

Chair's Summary¹
14th System Management Board Meeting

**Dear Board Members and Active Observers,
Dear Center Board of Trustees Chairs, Directors General and other colleagues,**

The System Management Board ('the Board') came together in Rome on 3 October 2019 for its second in-person meeting of 2019. The meeting immediately followed a retreat of the System Reference Group on 1-2 October, in which Board members participated alongside Funder representatives². We were consequently able to reflect on the very productive discussions held during that retreat, in addition to considering our agreed agenda.

This meeting had important element to it. It marked the day on which we potentially crossed into new territory, by discussing for the first time as a governing body what our future role and responsibilities might be for directing and overseeing the move to One CGIAR pursuant to draft recommendations being developed by the System Reference Group for possible endorsement at the System Council's November 2019 meeting.

We greatly appreciated the hospitality provided by Bioversity International, whose Director General, Juan Lucas Restrepo, helped set a positive tone for the meeting by sharing some of the insights he has gained from his first-hand experience in helping to create the Alliance of Bioversity International and CIAT. This stimulated discussion on a range of important themes with direct relevance for the transition to One CGIAR, such as inclusiveness, transparency, trust-building, fostering buy-in, project management, resource management and communication with stakeholders.

We discussed several initiatives that, though not directly related to the potential change process currently under discussion, nonetheless prove timely in that context and embody the intent of One CGIAR. **Foremost in this respect was our decision to formally recommend a proposal to the System Council for a platform on gender equality in food systems research that will provide global leadership on strategic gender and inclusion research in agriculture, with contributions across CGIAR.** This is a significant step forward in putting this important issue prominently on the map once and for all, giving it the focus and attention needed to ensure it stays there.

More detailed information follows this Chair's overview, but in summary, during the day's discussions, the Board also:

¹ Prepared pursuant to Article 9.2 of the [Rules of Procedure](#) of the System Management Board.

² Composition of the [System Reference Group](#).

- **Expressed support** for the **CGIAR financial reporting dashboards** and making them accessible to a wider range of stakeholders.
- **Endorsed** the **CGIAR Performance Report for 2018** for release and presentation to the System Council and **endorsed a clarification on the information flows and roles regarding the 2019 Pilot Assessment** of the 2019-2021 CGIAR Program Performance Standards.
- **Endorsed** the **CGIAR Financial Report for 2018** for submission to the System Council.
- **Approved** application procedures and progress reporting standards for the **Window 1 Special Alliance Fund**.
- **Endorsed** the assessment criteria for the CGIAR's Program Performance Standards 2019-2021 - namely the **Financial Management Standard assessment criteria**.
- **Endorsed** the **CGIAR Ethics Framework** for presentation to the System Council for approval.

In addition to this our core business, we also took the time to start to explore the possible next steps should the System Council endorse the System Reference Group's emerging recommendations, and in turn, the relevant decision-makers approve those matters that fall within their respective decision-making domains. In that clearly understood context of no decisions having yet been taken, the Board:

- Recognized the importance of **active communication with a range of stakeholders on steps being taken towards One CGIAR**, and of working collaboratively to articulate related messaging.
- Expressed its support for the final **System Reference Group recommendations coming back** to the Board **for formal endorsement**, prior to submission to the System Council.
- Agreed to propose to the General Assembly of Centers the value of including Funder representatives in any **future nominations process for 'one CGIAR Common Board' members**, should the System Reference Group recommendations receive System Council endorsement.

As always, I encourage colleagues to share this summary broadly across Center Boards of Trustees/Governing Boards and Center management for the work of the System Management Board to be transparently known.

Sincerely
 Marco Ferroni
 Chair, System Management Board

SMB14 - Selected key inputs and decisions and action points agreed

Agenda Item 1: Meeting opening

1. A quorum was present, and a register of declared interests was noted. Board participants were reminded of the requirement to disclose new potential conflicts of interest arising during the day's discussions, if any.
2. **Decision: SMB/M14/DP1:** The System Management Board adopted the Agenda (meeting document SMB14-01, issued on 5 September 2019).

Agenda Item 2: System Reference Group Messaging/ Communications

3. The Board heard from Juan Lucas Restrepo, who shared some insights, based on his experiences from the formation of the Alliance of Bioversity International and CIAT.
4. Subsequent discussion focused on a range of topics, including:
 - a. The merits of a partnership agreement, as the basis for fairly determining respective benefits and responsibilities of each party in the alliance;
 - b. The need to systematically work through transition requirements relating to policy, process and organizational architecture in a professional and transparent way;
 - c. The value of building a dedicated change management team, using staff to the extent possible, relying on external consultants only to fill gaps, or provide specific technical expertise; and
 - d. The importance of ensuring the transition does not negatively impact science work.
5. In response to the Chair's request for comments by way of follow up to the two-day System Reference Group retreat on 1-2 October 2019, discussion focused on a range of topics, including:
 - a. The importance of clear two-way communication via diverse platforms with key constituencies - including scientists, other staff at all levels, host countries and partners - relating to the changes underway (providing historical as well as forward-looking details) and emphasizing the benefits they will bring;
 - b. The merits of a decentralized approach³, establishing System Organization and Center-based teams to manage communications and other aspects relating to the possible change process;
 - c. The potential for temporary redeployments, including to the System Organization, which should be appropriately recognized and funded; and
 - d. The importance of 'backfilling' day-to-day responsibilities of those staff from Centers who are allocated to such teams and providing funding for that support.

³ For information, see also: [The Third Industrial Revolution](#) by Jeremy Rifkin.

6. The Executive Director provided an update on progress against the System Management Office 2019-2021 Workplan.
7. **Agreed position:** The System Management Board called for active communication on the System Reference Group process with groups across the System and supported the engagement with Centers, particularly through the various Communities of Practice which provide an important avenue for listening to the views of key stakeholders, as well as sharing messaging. Such communication should take place according to a plan that recognizes the need for sequenced communication with different groups using common materials.

Agenda Item 3: Managing Change

8. The Board heard a presentation by Clarissa van Heerden, the Independent Chair of the Board's Audit and Risk Committee, which built on discussions of the committee at its virtual meeting of 16 September 2019.
9. Subsequent discussion focused on a range of topics, including:
 - a. The need for transition project planning that includes identification of progress measurement criteria and recognizes the need to 'prepare for the unexpected';
 - b. The need to integrate change management into day-to-day operations, ensuring that priority-setting takes account of both;
 - c. The importance of inclusive, two-way communication with staff at all levels, moving them from awareness via understanding and acceptance through to commitment;
 - d. The need to recognize culture as the most critical success factor in the reorganization;
 - e. The value of cross-functional, multi-disciplinary project teams involving staff at different levels within Centers, as well as in a System Organization project management office, if one is formed; and
 - f. The potential for identifying individuals within Centers as focal points to coordinate change management issues in support of the Director General.
10. Discussion also covered the importance of risk management, including:
 - a. The potential advisability of maintaining and leveraging the existing Center audit committees as independent sounding boards on key opportunity and risk issues during the transition phase, once a Common Board is established;
 - b. The need to assess risks, test related assumptions and determine implications from a change perspective; and
 - c. The benefit of a consolidated, high-level System-level register of transition phase risks, based on a simple, standard template to facilitate related input by reference to four layers of risk (strategy and policy; institutional processes and resource allocation; program management, coordination and oversight; and operational delivery).

11. Karmen Bennett spoke to an indicative working draft timeline for the System Reference Group recommendation to establish a One CGIAR Common Board. The indicative timeline included key decision moments for the System Reference Group recommended governance changes to eventuate, as well as arising changes to board and committee composition.
12. Subsequent discussion focused on a range of topics, including:
 - a. Whether, given the importance of demonstrating leadership in a time of change, the Board should be called upon to formally endorse System Reference Group recommendations prior to the System Council meeting on 13-14 November 2019;
 - b. The need for wider stakeholder representation on any future Nominations Committee that would identify suitable candidates for appointment as the Common Board members (namely, those same people who would be appointed to the Board, and then also the Boards of Trustees/Governing Boards of each CGIAR legal entity); and
 - c. The need for ensuring robust principles governing conflicts of interest under a Common Board model, including as they relate to the involvement of Center Board Chairs and Directors General (through the General Assembly) in reconstituting the Board with the persons intended by the System to be the Common Board members.
13. **Agreed position**: The System Management Board expressed its support for the final System Reference Group recommendations coming back to it for formal endorsement - once they have been further consulted upon by System Reference Group members, Center Boards and Directors General, and other stakeholders - prior to submission to the System Council ahead of its meeting on 13-14 November 2019.
14. **Agreed position**: With reference to the System Reference Group's recommendation (2) on unified governance, the System Management Board considered there is a need to supplement the nominations process for voting members of the System Management Board as called for in the Charter of the CGIAR System Organization, to include engagement of Funders and other stakeholders beyond CGIAR in an expanded Nominations Committee. This matter would be recommended to the General Assembly of the Centers should the System Reference Group recommendations be endorsed.
15. **Action: SMB/M14/AP1**: Frequently asked questions or issues raised during the System Reference Group process will be collated and made available to those who have provided input.
16. **Action: SMB/M14/AP2**: Working on the operational assumption that the System Reference Group recommendations will be endorsed and approved by relevant decision makers, the Board's Audit and Risk Committee is to work with Center Audit Committees, at the meeting of the latter's Chairs scheduled in January 2020, to develop appropriate mechanisms for System-wide transition risk identification and monitoring.

Agenda Item 4: Elevating CGIAR Gender Equality Research

17. The Chair noted the conflicts of interest experienced by Center-affiliated Board voting members and proposed that, while all meeting participants should have the opportunity to participate in the discussion, decision-making should be delegated by the Board to the independent voting members of the Board.
18. Sonja Vermeulen made a presentation, setting out the background to the call for proposals and assessment process, and the conclusions of the independent moderated review process.
19. Subsequent discussion focused on a range of topics, including:
 - a. Whether it was possible to combine the best aspects of the two proposals in some way, not least in the spirit and context of One CGIAR (in this respect, it was noted that the two consortia held each other's approach in high regard and had already expressed the potential for the successful consortium to include the best aspects of the other's proposal in the final approach adopted); and
 - b. The potential benefits of a competitive element in developing program approaches in the One CGIAR context, to encourage sharper focus and innovative thinking, and mitigate against complacency.
20. **Decision: SMB/M14/DP2:** With a quorum present, and taking into account declared conflicts of interest, the System Management Board delegated decision-making on SMB14 agenda item 4 to the three independent voting members of the System Management Board, for whom there was no perceived conflict of interest.

Those members unanimously agreed to recommend to the System Council the 'GENDER' proposal, with a request that the proponents prepare for submission to the System Council by 29 October 2019, an updated cover letter and transition plan that lays out the means and process for a wider set of activities to be incorporated that include all Centers and the most strategic elements from the ENGAGE proposal.

The System Management Board reinforced the need for strong leadership in the role of platform director, to ensure strong delivery from commencement.

In recognition of CGIAR's strong community of researchers and partners that wish to collaborate on gender research, and in recognition of the ambition of the CGIAR System to elevate CGIAR's efforts, the System Management Board will also recommend in an updated FinPlan for 2020-2021 for the elevated gender platform to receive an increase in funding through window 2 allocations, beyond the US\$ 2 million already budgeted.

Interlude: Demonstration of CGIAR financial reporting dashboards

21. Jamie Craig demonstrated the recently developed CGIAR financial reporting dashboards, highlighting that they demonstrate how existing data can be brought together through collaboration to provide new insights.
22. The Board commended the team on the work done and acknowledged the engagement of all finance teams across the System to provide the underlying data.
23. Subsequent discussion included the following reflections:
 - a. The potential for dashboard technology to offer further innovations in the way that CGIAR displays information on where money is being spent and where it is bringing benefit (beyond the historical paper format);
 - b. The value that this enhanced data will provide for future programming by CGIAR's scientists;
 - c. The possibility to add Window 1, 2 and 3 weightings into the dashboard tool to provide the full picture of the funding landscape; and
 - d. The opportunity that dashboards provide to move away from laborious data gathering, collation and presentation practices, including the potential over time to increase reporting frequency (currently annual), with a long-term aspirational goal being real-time information based on the use of a common enterprise resource planning system.
24. **Agreed position:** The System Management Board expressed support for the CGIAR financial reporting dashboards and making them accessible to a wider range of stakeholders.

Agenda Item 5: Recognizing CGIAR's 2018 Performance

25. Sonja Vermeulen made a presentation on the 2018 CGIAR Performance Report, doing a deep dive into two examples of impact stories.
26. The Board commended the team on the work done, and acknowledged the contributions across the System to deliver robust data for the report.
27. Subsequent discussion focused on a range of topics, including:
 - a. The value of striking an appropriate balance between the need for rigorous quality assurance standards for inclusion of examples in the performance report and the potential disincentives for Centers if the bar is set so high compared to other research bodies and standards that examples might be excluded that others might include;
 - b. The need for a clear statement of the impact CGIAR is trying to achieve and care in how data is expressed to demonstrate such impact, possibly based on *ex ante* assessments, coupled with embedding monitoring and evaluation more extensively into the program approach;
 - c. The desirability of being able to connect impact with expenditure; and

- d. The need to ensure that performance reporting does not only focus on data and numbers to represent impact, but also highlights impact through dialogue-influencing stories.
28. **Decision: SMB/M14/DP3:** The System Management Board endorsed the 2018 CGIAR Performance Report for release and presentation to the System Council, as set out in meeting document 14-05b.
29. **Decision: SMB/M14/DP4:** The System Management Board endorsed a clarification on the information flows and roles regarding the 2019 Pilot Assessment of the 2019-2021 Program Performance Standards, as set out in meeting document 14-05c, further to its decision SMB/M12/DP3 taken on 13 December 2018.

Agenda Item 6: Decision-making Consent Agenda

30. **Decision: SMB/M14/DP5:** The System Management Board endorsed the CGIAR Financial Report for Year 2018 for submission to the System Council as set out in meeting document SMB14-06a.
31. **Decision: SMB/M14/DP6:** The System Management Board approved the application procedures and progress reporting standards for the Window 1 Special Alliance Fund as set out in meeting document SMB14-06b.
32. **Decision: SMB/M14/DP7:** The System Management Board endorsed the Financial Management Standard assessment criteria as set out in meeting document SMB14-06c.
33. **Decision: SMB/M14/DP8:** The System Management Board endorsed the CGIAR Ethics Framework for presentation to the System Council for approval as set out in meeting document SMB14-06d.
34. **Decision: SMB/M14/DP9:** The System Management Board amended Part A of the Personnel Policy Manual as set out in Annex 1 of meeting document SMB14-06e, and noted the amendments made to Part B of the Personnel Policy Manual as set out in Annex 2 of the same.
35. **Decision: SMB/M14/DP10:** The System Management Board amended its Rules of Procedure as set out in meeting document SMB14-06f.

Agenda Item 7: Closed Session

36. The Board met in closed session without active observers, guests or System Organization staff present.
37. The Chair brought the meeting to a conclusion at the end of the closed session.

[Annex: List of participants](#)**Members and Active Observers**

Marco Ferroni	Chair
Isatou Jallow	Independent Voting Member
Kanayo F. Nwanze	Independent Voting Member
Matthew Morell	Center-affiliated Voting Member
Yvonne Pinto	Voting Member ⁴
Claudia Sadoff	Center-affiliated Voting Member
Barbara Wells	Center-affiliated Voting Member
Hilary Wild	Center-affiliated Voting Member
Elwyn Grainger-Jones	Executive Director, System Organization, Ex-officio Non-Voting Member

Active Observers

Eric Witte	System Council Voting Member
Mellissa Wood	System Council Voting Member
Izabella Koziell	Research program leader from the CGIAR Portfolio
Holger Meinke	Chair, CGIAR Independent Science for Development Council

Invited Guests

Roberto Lenton	Designate of Nicole Birrell, Convener of the Chairs of the Boards of Trustees of CGIAR Centers
Aly Abousabaa	Convener of the Directors General of CGIAR Centers
Clarissa van Heerden	Independent Chair, System Management Board Audit and Risk Committee (ARC)
Juan Lucas Restrepo	Director General, Bioversity International and CEO-Designate, Alliance of Bioversity International and CIAT (Agenda Item 2)

SMB Secretary

Karmen Bennett	Secretary to the System Management Board, and Director, Board and Council Relations, CGIAR System Organization
Nadia Manning-Thomas	Board and Council Relations Manager, CGIAR System Organization

Technical support

Jamie Craig	Director, Financial & Digital Services, CGIAR System Organization
Sonja Vermeulen	Director, Programs, CGIAR System Organization
André Zandstra	Director, Funder and External Engagement, CGIAR System Organization
Madina Bazarova	Head, CGIAR System Internal Audit Function
Roland Sundstrom	Senior Advisor, Executive Director's Office, CGIAR System Organization
Tania Jordan	Senior Associate, Business Analysis, CGIAR System Organization
Eelco Szabo	Consultant, Legal Expert

Apologies

Members	
(Amos) Namanga Ngongi	Center-affiliated member
Active Observers	
Nil	

⁴ Yvonne Pinto was at the time of her appointment, but is no longer, affiliated with WorldFish.