Eugene Terry	Independent Member
Shenggen Fan	Voting Center Member
Gordon MacNeil	Voting Center Member
Bushra Malik	Voting Center Member
Jimmy Smith	Voting Center Member
Margret Thalwitz	Voting Center Member
Ann Tutwiler	Voting Center Member
Elwyn Grainger-Jones	Ex-officio Non-Voting Member
System Management Board Active Observers	**Capacity**
Eric Witte	Active Observer, System Council Member, USA
Tony Cavalieri	Active Observer, System Council Member, BMGF
Rachel Sauvinet-Bedouin	Active Observer, Head, IEA
Sirkka Immonen	Active Observer, Senior Evaluation Manager, IEA *(Participating Remotely, Agenda Items 7 & 10 only)*
Maggie Gill	Active Observer, ISPC Chair *(Participating Remotely, Agenda Item 2 only)*
Leslie Lipper	Active Observer, ISPC Executive Director
Karen Brooks	Active Observer, CRP Leaders' Representative
Apologies	
Catherine Bertini	Independent Member

Additional Observers and Invited Guests	Capacity
Matthew Morrell	Convenor of the Directors General
Hilary Wild	Co-Chair, CGIAR Center Audit Committee Chairs meeting *(Participating Remotely, Agenda Item 9 only)*
Karmen Bennett	Head of Board and Council Relations (System Management Board Secretary)
Olwen Cussen	Board and Council Relations Associate
Nadia Manning-Thomas	Board and Council Relations Manager *(Participating Remotely)*
Albin Hubscher	Head of Financial and Program Performance
Elise Perset	Head of Legal and Office Services *(Participating Remotely)*
Peter Gardiner	Senior Manager, Program Performance *(Participating Remotely, Agenda Items 2 & 5 only)*
Philippe Ellul	Senior Office, Program Performance, Co-Chair of MELCOP *(Participating Remotely, Agenda Item 5 only)*
Michelle Guertin	CIMMYT Senior Manager, Co-Chair of MELCOP *(Participating Remotely, Agenda Item 5 only)*
Pierre Pradal	CGIAR IAU Director *(Participating Remotely, Agenda Item 9 only)*

Annex A – Resubmission timetable for Flagship Programs not approved for W1-2 funding in 2017

Date Range	Description	Responsible party
January-July 2017	• CRPs accustoming themselves to new CRP working • Prepare revised proposal	CRP management
31 July 2017	• Submission of revised CRPs/FPs	CRP management
August 2017	• Peer review of revised CRP/FP proposals	ISPC
September 2017 (at ISPC meeting)	• CRP Leaders or FP Leaders present updated FPs to ISPC	CRPs with FP Leaders for ISPC review
October 2017	• Written recommendations on FPs provided	ISPC
November 2017	• Decision on funding for the whole portfolio 2018	SC

Annex B – Resubmission timetable for Flagship Programs not approved for W1-2 funding in 2017

NO.	WORKING GROUP	OUTCOMES FROM SMB5 on WAY FORWARD FOR AD HOC WORKING GROUPS
1	**Resource Mobilization**	Outcome: Given that resource mobilization is essential for the system, the **Board agreed that the Resource Mobilization Working Group should continue as an ad hoc Working Group of the Board, with revised Terms of Reference** to clarify its activities moving forward and the roles and relationships between the Working Group, the Resource Mobilization Community of Practice and the System Management Office.
2	**Rules of Governance**	Outcome: **The Board agreed that the Rules of Governance Working Group should continue until 1 July 2017 with Margret Thalwitz as the Chair**, which can be reviewed when the new Board begins its term. The Board expressed a clear role for this group in providing continued guidance on parts of the Charter that may need careful interpretation or elaboration in supporting the Board and the System. The Board agreed that the Working Group would benefit from the addition of a Center Director General member and endorsed the proposed membership of Shenggen Fan.
3	**Cost Sharing for Host Centers**	Outcome: In appreciation of the work carried out by the Working Group on Cost Sharing for Host Centers, **the Board agreed that any further work required in this area would be undertaken by the Audit and Risk Committee ('ARC')**- Standing Committee of the System Management, including its incorporation in the **risk management framework** being developed.
4	**Funding System Actions and Entities**	Outcome: **The Board agreed that the Working Group on Funding System Actions and Entities would stop at the 31 March end of term date and work in this area would be continued by the Audit and Risk Committee ('ARC')**. The ARC were asked by the Board to <u>ensure that it appropriately consults with the Director Generals</u> particularly on system entity costs.
5	**CGIAR Country Collaboration**	Outcome: **The Board approved an extension of the term of the Working Group on CGIAR Country Collaboration until 30 June 2017** to support the implementation of a plan for improved design and implementation of CGIAR Country Collaboration. The Board indicated strong endorsement for the nature and direction of the new design and plan for CGIAR Country Collaboration.
6	**Genetic Resources**	Outcome: **The Board agreed that no Working Group on Positioning and engagement on Genetic Resources was needed**.
7	**Research from the former GLDC proposal**	Outcome: **The Board agreed that the Working Group on Research from the former GLDC proposal would end on 31 March 2017 and further work in this area would be supported by the System Management Office with oversight by the Board.**