

Chair's Summary¹

17th System Management Board Meeting

5-7 May 2020; Virtual

Colleagues,

Reflecting on the set of virtual meeting sessions just concluded by the System Management Board ('SMB'), I extend my gratitude to each of the SMB's members and active observers, and other meeting participants and the SMB support team, for their openness and adaptation to a new way of working. That flexibility helped not only effective decision-making, but also created an atmosphere characterized by a desire to move forward with pace and pragmatism at this critical time for CGIAR.

All decisions that a board takes are important in shaping effective strategy and oversight. At this meeting, the following four decisions were especially relevant as we sought to drive forward 'One CGIAR' implementation:

- Approving the Terms of Reference for an inaugural One CGIAR Executive Management Team ('EMT') and its Managing Directors
- Agreeing the size and shape of the SMB's EMT Search Committee, its Chair, and immediate next steps for its formation
- Agreeing on the preferred contractor for the One CGIAR Transition Program Management Unit, with clear guidance to enable contract finalization
- Endorsing the roadmap to bring the 2030 research strategy for System Council approval in November 2020

We were very mindful that the Covid-19 pandemic is changing the way we must think and work, just as it is changing the context in which we do so. The world is a very different place than it was even six months ago. We spent the first half of SMB meeting assessing the risks and opportunities arising from this crisis for CGIAR and our partners, offering guidance to help us develop a collective response to bring to the next System Council meeting in June. The crisis has highlighted the need for - and raised the profile of - scientific research and evidence in understanding and supporting decision-making relating to its potential impacts on food, land and water systems, health and the economy, and the importance of the relationship between them.

As an SMB, we also took stock of the guidance from CGIAR's Funders from the adhoc 30 April 2020 System Council meeting that the Covid-19 pandemic presents a compelling reason to accelerate rather than slow down implementation of actions to operate as 'One CGIAR'.

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

The system orienting and system shaping decisions taken, and where formal decision weren't required at this time, clear guidance to the same effect, demonstrated how we are able to work as a team – not just as an SMB, but with all colleagues across CGIAR, whose dedicated and thoughtful work to develop inputs and proposals for the SMB has enabled this.

The summary material that follows sets out in more detail the discussions we held, as well as decisions taken, formal positions, and agreed actions. Attendance was as set out in the Appendix.

I would like to reaffirm that as an SMB, our interest is in our collective mission, and how this will be better served through 'One CGIAR'. As we continue to welcome feedback on this change and inputs on risks and mitigation strategies, I am also confident that as the SMB, we will continue to act decisively as we take each of the steps that are in our mandate to deliver One CGIAR as quickly and effectively as possible.

Sincerely
Marco Ferroni
Chair, System Management Board

Meeting Summary

Decision: SMB/M17/DP1: The System Management Board adopted the Agenda (as set out in meeting document SMB17-02, first issued on 29 April and revised on 5 May 2020).

A. Topic Area 1 – Covid-19

Key discussion areas

1. The SMB reviewed CGIAR's response to the crisis and constructive moves by Centers and CGIAR Research Programs ('CRPs') to coordinate and cooperate on a range of short-term operational risks and impacts, as well as on longer term thinking and positioning. There was recognition of the critical juncture for CGIAR to rise to meet this challenge – by showing that we have the vision, the adaptability and ability to play a leading role in the provision of key data, analysis, products, solutions, and go-to-market strategies to generate globally recognized impact in our focus areas.
2. Considerable time was spent ensuring that our staff – the most valuable of CGIAR's assets – are being provided with as much support as is possible in the context of Covid-19 health risks and restricted in-country movement and travel. Emphasis was placed on the need for fully coordinated interaction across all CGIAR's entities, and consistent messaging with key stakeholders and partners.
3. Discussions also turned to the risks from Covid-19 to national research systems, in recognition that CGIAR is part of a broader delivery chain, on which CGIAR relies for its ability to deliver on shared purpose, mission and impacts.
4. The SMB also discussed possible financial impacts caused by the interruption to program delivery and consequent reduction in indirect costs recovery. Various financial risk mitigation measures were discussed with guidance provided on which to explore further to take to the System Council as a potential package of measures at its June 2020 meeting.
5. With appreciation for the collaboration and transparency of those Centers who had already been able to share detailed financial projections in the common format and standard proposed, the SMB found scope for more concerted and collective action in that regard.
6. More generally, the SMB emphasized the importance of unified System-wide perspectives, based on collaboration, coordination and information-sharing, to manage and mitigate as wide a range of Covid-19 related risks and impacts as possible, including people management (e.g. staff safety, health and welfare issues and the response to potential pressures at national level on relaxing of social distancing guidelines and return to work; and staff retention/forward-looking staff planning).

7. Concurrent with the collation of data on potential financial impacts, the SMB supported the creation of a 'Covid-19 hub' to serve as a system-wide coordination point for CGIAR's research response to Covid-19. It was emphasized that it was to be cited as CGIAR's Covid-19 hub, so that there could be no confusion that it was for all CGIAR, and not a specific Center. The SMB discussed and agreed on a suitable 'home' for that hub on pragmatic grounds, given the need for time-sensitive action.

Formal decisions taken, and actions agreed on Covid-19

Decision: SMB/M17/DP2:

The System Management Board expressed its full support for the open, and full sharing of financial data and projections to help with presentation to CGIAR's funders of strategies to manage financial risks, and:

- a. Requested that all Centers supply the information that has been sought (refer the 20 April 2020 communication) to enable the presentation of a CGIAR response; and
- b. Agreed to leverage the expertise, leadership and judgment of the Center Audit Committee Chairs to ensure that any material changes in financial projections, assumptions, or mitigation strategies are duly communicated to the System Organization for incorporation in updated System-wide financial projections.

Decision: SMB/M17/DP3: The System Management Board endorsed the following Covid-19 financial risk mitigation measures for further exploration and presentation to the System Council:

- a. W3/Bilaterals - in principle agreement on full-cost, 6 months extensions; temporary increase in Indirect Cost Rates (ICR) by 10%* in 2020; reorientation of project level outputs, deliverables and targets;
- b. W1/W2 - temporary increase (for 2020) of ICR by 10%; and
- c. Suspension of current partial de-linking rules and principles for 2020 and 2021 to facilitate Funder objectives to be explored, inclusive of a clearly documented analysis of pros and cons of any changes proposed.

** Noting that an increase of 10% means from current 15% to 16.5%(by way of example)*

Decision: SMB/M17/DP4: The System Management Board endorsed the following approach for submission to the System Council relating to a CGIAR Covid-19 Hub:

- a. Be positioned within A4NH and implemented by Flagship 5 Improving Human Health which is co-implemented by IFPRI, ILRI, and the London School of Hygiene & Tropical Medicine;
- b. Build on the operational experience of the Anti-Microbial Resistance Hub, which is positioned in the same CRP and Flagship;
- c. Provide System-wide coordination on key Covid19 research initiatives, providing a 'one-stop shop' for Funders and partners to work with CGIAR;

- d. Coordinate critical near-term (2020-2021) work on Covid-19, across four key areas (market and nutrition driven food systems, One Health, inclusive public programs, and policies and investments), but without attempting to drive and manage all CGIAR Covid-19 related work; and
- e. Be funded by contributions from Funders through additional W2 contributions, and potentially play a role in supporting any broader funding initiatives by CGIAR in response to Covid-19.

Action Point on Covid-19 Hub: SMB/M17/AP1:

The System Management Board:

1. Requested that specifically relating to the establishment of the Covid-19 hub, the next iteration of the System-wide paper led by IFPRI, ILRI & the CGIAR System Organization on Covid-19 relevance of the portfolio and possible adjustments, address the following:
 - a. Ensure the whole-of-System, collaborative nature of the hub (e.g. through its terms of reference and management/staffing structure);
 - b. Clarify the anticipated short-term tangible outputs from the coordinated research response;
 - c. Emphasize the importance of partnerships, including with National Agricultural Research Systems, as how CGIAR will be able to deliver real impact;
 - d. Ensure timeliness in establishment, and not delaying progress in search of perfection (including by not imposing demands for new evidence-based information at short notice to inform decision-making, when there is already good evidenced-based information to progress); and
 - e. More clearly articulate the hub's value proposition (i.e. what it will provide that is not otherwise being provided elsewhere).
2. Requested that a summary overview of the Covid-19 hub concept be shared with funders by mid-May 2020, with the full, updated paper to follow for discussion at the System Council meeting in the week of 8 June 2020.

Action Point on CGIAR positioning in relation to Covid-19 - SMB/M17/AP2:

The System Management Board requested that CGIAR strengthen its outward-facing messaging on its current and potential work on Covid-19 pandemic and likely impacts, in a way that is complementary to papers being issued by other entities in the food systems space, and particularly on how CGIAR is working in collaboration with National Agricultural Research Systems and other partners to address related issues.

B. Topic Area 2 – Implementing One CGIAR

Key discussion areas

1. With early framing coming from the very positive observations from Center and Funder colleagues present in the room about the ongoing cycle of Center Board-

Funder calls, and recognizing progress achieved over past weeks to implement the change to One CGIAR, the SMB considered three priority areas.

2. First, taking relevant decisions based on TAG-3's work and the 17 April 2020 Transition Consultation Forum ('TCF') inputs, the SMB agreed the way forward to appoint the inaugural One CGIAR Executive Management Team ('EMT'), a crucial component of One CGIAR Unified Governance. The SMB also acknowledged that work is ongoing to clarify how the respective responsibilities, authorities and accountabilities of the One CGIAR Common Board, and Center Boards will operate, and that once appointed, the EMT will work closely with TAG-3 to assist with clarifying the relative responsibilities between the EMT and Directors General and thus inform subsequent SMB, One Common Board and Center Board decision-making. It is noted that the Executive Director of the System Organization and the Director General members of the SMB recused themselves from discussion and decision-making on this item at their own request, mindful of the need to ensure that any potential conflicts of interest are effectively mitigated.
3. Second, the SMB discussed the appointment of the Transition Program Management Unit ('TPMU'), noting the changes in landscape since February, when the Request for Proposal was issued - namely that the TCF is now in place, as are six Transition Advisory Groups, each of which is providing practical advice, guidance and insights on implementation. It was also noted there is a need to consider the TPMU's ongoing interactions with the System Management Office and how they will support and complement each other. The SMB agreed that the appointment should be made subject to contract, on the basis that the preferred contractor's approach and budget proposition would need to be revised to reflect the status of the transition.
4. Third, the SMB considered the proposed approach and timeframe for developing the One CGIAR high-level 2030 research strategy, which the inaugural EMT is expected oversee the finalization of, for presentation to the System Council in November 2020. It was noted that this will involve not just a change in research focus, but also in research modality, with a move from current annual funding cycles to sequential and phased three-yearly investment cycles applying pooled funds, each covering a range of projects and outputs, in the context of an overarching nine-year strategy. Accordingly, the SMB also held a preliminary discussion on potential modalities to ensure an effective transition from existing CGIAR Research Programs and Platforms to the new research modalities that will be included in the high-level 2030 research strategy. With more work required to be undertaken on the transition arrangements by the EMT once appointed, the SMB emphasized effort should be made to identify a possible way of transitioning from the existing modality that finds an optimal balance between the rigidity of Option 1 (to end all CRPs and platforms at December 2021) and the potential cons of Option 2 (to differentiate among CRPs and Platforms in 'close/extend' decision). With the necessary recommendation needing to be taken to the System Council's November 2020 meeting, the SMB suggested that this work should include development of robust criteria to inform such decisions, as well as related messaging.

5. A final key area of discussion was adjusting funding modalities to support more expansive objectives of One CGIAR, with the SMB supporting the creation of a One CGIAR Transitional Funding Initiative to channel existing and potential new contributions. The System Council will be asked to approve the repurposing of the narrowly defined W1 Alliance Opportunity Fund to this end (with details of the proposal set out in decision point SMB/M17/DP8).

Formal record of decisions taken, and actions agreed

Decision: SMB/M17/DP5 – Progressing the SMB's appointment of an empowered EMT

The System Management Board:

1. Endorsed the content of the EMT candidate information pack, incorporating terms of reference for the Executive Management Team ('EMT'), with the caveat that it may be revised at any time prior to the EMT's appointment, subject to confirmation by voting members of the SMB (excluding those who are Center Directors General).
2. Approved the appointment of a seven-person Search Committee as follows:
 - a. Chaired by SMB member, Namanga Ngongi;
 - b. Six other members identified between the SMB Chair and the Search Committee Chair, subject to confirmation by voting members of the SMB (excluding those who are Center Directors General to mitigate perceived conflicts of interest), as follows:
 - i. One additional SMB voting member (non-Director General)
 - ii. Two voting members of the System Council (including Transition Consultation Forum co-chair)
 - iii. Three broader voices, from amongst CGIAR, with possibility of former personnel;
 - c. Suitably diverse membership;
 - d. Delegated authority to appoint an Executive Appointment Firm to bring specialist candidate review skills (from among pre-qualified System Organization list), based on terms of reference substantially in the form of those presented to the System Management Board at SMB17.
3. Authorized the SMB Chair and Chair of the Search Committee to develop terms of reference for the Search Committee, for confirmation by voting members of the SMB (excluding those who are Center Directors General to mitigate perceived conflicts of interest).

Decision: SMB/M17/DP6 – Appointing a Transition Program Management Unit ('TPMU')

The System Management Board:

- a. Approved the appointment of the provider recommended by the SMB's TPMU Search Committee subject to satisfactory outcome of negotiations on clarity of project delivery approach, the means of measuring success of TPMU activities and progress, confirmation of appropriate team diversity, and an agreed budget;

- b. Requested that the SMB Chair oversee the process of the System Management Office working with the provider to adjust the project delivery approach and key elements to ensure alignment to current implementation progress and priorities from the contract start date, which is preferably by not later than 1 June 2020;
- c. Subject to the above, authorized the Executive Director of the CGIAR System Organization to sign a contract with the provider up to a ceiling of USD 1.5m in 2020 (noting that any budget for 2021 would be a matter for consideration as part of 2021 budget process); and
- d. Requested that monthly project delivery updates be provided to the SMB by the Executive Director, and subsequently through the Executive Management Team on their appointment, with the Executive Director of the System Organization to be responsible for contract management in the interim.

Decision: SMB/M17/DP7 – Roadmap for a CGIAR high-level 2030 Research Strategy

The System Management Board endorsed for presentation to and discussion with the System Council in June 2020, the approach and timeline for development of the CGIAR high-level 2030 research strategy by 1 November 2020.

Decision: SMB/M17/DP8 – Funding to support implementation of One CGIAR

The System Management Board endorsed the following One CGIAR transitional funding approach for approval by the System Council:

- a. Repurpose the narrowly defined W1 Alliance Opportunity Fund² to a One CGIAR Transitional Funding Initiative to support more expansive objectives of One CGIAR;
- b. Obtain Funder agreement to transfer \$1.1M provision account balance* to the One CGIAR Transitional Funding Initiative;
- c. Allocate \$6.5M draw down facility established in approved 2020 Financing Plan to the One CGIAR Transitional Funding Initiative;
- d. Establish indicative target of \$40M-\$70M to fund investments into One CGIAR through the One CGIAR Transitional Funding Initiative between 2021 and 2024; and
- e. When appointed, the One CGIAR Executive Management Team will develop business rules for investment of funds.

** This is an existing funder designated contribution in support of One CGIAR transition*

Action Point on Executive Management Team Search Committee: SMB/M17/AP4

Noting that it is an SMB adhoc committee, whose membership is for the SMB to confirm and therefore the suggestion of a name is not confirmation of a person's involvement, the Convener of the Center Board Chairs will share with Center Board colleagues as soon as possible after the close of SMB17, the opportunity for individual Center Board Chairs to suggest names for consideration as members of the SMB's EMT Search Committee in the

² Created pursuant to a decision of the System Council at its 8th meeting in May 2019 (Decision Ref: SC/M8/DP6), with application procedures and allocations from that fund approved by the SMB (Decision Refs: SMB/M14/DP6 and SMB/M16/DP2 respectively).

category of “three broader voices from CGIAR”. Suggestions should be made by 13 May, with emphasis on diversity of profiles.

Action Point on CGIAR research strategy: SMB/M17/AP5

The System Management Board requested that further work be done to identify a possible way of transitioning from the existing CRP modality that lies between Option 1 (to close all CRPs and platforms at end of 2021) and Option 2 (to differentiate among CRPs and Platforms in ‘close/extend’ decision) articulated during the meeting, to help inform the thinking of the EMT, once appointed, on a related recommendation to the System Council. This work should include development of robust criteria to facilitate such decisions, as well as related messaging.

C. Topic Area 3 – Other matters relevant to business/System operations

1. Report of the SMB Audit and Risk Committee Chair: Clarissa van Heerden provided an insightful report on the committee’s activities since the previous SMB meeting, which included reference to the ongoing improvements in a structured approach to risk management, prioritized not least by the requirements of Covid-19 and the transition to One CGIAR.
2. Review of System Management Office Workplan: We reviewed the status of the System Management Office Workplan for 2019-2021, noting that great progress has been made in delivery on key aspects of it, against the backdrop of System Reference Group activities and One CGIAR transition, as well as Covid-19, none of which were envisaged at the time the workplan was developed. Noting that savings will be realized where possible (for example, travel costs), there are no current plans to revise the existing budget.
3. CGIAR Independent Science for Development Council insights on foresight and trade-offs: The SMB also benefited from a rich presentation by Holger Meinke, Chair of the Independent Science for Development Council (‘ISDC’). The SMB confirmed the value of such interactions with the ISDC, with emphasis on how objective, impartial observations inform SMB member perspectives, and the SMB’s collective ability to discharge its responsibilities effectively as the governing body of a science and research-based organization that is dealing with complex issues in a dynamic and fast-moving environment.
4. Recognizing France’s 2020 Euro \$4 million 2020 strategic investment: The SMB took note of the SMB Chair’s communication with M. Nicolas Fairise, noting in particular the significance of this contribution from the Ministry for Europe and Foreign Affairs at a time when the world is pivoting to ensure an adequate focus on urgent responses to the health and economic crisis brought by Covid-19. The co-development of the underlying CGIAR-France Action Plan was noted as an excellent model of cooperation in this context.

Formal record of decisions taken, actions agreed, closed session

The following three decisions were approved as items within the SMB17 consent agenda:

Decision: SMB/M17/DP9: Upon the recommendation of its Audit and Risk Committee, the System Management Board approved the CGIAR System Organization Audited Financial Statements for the year ended 31 December 2019 (as set out in document SMB17-05A)

Decision: SMB/M17/DP10: The System Management Board:

1. Expressed its appreciation to Bob Semple for his service on the System Management Board's Audit and Risk Committee since July 2016.
2. Appointed Hee Kong Yong, Center Audit Committee member, to continue serving as a member of the System Management Board's Audit and Risk Committee until 31 December 2020, or until such time as his successor is appointed.

Decision: SMB/M17/DP11: The System Management Board supported the proposed approach to preparing a Response Plan to the Pilot Assessment of Performance Management Standards (as set out in document SMB17-05B).

Action Point on SMB 17 meeting survey: SMB/M17/AP6: The System Management Board agreed that a short survey should be circulated inviting feedback from participants in SMB17 for feedback on the meeting and suggestions for any improvements in running similar virtual meetings going forward.

Closed session: All SMB members, the SMB Secretary, and on the decision of the SMB Chair, the respective Conveners of the Board Chairs and Directors General, participated in a closed session of the SMB pursuant to Article 9.9 of the Charter of the CGIAR System Organization. There was no decision taken in the closed session that has a material impact on the CGIAR System.

Appendix: List of participants

Members

Marco Ferroni	Independent member and Chair
Isatou Jallow	Independent member
Kanayo F. Nwanze	Independent member
Namanga Ngongi	Center-affiliated Voting member *
Barbara Wells	Center-affiliated Voting member
Claudia Sadoff	Center-affiliated Voting member
Hilary Wild	Center-affiliated Voting member
Matthew Morell	Center-affiliated Voting member
Yvonne Pinto	Center-affiliated Voting member *
Elwyn Grainger-Jones	Ex-officio Non-Voting Member

* Eligibility to remain as a Center-affiliated System Management Board member until end of current term (31 August 2020) pursuant to the operation of Article 7.9 of the Charter of the CGIAR System Organization.

Active Observers pursuant to article 7.6 of the Charter of the CGIAR System Organization

Wijnand van Ijssel	Active Observer, Representative of System Council Voting Member
Stephen Potter	Active Observer, Representative of System Council Voting Member
Michael Phillips	Active Observer, Research Program Leader from the CGIAR Portfolio
Holger Meinke	Active Observer, Chair, CGIAR Independent Science for Development Council

Invited attendees pursuant to Article 7.7 of the Charter of the CGIAR System Organization

Clarissa van Heerden	Chair, Audit and Risk Committee (ARC)
Allison Smith	Director, CGIAR Advisory Services Shared Secretariat

Additional invited guests

Nicole Birrell	Convener of the Chairs of the Center Governing Boards/Boards of Trustees; Co-Chair of the Transition Consultation Forum
Gareth Johnstone	Convener of the Directors General of CGIAR Centers; Co-Chair of the Transition Consultation Forum
Tony Cavaliere	Co-Chair of the Transition Consultation Forum
Alex Johnson	Global Affairs, Canada

SMB Secretary

Karmen Bennett	Secretary to the System Management Board, and Director, Board and Council Relations, CGIAR System Organization
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Content experts/operational support

Madina Bazarova	Head, CGIAR System Internal Audit Function
Jamie Craig	Director, Financial & Digital Services, CGIAR System Organization
Elise Perset	Director, Legal and Office Services, CGIAR System Organization
Sonja Vermeulen	Director, Programs, CGIAR System Organization
André Zandstra	Director, Funder and External Engagement, CGIAR System Organization
Yorgos Solomos	Senior Advisor, Risk Management, CGIAR System Organization
Roland Sundstrom	Senior Advisor, Executive Director's Office, CGIAR System Organization
Olwen Cussen	Board and Council Relations Coordinator, CGIAR System Organization
Nadia Manning-Thomas	Board and Council Relations Manager, CGIAR System Organization
Victoria Pezzi	Meetings and Events Coordinator, CGIAR System Organization
Andrew Smith	Deputy Director, Board and Council Relations, CGIAR System Organization