

## Meeting Summary 6<sup>th</sup> System Management Board Meeting

### Purpose:

Subsequent to the issue of the Interim Chair's Summary dated 25 April 2017<sup>1</sup>, this document presents the formal Meeting Summary of the 6<sup>th</sup> meeting of the System Management Board ("Board") held virtually on Tuesday 18 April 2017 at 15:00-17:00 Paris time.

By way of overview (as set out in the Interim Chair's summary):

- **Decisions and Actions:** The Board took 2 decisions during its meeting, a compendium of which are set out Annex 1 for ease of reference
- **Participants:** Annex 2 sets out a list of meeting participants.

This Meeting Summary was approved by the System Management Board by electronic decision, with effect from Monday 19 June 2017. (SMB/M6/EDP3)

Prepared by: System Management Office

### **Distribution notice:**

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<sup>1</sup> At: [http://www.cgiar.org/wp-content/uploads/2017/04/SMB6-05\\_InterimChairsSummary\\_25Apr2017.pdf](http://www.cgiar.org/wp-content/uploads/2017/04/SMB6-05_InterimChairsSummary_25Apr2017.pdf)

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## Agenda Item 1 – Opening

1. The Interim Chair, Martin Kropff, opened the meeting. A quorum was present.
2. The Interim Chair tabled the Provisional Agenda and invited comments and additional matters for discussion. Noting that the IEA final evaluation reports on Genebanks and on Gender in CGIAR had been shared in advance of the meeting, it was proposed that the Board consider the timetable for development of the appropriate management responses and the timescales for these to come before the Board for endorsement.
3. **Decision SMB/M6/DP1:** The Board adopted the Agenda (Document SMB6-01, Revision 1).
4. The Interim Chair noted that declarations of interest from meeting attendees had been sought in advance of the meeting, with no specific additional interests relating to the agenda raised. It was confirmed that a register of interests declared is available via the Diligent Board tool.

## Agenda Item 2 – Financial Matters

5. The Chair of the Board's Audit and Risk Committee ('ARC'), apprised the Board of the key outcomes of the ARC's virtual meeting, held on 13 April 2017. It was confirmed that:
6. **Regarding Center financial positions:**
  - a. Summary information on the financial position of Centers had been discussed by the ARC, noting that information provided is in line with existing financial guidelines, with the exception of two Centers whose reserve levels are below the recommended threshold'
  - b. The two Centers with reserves below the advised number of days of operation had both provided the clear reasons for this and plans to rebuild reserve levels; and
  - c. The ARC had considered the question as to when it should be the System Management Board that signals a concern regarding Center financial health rather than wait for it to come up from a Center.
7. **Regarding the 2016 Audited Financial Statements of the CGIAR System Organization:**
  - a. The ARC reported an unqualified external audit of the CGIAR System Organization, highlighting the external auditor's observation that there had been an improvement in overall control activities;
  - b. The Committee's review included an in-camera session with the external auditors to discuss any queries or issues directly; and subsequent to this;
  - c. The ARC recommended that the Board approve the CGIAR System Organization Audited Financial Statements for the year ended 31 December 2016.

8. In the discussion that followed, it was raised that:
  - a. When considering a possible dashboard on financial health, it might also be an appropriate time to review whether the indicators being used are the most appropriate ones;
  - b. That context is required when considering small Center deficits and the practice of balancing these using reserves; and
  - c. The importance of separating the operational result and result such that unusual gains/losses caused by one event do not distort the operational picture.
9. **Action Point SMB/M6/AP1: By late 2017:** The System Management Board will reflect on whether there is a need to revise the current financial indicators to assess Center financial health, and whether a dashboard tool could be developed to facilitate oversight of potential emerging issues.
10. **Decision SMB/M6/DP2:** The Board approved the CGIAR System Organization Audited Financial Statements for the year ended 31 December 2016.

### Agenda Item 3 – Framing Strategic Inputs on System Council 4<sup>th</sup> Meeting

11. The Head of Board and Council Relations outlined the key matters due to come before the System Council at their 4<sup>th</sup> meeting on 10-11 May 2017, confirming that the Board and Centers will be represented at that meeting by the Interim Chair, the Executive Director, and Nicole Birrell and Matthew Morell as Centers' Representatives. It was advised that the Board's inputs are sought on two topics in particular; the funding modalities options paper that outlines potential ways to strengthen CGIAR's funding model, and on questions raised on a future proposal for research from the former GLDC proposal and the timescales around taking that forward.

#### *Review of Funding Modalities paper*

12. The Executive Director informed the Board on how thinking on the funding modalities scoping exercise had evolved since the Board's 5<sup>th</sup> meeting following further conversations with Center colleagues and Funders. He emphasized that the paper intended to present several options for consideration without issuing a recommendation at this time, and invited the Board's inputs, with the following key points being raised:
  - a. It was recognized that the development of ideas presented in the paper offered new openings for discussions compared to previous approaches to this topic;
  - b. It was recommended that the goal of any stabilization fund proposed would be to have a predictable guarantee of funding, even at a lower level, at the beginning of a year, rather than a 'top-up' at the end, noting that having guarantees of funding at a lower level would be a preferable situation to uncertainty throughout the year;
  - c. It was suggested that Funder feedback on the options presented would be required before any further development, and that a better aim at this stage

- would be to maintain existing funding levels rather than expecting change in Funder behavior while finalization of governance changes from the 2016 reform process is still ongoing;
- d. It was raised that Funders' questions on how to identify what outcomes are being obtained from Window 1 investments are still unresolved;
  - e. A Board Member noted that the paper would benefit from focusing also on longer-term projections, as well as on existing donors, highlighting that a small number of Funders contribute a large share of CGIAR's funding at present and that it would be beneficial to look at how any future model could better serve a more diversified funding base; and
  - f. It was commented that the paper provides a useful basis for informing conversations on the potential emerging trend for more targeted funding, particularly of ODA-type funding, and the need to link this to outcomes of the forthcoming discussion at the System Council on what strategic direction CGIAR might take.
13. Summarizing, the Interim Chair noted broad agreement on the strategy of presenting a wide range of potential options including possible short-term actions, areas which could be worked on in the medium-term, and those that could bring longer-term positive change. It was proposed to assist the System Council in framing their discussion by including some introductory remarks on the impact of current funding patterns on System financial performance and stability, and emphasizing that what is being presented is not a further wave of reform but rather part of an ongoing evolution and continuous improvement of the business model.

*Research from the former GLDC proposal<sup>2</sup>*

14. The Board heard a summary of the key recommendations of the final report of the Expert Panel convened by the Board and chaired by Peter Matlon, including reflections shared by the System Council during their 30 March 2017 adhoc call. The Board were asked to consider what additional guidance should be provided to the Center identified as best-placed to lead the proposal development, ICRISAT, with the following reflections being shared:
- a. That engagement with other CGIAR Centers and with other external partners during proposal development should be strongly encouraged;
  - b. That there should be an emphasis on resilience in the broader sense of the term, and not only on productivity;
  - c. That the Board will need to consider what mechanisms could be put in place for the crops and regions not included in the recommendations of the Expert Panel's Report, noting the strong guidance given in the report and previously by the System Council on prioritization;

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<sup>2</sup> Margret Thalwitz, Chair of the Board of Trustees of ICARDA, recused herself from decision making on this topic.

- d. That, drawing on lessons learned from the previous resubmission process, time should be taken early in the process to ensure that the timetable for submission and a proposal of priority-setting is carried out prior to the formal call being issued; and
  - e. That additional feedback from CGIAR's Funders during the forthcoming System Council meeting on 10-11 May 2017 would be shared directly following that meeting to inform the final text of the call for proposals; and would also help to inform the Board's considerations on crops and areas outside the call, noting Funder interest expressed in supporting these.
15. **Action Point SMB/M6/AP2: By end-May 2017:** Prior to a formal call for proposal being made, the System Management Board will invite ICRISAT to consider how the substantial design and prioritization work identified in the Expert Panel report will be carried out and on the balance between proposal design and activities of the program, and then present a timetable for the development of a new high quality proposal, to be reviewed and confirmed by the Board.

#### Agenda Item 4 – Taking stock of CRP and Platform governance arrangements

16. The Executive Director presented an overview of the proposed timetable of activities to take stock of CRP Governance arrangements by end-September 2017 and subsequently prepare a proposal for Board review in late-2017. Board members were invited to provide any additional inputs on the proposed timetable and process to the System Management Office by the end of April.
17. **Action Point SMB/M6/AP3: By end-Q3 2017:** The System Management Office was requested to move forward with the proposed activities for taking stock of CRP and Platform governance arrangements in consultation with the key stakeholders identified in the proposed plan (document SMB6-04).

#### Agenda Item 5 – Any Other Business

18. The Interim Chair introduced a discussion on the process of preparing Management Responses to the two final reports delivered by CGIAR's Independent Evaluation Arrangement on the Evaluation of Gender in CGIAR (10 April 2017) and the Evaluation of the Genebanks CRP (14 April 2017), as shared with the Board on 14 April 2017.
19. In order to facilitate the collaboration required in the development of management responses, it was confirmed that the report on the Evaluation of the Genebanks CRP had also been shared with the Crop Trust, and that it was planned to reach out to the relevant CRP Leaders, the Human Resources Community of Practice as part of coordinating the appropriate inputs to each response.
20. It was proposed that to enable the required prioritization of the reports' recommendations and cross-cutting consultation to take place and for the

evaluations' outputs to be appropriately digested and utilized, that the Board request that the relevant responses be made available by 5 June 2017, and not the early-May dates originally proposed.

21. **Action Point SMB/M6/AP4: By end-April 2017:** The System Management Board requested that the System Management Office liaise with the Independent Evaluation Arrangement including on timings to ensure that the evaluation reports and materials can be fully reviewed and that a consultative drafting and approval process of the required Management Responses can take place.
22. The Board met in Closed Session with no Active Observers or other participants present.
23. No other business being raised, the Interim Chair thanked meeting participants and closed the meeting.

Annex 1: Compendium - Decisions at 6<sup>th</sup> System Management Board meeting

SMB/M6/DP1: Meeting Agenda – 6<sup>th</sup> Meeting, 18 April 2017

The Board **adopted** the Agenda (Document SMB6-01, Revision 1)

SMB/M6/DP2: Financial Statements for the year ended 31 December 2016

The Board **approved** the CGIAR System Organization Audited Financial Statements for the year ended 31 December 2016.



## Annex 2: List of Meeting Participants

<b>Members and Observers</b>	
<b>Name</b>	<b>Role</b>
Martin Kropff	Interim Chair
Catherine Bertini	Voting Member
Shenggen Fan	Voting Member
Gordon MacNeil	Voting Member
Bushra Malik	Voting Member (Agenda items 1 and 2)
Jimmy Smith	Voting Member
Eugene Terry	Voting Member
Margret Thalwitz	Voting Member
Elwyn Grainger-Jones	Ex-officio non-voting Member
Tony Cavalieri	Active Observer (System Council representative, BMGF)
Eric Witte	Active Observer (System Council representative, USA)
Victor Kommerell	Active Observer (CRP Leaders' representative)
<b>Invited Guests and Meeting Support</b>	
<b>Name</b>	<b>Role</b>
Nicole Birrell	Convener of the Center Board Chairs
Karmen Bennett	Head, Board and Council Relations (System Management Office)
Albin Hubscher	Head, Financial and Program Performance (System Management Office)
Elise Perset	Head, Legal and Office Services (System Management Office)
Peter Gardiner	Senior Manager, Program Performance (System Management Office)
Nadia Manning-Thomas	Board and Council Relations Manager (System Management Office)
Olwen Cussen	Board and Council Relations Associate (System Management Office)
<b>Apologies</b>	
<b>Name</b>	<b>Role</b>
Ann Tutwiler	Voting Member
Rachel Sauvinet-Bedouin	Active Observer (Head, IEA)
Maggie Gill	Active Observer (ISPC Chair)