

System Management Board 8th Meeting
11 – 12 December 2017, Washington, D.C

Summary of Decisions and Actions

Purpose

In advance of circulation of a Chair's Summary of the System Management Board's 8th meeting and the half-day retreat that preceded the Board's formal business meeting¹, this document sets out the formal **decisions taken**, and **key actions agreed** during the Board's business meeting over 11-12 December 2017.

Document status - Working Document of the System Management Board.
There are no restrictions on circulation of this document.

Prepared by: System Management Office

¹ The Retreat part of the Board's meeting focused primarily on the approach that the Board believed would be important to take regarding the 'medium term horizon matters' (2018) listed in Part B of the Interim Chair's Summary of the Retreat, as shared with Center Board Chairs and Directors General on 31 August 2017

SMB8 Business Meeting – Decisions taken and Actions Agreed.

Items are identified as being either a **decision** (*) or **action** (**) under the relevant Agenda item for ease of review, with not all Agenda items involving a formal decision and/or action.

Agenda item 1 – Opening of the 8th meeting

* Decision: SMB/M8/DP1: Meeting Agenda – 7th Meeting

The Board **adopted** the meeting Agenda (SMB8-01, 11 December 2017).²

Agenda item 2 – Center and System financial matters

** Action: SMB/M8/AP1: Revisiting indicators to consider Centers' financial health

Taking account of the System Management Board's fiduciary responsibility under the *Charter of the CGIAR System Organization*, the System Management Office and the Center Corporate Service Executives are requested to develop during 2018 a revised set of Center financial health indicators building on the work set out in meeting document SMB8-02C, such work to explore fully how the revised indicator set can underpinned by timely data so as to provide a more effective basis for Centers' and System Management Board review of the financial health of the System.

Agenda item 3 – CGIAR System 2018 Resource Mobilization Strategy

* Decision: SMB/M8/DP1A: 2018 Resource Mobilization Work Plan³

The Board **endorsed** the overall direction of the 2018/2019 CGIAR Resource Mobilization Work Plan (document SMB8-09A), recommending that as the System Management Office moves forward with implementation of the work plan, the following are addressed:

1. Provide greater definition of the objectives of resource mobilization actions, particularly articulating the nature of those efforts targeted at the System level to clarify the respective roles of CGIAR entities in the various activities;
2. Outline further details on the level of investment and instruments to be applied to resource mobilization efforts with existing compared to potential new Funders to the System; and
3. Further prioritization of resource mobilization efforts where possible.

² To facilitate ease of reference against the adopted meeting Agenda, this Summary groups both decisions and actions by agenda item number, with the forthcoming Chair's summary intended to provide additional context. Materials considered by the Board, unless preliminary working drafts, will be available on the SMB's CGIAR Website page by not later than 22 December 2018, taking note of the re-arranged agenda prior to its adoption.

³ This decision was omitted from the 19 December 2017 version, and is not included for a complete record.

**** Action:** [SMB/M8/AP2: Delivering a CGIAR Narrative](#)

Noting the strong progress to date on developing a 'CGIAR Narrative', the System Management Office was requested to coordinate a further round of consultations, with a focus on the results area, in advance of finalization so as to provide a common narrative from which other more specialized products can be developed.

Agenda item 4 – System Management Office 2018 Workplan

*** Decision:** [SMB/M8/DP2: System Management Office Workplan 2018](#)

The Board **endorsed** the 2018 Workplan for the System Management Office (meeting document (SMB8-10).

Agenda item 5 – Discussion with the Crop Trust Leadership

A summary of the discussions under this topic will be provided in the Chair's summary, based upon a detailed presentation shared by the Crop Trust during this session.

Agenda item 6 – Program initiatives for strategic consideration

**** Action:** [SMB/M8/AP3: Taking forward strategic program initiatives](#)

The Board requested that the following activities be undertaken to progress selected program initiatives in support of the strategic agenda:

- a. **On the multi funder initiative on climate, pest and disease resistant nutritious crops to end hunger by 2030** (meeting document SMB8-7A) – The Board supported this initiative, noting that a common aspiration is to utilize the existing Portfolio structure and decision-making processes. The Board encouraged the ongoing engagement with the Funder group to establish prioritization of required activities and recognized the need to maintain the momentum. The Chair of the Board undertook to stay in close contact with the relevant Funders to aid alignment and prioritization of the new initiative.
- b. **On research on common bean** – The Board supported the inclusion of beans in the 2017-2022 Research Portfolio, and requested that (i) CIAT develop a proposal for a common bean flagship research program; and that (ii) the System Management Office lead consultation and engagement among Centers, relevant programs and the ISPC, to develop a proposal for the optimum location of that work. The Board confirmed that the shared intention was for the Board to be able to recommend the relevant proposal to the System Council's 6th meeting in May 2018 for inclusion in the Portfolio.
- c. **On the West Asia and North Africa (WANA) regional initiative** – The Board proposed that an inventory of existing CGIAR regional activities undertaken by Centers (whether currently within or outside of the CGIAR 2017-2022 Portfolio) be developed during the first half of 2018 to identify existing and potential new activities in the WANA Region that could support an effort led by regional partners.

Agenda item 7 – Follow up from 2017 Evaluations

* [Decision: SMB/M8/DP3: System Management Board commentaries](#)

Pursuant to Article 8.1(tt) of the *Charter of the CGIAR System Organization*, the Board **endorsed** commentaries on the following independent evaluations and reviews for submission to the System Council:

- a. Evaluation of Partnerships in CGIAR – October 2017 (SMB8-04D)
- b. Evaluation of Capacity Development Activities of CGIAR – October 2017 (SMB8-04E)
- c. Review of CGIAR Intellectual Assets Principles – October 2017 (SMB8-08A)

* [Decision: SMB/M8/DP4: System Management Board Gender Champion](#)

The Board **appointed** Geoff Hawtin as the System Management Board's Gender Champion in response to the April 2017 Evaluation of Gender in CGIAR, and requested that he develop recommendations on the scope and areas of focus of the role and potential strategies to advance gender and broader diversity matters in the CGIAR System.

* [Decision: SMB/M8/DP5: Building evaluation recommendations into CGIAR's multi-year strategic business cycle](#)

The Board **endorsed** the proposal to strategically incorporate evaluation recommendations relevant to the Board's mandate into the multi-year business cycle under development by the System Management Office.

Agenda item 8 – CGIAR Portfolio Allocations: 2017 outcomes and 2018 plan

* [Decision: SMB/M8/DP6: 2018 CGIAR Portfolio Financing Plan \('2018 FinPlan'\)](#)

The Board:

1. **Endorsed** the 2018 CGIAR Portfolio Financing Plan ('2018 FinPlan') (meeting document SMB8-06) for submission to the System Council for approval, subject to a minor clarification in language in paragraph 12; and
2. **Took note** that should the System receive any additional 2017 Window 1 financial contributions beyond 2017 FinPlan expectations, such additional funds would deliver a positive benefit for the 2018 FinPlan, which would require flexibility being included in the 2018 FinPlan that is presented to the System Council for approval on an electronic no-objection basis in line with decisions taken by the System Council at its 5th meeting.

Agenda item 9 – Intellectual Assets matters

* [Decision: SMB/M8/DP7: 2016 CGIAR Intellectual Assets Management Report](#)

The Board **approved** the 2016 CGIAR Intellectual Assets Management Report (SMB8-08C).

Agenda item 10 – Taking stock of CRP Governance arrangements

** [Action](#): SMB/M8/AP4: [Enhancing transparency and operational efficiencies for CRP governance and management](#)

Taking note of the material shared in meeting document SMB8-3A, the Board supported the following actions being taken by the System Management Office during 2018:

- a. Collaborate with Center and CRP leadership to develop revised guidelines on the implementation of CRP and Platform governance and management, to: (i) move away from a ‘one-size-fits all’ approach; (ii) enhance transparency on financial flows; and (iii) provide improved information on mitigating conflicts of interest issues, each measure being designed to better support the achievement of good-governance principles;
- b. Provide support to CRPs and Platforms to ensure that the Terms of Reference for, and membership of, the respective governance and management bodies are publicly available and thus accessible by all stakeholders involved in those CRPs and Platforms; and
- c. Work with the leadership of CRPs and Platforms to gather information on stakeholder experiences in CRP and Platform governance and management processes, through surveys or other appropriate tools, that facilitate collated information being shared with the Board on an annual basis.

Agenda item 11 – Matters for decision drawing on CGIAR System development processes

* [Decision](#): SMB/M8/DP8: [IFRS Compliant CGIAR Financial Reporting Guidelines](#)

The Board **approved** the IFRS Compliant CGIAR Financial Reporting Guidelines (SMB8-02G) to replace the CGIAR Accounting Policies and Reporting Practices Manual, Financial Guidelines series, No. 2., noting that the opportunity exists to reach consensus on areas where there are currently differences in practice, to better facilitate comparable financial reporting across the System.

* [Decision](#): SMB/M8/DP9: [CGIAR System Risk Management and Internal Audit matters](#)

The Board **approved**:

- a. Based on the System Council’s November 2017 approval of a Risk Management Framework of the CGIAR System, the Risk Management Guidelines of the CGIAR System (meeting document SMB8-11C); and
- b. Pursuant to Article 8.1(i) of the *Charter of the CGIAR System Organization*, the Terms of Reference for, and the process for fulfilling the CGIAR System Internal Audit Function (meeting document SMB8-11D).

* [Decision: SMB/M8/DP10: Amending the CGIAR System Framework](#)

Subject to subsequent approval of the General Assembly of the Centers, the Board **endorsed** the System Council's 10 November 2017 decision to amend the CGIAR System Framework as indicated in the following extracted Articles to strengthen clarity in the role of the System Council regarding oversight of internal audit matters:

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~~

* [Decision: SMB/M8/DP11: Framework for Executive Director Assessment](#)

The Board **endorsed** an assessment approach of the Executive Director to commence in January 2018 for the 2017 performance year (meeting document SMB8-12A).

* [Decision: SMB/M8/DP12: Framework for System Management Board self-assessment](#)

The Board **endorsed** a self-assessment process for the Board for the period July 2017-June 2018 as set out in meeting document SMB8-12B, and requested that the Chair of the Board's adhoc Rules of Governance Working Group support implementation of the Board's decision.

Agenda item 12 – Board operational matters

* [Decision: SMB/M8/DP13: Membership of Audit and Risk Committee](#)

The Board **ratified** the continuing appointment of the following persons as members of its Audit and Risk Committee to serve in their personal capacity and in good faith in the interests of the CGIAR System:

- a. Gordon MacNeil, SMB member, until 30 June 2018 or until a successor is appointed;
- b. Eugene Terry, an independent member, until 31 March 2018 or until a successor is appointed;
- c. Bushra Naz-Malik, a Center Board of Trustee member, until 31 March 2018 or until a successor is appointed; and
- d. Bob Semple, a Center Board of Trustee member, until 31 March 2018 or until a successor is appointed.

** [Action: SMB/M8/AP5: Reviewing the membership of the Audit and Risk Committee](#)
The System Management Office will develop a proposed process for the rotation of the membership of the System Management Board's Audit and Risk Committee, such proposal to be tabled by not later than the Board's 9th meeting.

** [Action: SMB/M8/AP6: Independent members of the Audit and Risk Committee](#)
The System Management Office will prepare an amendment to the Terms of Reference of the System Management Board's Audit and Risk Committee to remove the requirement that an independent member of the Board must be appointed by the Board as one of the members of that committee, with such future appointment being made based on technical experience, rather than institutional mandate.

* [Decision: SMB/M8/DP14: Adhoc working group on the Rules of Governance](#)

In respect of the Board's adhoc Rules of Governance Working Group formed in July 2016, the Board:

1. **Approved** an extension of its term and role until 31 December 2018; and
2. **Requested** that the group's membership be reconfirmed, bringing a proposal to the Board for approval if there is a proposed change in any of the group's 6 members.

* [Decision: SMB/M8/DP15: Strategic Impact, Monitoring and Evaluation Standing Committee](#)

The Board **agreed** that the full Board will deliver on the stated purpose of the Strategic Impact, Monitoring and Evaluation Standing Committee of the Board set out in Article 9.11(b) of the Charter of the System Organization.