# Meeting Summary
# 6th System Council Meeting
# 16 and 17 May 2018

Purpose:

This document presents the Meeting Summary for the 6th meeting of the System Council held on 16 and 17 May 2018, as approved by the Council on a no objection basis with effect from 30 October 2018 (Decision Ref: SC/M6/EDP4)

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Prepared by: CGIAR System Management Office

## Introduction:

This document presents a summary of the 6th meeting of the System Council ("Council") held on 16 and 17 May 2018 in Berlin, Germany.

By way of overview:

- **Agenda items**. The meeting considered the thirteen (13) agenda items set out in the table of contents on the following page.

- **Decisions**\*\* The Council took three (3) decisions during its meeting, described in the text.

- **Agreed positions and actions**\*\* The Council agreed on seven (7) positions and actions during its meeting, described in the text.

- **Participants**. Annex 1 sets out a list of meeting participants.


*\*\*The Decision Points and Agreed positions and actions noted in the text are included in the SC6 Chair's Summary, as issued on 23 May 2018, available here:*
https://www.cgiar.org/wp/wp-content/uploads/2018/05/SC6-08_Chairs-Summary.pdf

## Contents

## Item 1: Opening Session

1.   The System Council Chair, Juergen Voegele, opened the 6<sup>th</sup> meeting extending the Council's appreciation to Germany for their hospitality in hosting the meeting in this very historic building.  A quorum was present.

2.   Before starting the proceedings, the Chair took a moment to recognize new representation on the System Council from Brazil, Nigeria, Turkey, Sudan and Indonesia.

3.   Decision SC/M6/DP1: The System Council **appointed** Stefan Schmitz, representative of the Germany and Belgium constituency, as the non-voting Co-Chair for the meeting pursuant to Article 5.2 of the CGIAR System Framework.

4.   The Chair tabled the provisional Agenda and proposed a change in order of agenda items 6 and 7, in order that the Executive Session take place as the last session of the day. No other items of business were raised.

5.   Decision SC/M6/DP2: The System Council **adopted** the Agenda issued on 2 May 2018 (Meeting document SC6-01_Revision1)

6.   There were no declarations of interests made.


## Item 2: Business Plan - Setting the context

7.   The Chair outlined that, by way of context, a few thoughts would be provided by himself, the Chair of the System Management Board ('SMB Chair') and the Chair of the Independent Science and Partnership Council (ISPC) to initiate a conversation on the global context in which CGIAR seeks to develop a business planning cycle.

8.   The Chair's intervention pointed to the sense that there are two trends occurring globally, whereby on the one hand there is the growing need to rethink globalization and the role of the global aid architecture, with multilateralism being challenged, and on the other hand there being an increasing understanding that the challenges we face globally need to be solved collectively.

9.   The Chair highlighted some examples of recent commitments to strengthen institutional and financial arrangements to tackle global public goods in a global architecture, stressing however that the reality is that additional funding requires being able to do more with less. With agriculture and the global food system in a state of transformation, they are at risk and, as with past occurrences, it only takes a couple of events coming together at the same time and possibly at an even more dramatic scale for a major crisis to emerge. With agriculture and feeding the world being issues that are unlikely to go away, the hope is that the global stakeholders continue to grow their trust in CGIAR.

10.    In continuing to set the scene, the Chair also stated that agriculture and the food system is ready for disruption. Building on inspiring disruption in other sectors which have seen them now on a more sustainable path globally, agriculture too has the opportunity for larger scale innovation as it is increasingly discovered by the private sector. The food system needs to and is beginning to change, with thousands of new companies disrupting the broader food system, starting with agricultural production, going through the value chain into the way consumers behave, perceive and demand different foods. In analyzing innovations and disruptions, it is interesting to keep in mind that some have nothing to do with agriculture initially, such as the cell phone, but end up being a major positive disruptor, while others are invented specifically with the purpose of disrupting agriculture. The Chair ended his remarks with a question of what this all means for CGIAR and a plea at the outset of this 6th System Council meeting to consider the comparative advantage of CGIAR which may not be what it used to be and may even be something not thought of yet.

11.    The SMB Chair concurred that there are major new challenges coming to agriculture which will require adjustment and modernization of CGIAR. Pointing to key issues in this context, he highlighted the need to reduce fragmentation, simplify, increase coherence, and focus more sharply. To promote the necessary change, the SMB Chair emphasized the need to work together as a System of sovereign Funders and Centers motivated and united by ideas about food security, nutrition and health, agri-food systems and sustainability, natural resource management and the environment, and jobs and prosperity.

12.    The Chair of the ISPC shared views from its members on how the world is changing based on outcomes from a recent gathering in Rome during which ideas had been sought from individuals inside and outside of CGIAR who see the world of international development from a wide variety of perspectives. Clarifying that this should not be considered as foresight being reported but rather offering some horizon scanning, the ISPC Chair described four key shifts that the System should be aware of:

   a.    Shift 1: Profound changes in political, financial and technical capabilities in developing vs. developed countries
   b.    Shift 2: Shift from food to nutrition security
   c.    Shift 3: Staple crop yields alone will not solve poverty
   d.    Shift 4: Potential of disruptive innovations to accelerate CGIAR objectives

13.    The discussions that followed focused both on the nature of the messages provided as well as on the processes around ISPC convening science meetings and providing horizon scanning material. There was an appreciation for the way in which ideas from the ISPC meeting in Rome had been synthesized, and a suggestion that it would be valuable to have a response from the System, in particular the CRPs, on challenges and drivers and what the system could do in operational terms to address these.

14.    The Chair also invited the meeting Co-Chair, Dr. Stefan Schmitz, to share some of the insights that emerged during a small roundtable gathering, held the day before this

meeting, on shaping the agenda of Global Agriculture Research to achieve the Sustainable Development Goals by 2030. The Co-Chair shared information with the Council on the German One World-No Hunger initiative. He reflected on the sense of urgency at the roundtable gathering and the need to present a clearer message on the work of CGIAR to create a good investment case to attract increased funding. Noting the strong belief in the mission of CGIAR, those at the roundtable had stressed the need to get structural underlying issues right in order for CGIAR to focus on its mission.

15. The Chair invited the Council to reflect on how a business plan could optimally support achievement of CGIAR's objectives. A variety of views were shared, which overall expressed strong support for the business plan concept as a welcome approach to consolidate different pieces of work and help the System to move in a common direction. Inputs included:

   a. A caution on some of the terminology used in the business plan which may present sensitivities for some Funders, with the example of the genomic revolution as one of the five global transformations.
   b. While some areas were not yet fully articulated, members looked forward to these being fleshed out as the business plan is fully developed.
   c. A balance needs to be struck between the need for a more coherent, more strategic and more attractive System, and the mechanisms and timing for achieving that, given fatigue expressed from reform processes.
   d. The inclusion of anti-microbial resistance was appreciated, noting that it resonates well with the global agenda and the agenda of several key partners inside and outside of the System Council.
   e. The focus needs to be on the systems required to nurture and grow a shared science for development agenda with a key emphasis on partnerships upstream and downstream.
   f. Improved delivery for global challenges needs to be done in light of the realities of implementers, to be able to bring together multi-disciplinary programs, maintain capacity, manage finances with a clear direction and support established for the future, for which the business plan offers opportunities.
   g. Good decision-making by the System's governing bodies is required in order to make progress. An example of this is the need to be able to move forward quickly and innovatively on prioritization of research to allow CGIAR to be more responsive.

16. In concluding the session, the Chair expressed appreciation for the rich discussion which he felt had set the tone for the business plan conversations to take place over the two-day System Council meeting. He recognized the sense of urgency expressed for the task at hand to work against the erosion of funding and take decisions as a System to move forward.

## Item 3: Business Plan- Strategy (Part 1): Improving strategizing and planning

17.  The Chair opened the session, highlighting that a business plan needs to serve the business, not the other way around, with additional goals of improving transparency, and providing better metrics, better clarity and predictability.

18.  The Executive Director framed the session, explaining that the intention of bringing the business plan concept to the Council at this time was to share some initial ideas, and to invite discussion and inputs on these to further shape a CGIAR System Business Plan for 2019-2021 to be brought back to Council in November 2018 at its 7th meeting. He highlighted the high degree of collaboration that has marked the development process to date.

19.  After a brief introduction to situate the business planning concept and its overall structure, the Executive Director set out the need for CGIAR to organize itself more as a System, with a basic planning landscape that provides greater predictability. Optimally, a shared planning landscape will involve working towards 2030 in a collective manner, in line with the CGIAR Strategy and Results Framework (SRF) and contributing to the Sustainable Development Goals (SDGs). It was noted that:

   a.  The suggestion is to keep the SRF as a broad umbrella framework with some clearer thinking about how the SRF goals relate to the SDGs.
   b.  A new plan to 2030 ('2030 Plan') was suggested to be developed to better capture the key elements of what will be done to achieve those goals. The intention would be to have a structured process that can lead to a reimagining of what the portfolio could look like from 2022 including the modalities of how it is organized to lead to an exciting and well-funded next set of programs, aligned with thinking on institutional questions at that time.
   c.  The Business Plan would be arranged around three-year business cycles that start in 2019 and lead through 2030.
   d.  A lighter annual budget and workplan approval process is still envisaged that responds to each particular business cycle.
   e.  Center-level planning processes could in time align with the above dimensions.

20.  From the discussion that followed, the following were key threads:

   a.  There was strong support expressed for the efforts underway to develop a more structured and aligned approach for the CGIAR System.
   b.  A shared agenda needs to be well established as the back-bone to the business plan. The new portfolio that will be developed needs to be able to articulate innovative arrangements for programmatic elements.
   c.  There was support by some and questions raised by other members on the business cycle length and start date, and also whether there would be constant changes that would need to be adapted to. There was a call for some predictability from the Funder side as they strive to align with key System timings, as some already have done with the six-year CRP period that

started in 2017. Some members pointed to the benefit of three-year cycles overlaying exactly with planning and strategic framework cycles in their organizations or agencies, offering great opportunities for CGIAR to assist in delivering against commitments for that period.

d. The capacity of the System to react to emergencies when specific research activities are defined in the three-year cycles was raised. While there is a need for long-term predictable large programs, this should not limit the necessary flexibility to respond to emergencies in various forms when relevant to CGIAR's mandate.

e. It was urged that when considering alignment and increasing coherence, this be thought of not only within CGIAR but also between the CGIAR System, national centers, and regional and sub-regional organizations. Alignment of priorities at an operational level with national priorities would lead to greater overall achievement than each working alone.

f. It was highlighted that gender equality is not integrated within all dimensions running through to 2030, and that gender equality needs to be a consideration both in the research agenda as well as across institutional structures. It was further encouraged that gender equality should be an integral element throughout all research topics. A sense of urgency and the need to put a real budget to this work was expressed.

## Item 4: Business Plan- Strategy (Part 2):  Improving strategizing and planning

*Optimizing the current portfolio*

21. The Executive Director invited guidance on areas identified for focus in optimizing the portfolio, noting that some may require underpinning institutional strategies to deliver. It was confirmed that the proposal is to continue implementation of the current portfolio with some modifications that bring in identified new tasks which need immediate attention and cannot wait for a new portfolio to be put in place. An implication of three-year business cycles for the current CRP portfolio timing was noted; these would now run for five years rather than the initially planned six years, with a new portfolio being developed for implementation from 2022.

22. The following reflections were provided:

*General observations or potential gaps in the focus areas proposed*

a. Several Council members supported enacting alterations to the current portfolio to strengthen it without waiting for the design and implementation of the next portfolio.

b. It was raised that the various items listed for possible adjustment to the portfolio represented a wide variety of both research activities and institutional developments. The need to consider the level at which initiatives would sit, whether as a fundamental part of the overall strategy of CGIAR or whether part of a particular research strategy was highlighted,

and it was suggested that the list be revisited to focus on initiatives at similar levels and categorize them as such.

c.  Other ideas for initiatives were also raised that were considered to be gaps in the current list including agri-chemicals, market access issues, biodiversity, water, environmental aspect of land use and agriculture, rural development, and energy.

d.  There was agreement that a number of the initiatives listed were important, noting that some great work was being done by individual Centers and programs but that this was in some cases limited and there was a need to elevate it to a broader global presence, noting that the business plan is the right vehicle to start making those changes.

e.  An important criterion for determining special initiatives should be whether any of these initiatives would be able to foster a System approach to the issues.

*On rapid response preparedness*

f.  With regard to Fall Armyworm, while considered an important topic to address, it was pointed out that this was one crisis amidst a number of pests, disease, and other emergencies that could benefit from a CGIAR response. A suggestion was made to include a general topic around responsiveness to crises in the business plan.

g.  While CGIAR is often best placed to respond to some crises, the System is not necessarily structured in a way to enable this and as a part of development of the business plan it would be valuable to work through the focus, methodology, institutional arrangements and other factors that would allow CGIAR to respond appropriately when within its comparative advantage. The main objective should be for CGIAR to be able to position itself as a key element of a global response to threats that will undermine the SDGs.

23.  Thanking participants for their inputs, the Executive Director also invited further ideas and comments to be shared with him over the next few months of business plan development. The Chair reiterated that as we need to change the way we look at the portfolio, further ideas should be brought to the table so that there can be structure to how they are addressed and to ensure the correct focus is placed on them. The Chair asked that the list of focus areas be reflected on over the course of this meeting and revisited as an item of Other Business.

*Multi-Funder breeding initiative*

24.  Rob Bertram (USA) provided an update on the multi-Funder initiative to enhance crop breeding programs, and expressed appreciation to the System Management Board, System Management Office, ISPC and Funders supporting the initiative including Australia, Germany, The Bill and Melinda Gates Foundation, DFID, World Bank and the USA.

25. He briefly summarized the following key elements of the initiative:
    a. A prioritization group to look at which crops are being worked on and why, using three models: (i) Economic surplus model, (ii) a Parity model, and (iii) a geographic regions approach.
    b. A technical working group that brings together Funder experts with the Excellence in Breeding platform, a University of Queensland group running a breeding program and analytical studies, and the System Management Office, with several major plant breeding companies as observers.
    c. A focus on nutrition and what CGIAR can offer based on the crops it is working on to 'healthy diets for healthy people'.
    d. Working on downstream partnerships including the public and private seed sectors in developing countries to ensure that this is not a supply-drive approach and that lessons are taken up from user communities in terms of product profiles and traits that are needed.
    e. Consultations with Centers from which inputs can feed into the process.
    f. Integrating the various analyses to have a full report with highlights emerging from the models, potential trade-offs and options to be able to develop a strategy for implementation including attracting and sustaining additional funding.

26. The Chair invited discussion on this topic, with the key points emerging as:
    a. Strong support for the initiative as one that reflects the core business of CGIAR and includes analytics on crops and geographies which have been sought for some time.
    b. An interest in how issues identified will in practice be tackled and the roles and responsibilities in doing this, including for the System Council, System Management Board and management of the breeding programs.
    c. A question of how the prioritization group's work will impact the system's own work in this regard, and a call for it to be well connected to the overall strategy and mechanisms in place in CGIAR.
    d. Recognition that this is one of several important parts of this organization's work and not a panacea for all identified challenges.
    e. It should be ensured that any funding required be sought in addition to existing portfolio funding.
    f. How the various programmatic elements and funding would be arranged in terms of review and decision-making, and whether this would involve changes in the current structures or require new structures to be put in place.

27. With appreciation for the interventions made, the Chair confirmed that the System Council would like to be kept updated on this important initiative and echoed calls from members to know how they could become involved.

28.  SC/M6/AP7: Multi-Funder initiative to enhance crop breeding programs
     **On a periodic basis until November 2018**: The CGIAR System Organization will ensure
     that Council members are kept informed via www.cgiar.org and periodic emails to
     the System Council of planned activities and meetings of the multi-Funder initiative
     to enhance crop breeding programs to enable the participation of all interested
     Funders.

## Item 5: Business Plan- Strategy (Part 3): Improving strategizing and planning

*Planning for financial viability*

29.  Noting that financial viability is a topic of concern for many System stakeholders, the
     Executive Director identified that the System Management Board has held detailed
     discussions on financial results across CGIAR Centers, including at its April 2018
     meeting. He emphasized that information presented at this time was preliminary, and
     that more analysis would be done as the business plan was further developed. Early
     issues identified included:

     a.  The net negative financial results of Centers for the previous three years, of
         which the main driver appears to be a decline in Windows 1 and 2 funding
         since 2014 from about US$350m to around US$170m.
     b.  The reduction in the overall revenue of Centers coming from Windows 1 and
         2 has resulted in greater reliance on Window 3 and bilateral projects. Full
         overhead recovery costs on the latter is at an average of 12% compared to an
         average of 15% on Windows 1 and 2.
     c.  There has been a lag effect between funding reductions and adjustment to
         capacity.
     d.  There is appears to be some correlation between Center size and average
         percentage deficit.

30.  To address the issues identified, the Executive Director characterized the main goal as
     a shift to a sustainable longer-term financial path through:

     a.  Strengthening the strategy-making process to improve CGIAR's reputation for
         quality and focus as a driver for sustained or even increased funding.
     b.  Working on the structural aspects and exploring benefits in terms of
         efficiencies and value for money, along with ongoing efforts at Centers to look
         at cost-efficiency.
     c.  Increasing trust and credibility in the System through increased efforts around
         risk management and program performance that have a bearing on financial
         management and ability to attract and sustain funding to the System.
     d.  Making improvements to funding modalities, to encourage a greater share of
         Window 1 and 2 pooled funding.
     e.  Sustaining a well-motivated, talented workforce to support all the work of the
         system.

31.     Discussions that followed raised questions and suggestions for this element of planning for financial viability including:

    a.     The need to understand the success factors as well as identify the drivers of issues reflected in Centers' financial results over the past three years.

    b.     A consideration of the mechanisms in place to manage such financial results and the risks associated with them, including budgeting processes, as well as mechanisms in place to manage any risks posed to the System as a whole.

    c.     A suggestion was made to use several data and information points in the analysis of financial situations, such as cash-flow as well as profit and loss, and a consideration of other factors, including foreign exchange rate changes, that may impact the overall view of Center operations

32.     In responding to the questions and suggestions raised, the Executive Director shared that the System Management Board has been carefully considering whether the results shown reflect a transitional situation or a more inherent issue with the business model in terms of the ability to secure sufficient overhead. He pointed to the many experiences and efforts across Centers to bring down costs, improve efficiencies and manage unpredictability.


## Item 6: Business Plan- <u>Structure</u>: Catalyzing institutional innovation

33.     In framing the session, the Executive Director highlighted the priorities of reducing fragmentation, driving efficiency and increasing value for money to modernize CGIAR. Three main areas proposed to support such changes were set out:

    a.     <u>Deepening System-wide cooperation</u> through Center efforts to harness synergies including through alliances; through shared services building on some success in this area; and through the ability of technology platforms and tools to share information and data to a greater extent than previously.

    b.     <u>Enhancing CGIAR assets in response preparedness</u> through learning from experiences such as Fall Armyworm and making use of identified coordination points across the System to be able to tackle particular types of crisis response.

    c.     <u>Strengthening collaboration with delivery partners</u> with an aim of achieving greater impact through private sector engagement, country collaboration, and increasing CGIAR engagement in the global dialogue and global food policy by increased interactions with Rome-based agencies.

34.     The Convener of the Chairs of the Board of Trustees provided an update on discussions underway between several Centers directly around these topics, with the major impetus for those conversations being strong program synergies and alignment. It was noted that these varied in scope, approaches and timescales.

35.     The Council raised a number of themes in discussions on these topics, including:

   a.   That there have been several attempts to set up shared services in the past with mixed results, and that as this is revisited, lessons learnt from previous experiences should be considered to ensure good alignment and uptake of what is proposed.

   b.   The importance of strengthening collaboration with delivery partners was echoed by several members.

   c.   Regarding private sector engagement, there was a call to take a broader innovation perspective, widen the view beyond large companies to recognize the important role of family agri-businesses, and for greater engagement with the World Economic Forum at a System-level.

   d.   There was support for the work on increasing the collaboration and alignment at country level to achieve greater maturity, and a call for consideration of how there can be better interaction with regional bodies working towards policy and resource alignment across their geographies.

   e.   The role of advanced research institutions in strengthening collaboration and delivery was recognized, noting that these provide highly advanced technologies in areas such as genomics and ICT. Opportunities for increased collaboration with advanced research institutions should be forged not only in some of the more traditionally targeted countries but also in China, India, Brazil and South Africa.

36.     The Chair summarized the strong encouragement expressed for steps being taken to explore possible Center synergies and alliances and urged further conversations and rethinking of old structures, as well as asking for help where roadblocks may be faced. The Co-Chair also expressed the value of such discussions in being able to open up roadblocks and move beyond zero-sum mentality to a more horizontal and vertical integration which would allow more strategic operation and programmatic alliances.

## Item 7: Executive Session (in-camera System Council discussions)

37.     An Executive Session was held without Active Observers, invited guests or staff present. Conclusions from that session are reported in Any Other Business.

## Item 8: System Council Business: Advisory services

38.     The Chair recalled that the Strategic Impact, Monitoring and Evaluation Committee (SIMEC) had been requested at the 4ᵗʰ System Council meeting in May 2017 to consider, consult and bring back to the Council a proposal on CGIAR's advisory functions. The SIMEC Chair outlined the steps taken over the previous twelve months, noting that SIMEC's focus had been to ensure that such a proposal presented advisory services that were 'future-ready' to support CGIAR in its mission through implementation of the SRF driven by a coordinated business plan approach.

39. Key elements of the process identified by the SIMEC Chair included:

   a. Several meetings, both virtual and in-person had been held to develop and deliberate on ideas for the future operation of the advisory services.
   b. SIMEC had reviewed multiple documents, including the external evaluation of ISPC, to gather information to support the task being undertaken.
   c. SIMEC had undertaken extensive engagement with many stakeholders across the System to collect inputs and ideas for how the advisory services can optimally be arranged and the services they would provide.

40. The SIMEC Chair introduced the recommendations set out in the SIMEC think-piece ([Document SC6-05: SIMEC Think-piece on the future of CGIAR's advisory bodies](#)) such that:

   a. The science advisory body will be the <u>Independent Science and Development Council (ISDC)</u> which reflects a change from the current Independent Science and Partnerships Council (ISPC) to focus further down the delivery pathway. The ISDC will report to the System Council and will be supported by a shared secretariat which will be co-located with the System Management Office. The ISDC will have a high-level independent panel of experts on scientific, development and innovation matters, supported by a small team in the secretariat for administrative and technical activities. The ISDC's role will focus on providing foresight guidance and proposal assessment processes.
   b. The <u>Standing Panel on Impact Assessment (SPIA)</u> will continue in the current structure and will also be supported by a unit in the shared secretariat. SPIA will report to the System Council, including through some processes with SIMEC.
   c. There will also be a <u>function providing quality assurance for externally commissioned evaluations</u> carried out by the Shared Secretariat which will report to the System Council through SIMEC.

41. The SIMEC Chair indicated that the new arrangements are proposed to be in place from 1 January 2019 including the co-location between the advisory services shared secretariat and the System Management Office to enable a smooth integration. A proposal has also been included in the think-piece for a one-year transition phase, starting on 1 January 2019, in which the advisory services would be hosted in Rome at the Bioversity International headquarters with an adequate presence of staff from the System Management Office to support appropriate interfaces.

42. In discussions that followed there was support expressed for the process undertaken by SIMEC in exploring the needs, engaging in a wide set of consultations and providing options for the Council's consideration regarding the future of the advisory services and the institutional implications.

43. Themes that emerged in consideration of the advisory services arrangements overall were:
   a. <u>Ownership</u>- The intention for the System Council and the wider System to be

better able to take on board advice coming from the advisory services was welcomed, recognizing the need for discipline in ensuring that ownership of advice is not conflated with setting absolute boundaries on what the advisory services do.

b.  Independence- In the design and implementation of the new arrangements there is a need to ensure that independence is maintained. This should be considered in two specific areas, firstly in plans for co-location of the services and secondly in development and approval of workplans for activities to generate advice.

c.  Reporting- Recognizing that there is an important role for SIMEC to play in supporting the advisory services intersessionally and in terms of operational discussions, it was noted as important that there be clear reporting to the System Council, particularly for ISDC and SPIA, including through regular opportunities at System Council meetings.

d.  Conflict of interest- Transparency in declaration and management of Conflict of Interest matters was raised as a key consideration.

e.  Integration- Support was expressed for efforts to bring about greater integration of the advisory services into the System particularly through the new business cycle approach and via appropriate consideration of the interface with the System Management Office. The Executive Director of the System Organization indicated that while further discussion would need to take place with the System Management Board on the exact details of the adequate presence of System Management Office staff to support the smooth integration and joint development of the business cycle, up to a maximum of four FTEs would be considered as part of the 2019 transition period.

f.  Monitoring- With support for the key principles outlined in the presentation as the driving force behind the new arrangements proposed, there was a call for these to inform key performance indicators that would help in monitoring and measuring progress in these areas.

g.  Financial considerations- With support for the key principles of efficiency and effectiveness driving this process, members were keen to ensure that the financial considerations involved with the proposed transition had been carefully considered. In response, the SIMEC Chair pointed to the intention for the transition solution to be cost neutral.

44. With respect to the new arrangements proposed for the ISDC, the following observations were shared:

a.  The title of Independent Science for Development Council, as opposed to an Independent Science and Development Council, was preferred as more appropriately reflecting the shift that was intended given that CGIAR is a research organization, that others may be better placed to consider the development piece, and that there are limitations to what a single advisory body can robustly provide.

b.  There was particular support from some members for a shift in the function of the scientific advisory body to providing a broader spectrum of advice

taking into account scientific and development aspects in a more holistic manner.

    c.    There was agreement on the roles articulated for the ISDC in terms of foresight and horizon scanning, with some comments pointing to the need to take this even further so that there would be activities which would focus on analysis and trade-offs to provide a shared basis of information to support collective decision-making. An example of the work currently being undertaken as part of the breeding initiative was given to illustrate the type of work that the new science advisory service could provide to the System Council.

45.    The Chair thanked members for their inputs and reflected on the points raised particularly on independence and co-location, citing an example of the independent evaluation group of the World Bank that sits in Washington, which illustrates that it is possible to have interaction while maintaining a firewall to preserve independence.

46.    The Chair confirmed that the future arrangements of the advisory services and the location of the shared secretariat would be considered as a separate decision from any discussions and decisions that would need to be made to realize the concept of a Rome Hub which is currently being explored by various CGIAR Centers. The Chair also noted comments on clarifying the terminology around System Organization and System Management Office with regard to any co-location arrangements being proposed.

47.    Decision SC/M6/DP3: Future of the System Council's Advisory Services
The System Council **approved** the option as set out in the SIMEC think-piece (meeting document SC6-05) for the future functional areas and operational arrangements for the System Council's scientific advisory, impact assessment and evaluation services.

48.    The System Council Chair invited the SIMEC Chair to introduce proposed next steps to develop terms of reference for the advisory services and a timeline for that work. The SIMEC Chair highlighted that the work would be undertaken in a consultative manner and would optimally include a virtual session with the System Council in July 2018. No inputs were received from the Council on the proposed workplan.

49.    SC/M6/AP2: Transitioning to the System Council's new scientific, impact assessment and evaluation advisory services arrangements.
    I.    **Agreed position:** The System Council **endorsed** the proposed workplan, timetable and planned approach to formation of the new Independent Science and Development Council ('ISDC') set out in Part D of meeting presentation SC6-05A, taking note that Part D of the presentation was focused on the independent council members for the ISDC, and that subsequent actions will be required in regard to SPIA, and approving a new multi-year evaluation strategy for the CGIAR System.
    II.    **Related action:** By not later than 31 July 2018 SIMEC will bring to the System Council:
        a.    **For electronic decision**: Agreement on: (i) the proposed Terms of

Reference for the new Independent Science and Development Council ('ISDC'); (ii) the proposed major functions and size of the shared secretariat to support the ISDC, SPIA and the evaluation function; and (iii) the advertising strategy to identify candidates for the ISDC; and

b. **For input**: A proposal to ensure the smooth transition between the SC's ISPC to the ISDC.

## Item 9: Business Plan- Processes: Defining and improving

*On program performance management framework*

50.   The Executive Director framed the session, recalling that the task of recommending a program performance management framework to the System Council is set out in the *Charter of the CGIAR System Organization* as one of the functions of the System Management Board[1]. The process undertaken to date was briefly summarized, noting that a two-stage process had been proposed, with a results reporting process agreed in November 2017, and the second stage involving development of the necessary systems to support the collection of data and integration into a broader performance framework.

51.   The framework focuses on three grouping of mechanisms to be able to (i) strengthen reporting and learning from past research, (ii) improve management of current programs, and (iii) improve decision-making about future research funding. Together these provide the mechanics of how decisions are taken at various levels of this subsidiarized System about the management of research. The framework encompasses twelve proposed components, currently at different stages of development, as follows:

i.     An annual Performance Report which strengthens annual reporting. The Executive Director confirmed that the first of these reports will be produced this year as a pilot.

ii.    New reporting requirements for CRPs and Platforms which also serve to strengthen annual reporting

iii.   Reporting templates for intellectual assets reporting which already exist

iv.    The new results dashboard which will enable more continuous reporting

v.     Common results reporting indicators which have been agreed; data will be aggregated across the system using some IT platforms

vi.    Outcome and impact case studies which are important for knowing what has been achieved

vii.   Independent verification and learning from the evaluation work that has already been conducted

viii.  Critical impact assessment work

ix.    Within-cycle learning through program performance management standards

x.     Quality at entry assessment

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[1] Charter of the CGIAR System Organization, Article 8.1(ii)

xi.  <u>Having a planning landscape</u>

xii.  <u>Allocation criteria and tools </u>to support decisions being taken

52.  The Executive Director set out highlights of the results dashboard tool currently in development, noting that to achieve this an interoperable system is needed so that different systems being utilized across CGIAR can all feed into this dashboard. The opportunity is to make much more use of modern visualization technology to provide real time information to those across the System about what's being achieved and how. The dashboard will provide the ability to filter information in different ways such as by program or platform, by flagship, by year, by outcomes or impacts, by country and by innovation stage. There are ongoing efforts to find ways for the SDGs and the SLOs to be better mapped to demonstrate how CGIAR achievements are making contributions to the SDGs. A live mock-up will be the next step, with the aim being for the dashboard to be operational by end-2018.

53.  The Executive Director also provided further detail on the program performance management standards which would enable the System Management Board and the System Council to receive assurance that adequate systems are in place while allowing the subsidiarized system to function through decisions being taken by those closer to the work. The rationale is to strengthen the incentives for strong standards of performance management using the CRPs as an entry point to do that, and, through consultation with CRPs and other stakeholders, develop some minimum standards that reflect expectations of management, and decision-making processes expected in the management of research in CRPs. These would be aligned to the business cycle and would be important criteria for decision-making on subsequent stages of investment, and would be ratcheted up over subsequent business cycles.

54.  The following were key themes emerging from the interventions made:

   a.  A recommendation was made that the dashboard be adapted to the International Aid Transparency Initiative (IATI) standards, which would make it a more efficient management tool for Funders.

   b.  With respect to the allocation criteria and tool listed as one of the elements of the framework, there were questions on how this is envisioned to work, particularly in terms of the time scale it would link to and how it would feed into decision-making.

   c.  There was strong endorsement for the opportunity the dashboard would bring to drill down into and interrogate the data to be able to answer a variety of queries, some that may not already be anticipated.

   d.  It was proposed that in addition to the partnerships that will be registered in the system, the possibility of partner institutions being part of the reporting process could be considered.

   e.  There was an appreciation for the open and consultative manner in which the development of the program performance management framework had been undertaken.

f.  System Council members stressed the importance of this initiative and urged that progress continue to be made quickly on this, even if all elements were not yet perfectly in place, recognizing that it can be gradually improved over time.

g.  In response to a question on funding allocation, the Executive Director clarified that the aspiration is to build on and use all available data to be able to look at new programs as they come in and make informed judgments.

55.  The Chair summarized that significant progress had been made towards a coherent, comprehensive performance management framework suitable to the complexity of CGIAR.

*5-point plan to improve System funding modalities*

56.  By way of framing, the Executive Director set out the intention that the business planning process would be a mechanism to solve some longstanding challenges through the five key elements proposed in the 5-point plan set out in section 3.2 of meeting document SC6-02.

57.  In discussions on the key points of the proposed plan, the following questions and comments were raised:

a.  With an understanding of the <u>problem of fragmentation</u> that may have emerged from the many small projects that exist across the System, there was a feeling that this also reflects the special circumstances of some Funders which may limit how they can contribute to CGIAR. It was expressed that setting a goal of decreasing the number of small projects which could restrict or discourage funding through Window 3 or bilateral mechanisms may not necessarily have the desired effect and could work against maximizing the resources available to CGIAR. While there was agreement that it would be more beneficial to put stronger focus on increasing contributions through Windows 1 and 2, a more comprehensive view should take into consideration the importance of bilateral and Window 3 funds which may often represent investments that are quite sizable, predictable and multi-year.

b.  Regarding the <u>multi-year funding raising process</u> proposed, questions were posed about the format and timing of this in line with the business plan cycles. It was recognized that the proposed business cycle timing may not optimally fit with existing multi-year contribution arrangements, which are greatly valued, but confirmed that the aspiration is that some initial adjustments could be made for some Funders in the first business cycle, and by the second cycle this may be able to be more comprehensively achieved. Rather than a traditional pledging conference, and recognizing some of the discomfort with the terminology of pledging, the intention starting at the November 2018 Council meeting is to gather any anticipated multi-year finance particularly at the program level, with any future mechanism to be discussed further.

c.   Some interventions highlighted certain challenges from Funders' perspectives regarding the overhead costs that can be charged, such as the designation of the Centers which limits the overhead rate. Considering such challenges, there is an impetus also to look for other ways in which such costs can be better integrated or reflected into overall program costs.

d.   The thinking around <u>securing greater financial stability</u> in the System as reflected in the business plan concept was well received, particularly some of the innovative methods aimed at reducing the risk around pre-financing which has become common in the System. It was encouraged by some members that further attention be paid to how additional funds or new initiatives can be introduced without creating perverse incentives.

e.   Reflecting on the fact that to transition from the current situation to a future desired one will require both parts to work together, there was a suggestion that <u>improved predictability</u> of funding would need to be linked to more clear delivery of results.

58.   Taking note of concerns raised about the financial viability of Centers and how this relates to possible financing, the Co-Chair proposed that this topic be revisited as an item of Other Business.

*A 4-point plan for an aligned assurance system*

59.   The Head, Board and Council Relations, set out a proposed 4-point plan for an aligned assurance system (section 3.3 of meeting document SC6-02), noting that this builds on and was empowered by the November 2017-approved Risk Management Framework for the CGIAR System. Key elements in which increased maturity would be developed over successive business cycles include:

a.   <u>Increased alignment in System-wide assurance systems</u>, whereby various lines of assurance which usually operate on different cycles, can be brought together in shared rolling three-year plans. This would enable a consistent look at and response to System risks, with the possibility of a statement of assurance with regard to those risks being made available for the System as a whole.

b.   <u>Improving risk maturity in the System,</u> identified in November 2017 as critically important, moving towards higher standards of risk maturity over subsequent business cycles.

c.   <u>As part of evolving Internal Audit,</u> an external assessment of Internal Audit capacity would be undertaken every five years in compliance with the Institute of Internal Auditors Standards.

d.   <u>A move towards a harmonized internal controls framework</u> based on common definitions and a common understanding of the policies and guidelines in place. An example of this is a proposed common framework for whistleblowing across the CGIAR System.

60.   A question was raised on two topic areas under the Risk Management Framework currently receiving public attention; firstly, the risk of sexual harassment and other misconduct, and secondly the reputational risk of fake news on social media. It was

confirmed that sexual harassment was being considered as a priority at present, noting that it falls under one of the five System risk families on best ethical practice. An example of a recent response formulated across the System to a request by a Funder on safeguarding requirements, which was also shared with the System Council, highlights the ability to provide assurance in this area. With regard to fake news, while not high on the radar currently, this would be able to be addressed within the risk families and the risk register that is being developed under the oversight of the Audit and Risk Committee of the System Management Board.

61.     An update was provided to the Council on the formation of its Assurance Oversight Committee (AOC) whose role is to provide the System Council with assurance of the completeness and effectiveness of the internal audit function and the independence of external audit, and provide oversight of the system wide governance, risk management and internal controls. With terms of reference for the AOC approved in November 2017, two representatives of the System Council were appointed as members in March: Daniel van Gilst (Norway) and Michel Gagnon (Canada). The final stages of short listing and reference checking for the external independent candidates will be done to recommend three independent members for approval by the System Council, with the group anticipated to be fully constituted by 30 June 2018.

62.     SC/M6/AP3: Independent members - System Council's Assurance Oversight Committee
   I.    **Agreed position:** The System Council **endorsed** the report presented on the candidate search and shortlisting processes for independent members for the System Council's Assurance Oversight Committee, as overseen by the two System Council members of that committee (and set out in document number SC6-07A).
   II.   **Related action:** The System Council will be **requested** to approve the appointment of three external independent members of the System Council's Assurance Oversight Committee by not later than 30 June 2018, on the recommendation of the System Council's two appointed members of that committee.

## Item 10: Business Plan- Rewards: Securing a long-term funding base

63.     The Executive Director framed the session by highlighting that the objective as set out in Section 4 of meeting document SC6-02 is to secure a predictable and long-term funding base for CGIAR. Some key areas proposed to pursue as part of this business plan concept, include:
   a.    How to use system funding to incentivize change recognizing that how funding is provided drives behavior.
   b.    How the timing of the reconciliation of System Council Funder seating can be aligned with the three-year planning cycle. A possible scenario would set the reconciliation moment at the end of the second year so that any necessary

adjustments could be made halfway through the third year.

    c.    How to set ambitious but achievable <u>funding targets.</u>

    d.    How to increase <u>funding predictability</u> through multi-year pledges or indicative plans, which was discussed in greater detail in the previous session.

    e.    How to <u>increase investments</u> from Funders, with the notion of uplift targets being applied and attempts to find additional funding.

64.    The Head, Funder and External Engagement, outlined that to attract new investments to the shared research agenda, several areas of focus are under consideration, including:

    a.    Bringing new funders to the System and bringing current Funders closer to the System.

    b.    Leveraging new financial mechanisms to ensure that CGIAR has the ability to respond quickly, effectively and meaningfully to access new funding as it becomes available. Some examples outlined were the establishment of a climate fund or a returnable capital fund for climate specifically; becoming a contributor to large investment portfolios of activity such as the EC/Desira; and engaging in multi-lateral development bank partnership strategies to ensure that the System is able to respond to Funder interest and align our programs to deliver impact at the country level.

    c.    Launching the new CGIAR Crops to End Hunger initiative led by USAID, and supporting its development and integration into how the System operates.

    d.    Developing and launching other new initiatives that respond to Funder interests, in order to align the way in which we work and provide the ability for new sources or different pockets of funding to be brought into the System.

65.    On stewardship, visibility and recognition, the Head, Funder and External Engagement recalled a reminder from a System Funder at the Council's 5th meeting in November 2017 on recognition of System Funders across the Centers and CRPs. It was confirmed that an updated CGIAR.ORG website has been launched, along with updated narrative and branding materials, cited as examples of how a more consistent recognition of Funders was being applied across the System. Additional branding and visibility recognition guidelines are being developed using some of these models.

66.    Inviting inputs from the Council, the Co-Chair emphasized the need to use all kinds of funding to incentive change. The following reflections and additional inputs were provided:

    a.    Additional information was provided on the EC/Desira initiative announced at the One Planet summit on climate change organized in Paris in December 2017. With around 270 million euros committed by the European Commission over three years being matched by the Bill and Melinda Gates Foundation, a sizeable fund has been established and the work to identify projects has started. Referring to CGIAR Country Collaboration as an interesting model, it was proposed that the EC/Desira initiative is not about

asking scientists what they can do but looking at what are the needs from research to boost innovations and to mobilize research capacity particularly at the country level. It was noted that care should be taken not to contribute to further fragmentation and the initiative would look closely at countries and actions that would optimally involve some CGIAR Centers at country level. There will also be a consideration of some CRPs as possible way of channeling some of this funding if they match the objectives of the initiative.

b.  One area of new funding highlighted was private sector funding at System level, which will be possible with innovative tools and approaches, as has been shown to be possible in other organizations. The Executive Director advised that a scoping exercise is ongoing on a returnable capital facility or fund around climate.

c.  The launch of new initiatives was highlighted as presenting possible opportunities for engaging with private organizations. It was also noted that Center activities represent opportunities for increased engagement with private sector partners and development partners, and that this may be an area of opportunity for financing the provision of support that these partners need.

d.  Support for the business plan and for continued or even increased funding may depend on commitments shown to topics of importance to Funders, such as gender equality for Canada given its new Feminist Assistance Policy.

e.  It was confirmed that a priority has been to strengthen existing relationships and communications. In terms of new partnerships, some significant actions are ongoing to forge and deepen relationships, with an example highlighted of a recent visit of a delegation from China to the System Management Office in Montpellier.

f.  It was suggested that care needed to be taken in reporting and presentation of funding if there will be a multi-annual approach, so as to appropriately show the spread of funding over several years and not in a distorted manner. This is also a key part of stimulating multi-annual contributions.

67.  The Executive Director invited the System Council to provide inputs subsequent to the meeting on the reconciliation of seats, in particular the proposal that this be delayed to align with the business plan cycles and allow additional time to incentivize multi-year commitments and indications in November 2018.

## Item 11: Business Plan- People: Attracting, retaining and nurturing the best

68.  In outlining the proposed approach, the Executive Director noted that:
a.  While 'people' issues are appropriately considered as being within the decision-making authority of Centers themselves, this does not preclude them from being an important part of the business plan.

b.  Although included as a stand-alone section, in reality many of the elements included in and discussed as part of the business plan already directly relate to whether talent is attracted and retained in the System.

c.  As new initiatives and systems come into place as part of the business plan,

renewal of capacity and bringing in new ideas should be borne in mind, in addition to retention of existing good talent.

69.     On embedding gender equality in the workplace, the Executive Director referred to the rich discussions at the side event on gender equality held alongside this meeting. With strong signaling on what the System should be aspiring to in terms of gender equality, progress already made needs to be built on and elevated. The intention is to develop a high-level CGIAR vision statement on gender equality, building on the appointment of a Gender Champion by the System Management Board, with the business plan as a positive vehicle for advancing progress in gender equality. The Human Resources Community of Practice would be a key stakeholder in the development of a clear strategy for inclusion in the business plan.

70.     The SMB Chair provided some reflections from the Board, supporting the direction proposed for efforts to elevate the topic of gender to the level it deserves including through effective collaboration between the Board and the System Council. He advised that Geoff Hawtin, Chair of the Board of Trustees of CIAT and a member of the System Management Board, had been nominated as the Board's Gender Champion for both aspects of gender equality in the workplace as well as gender in research.

71.     Reflections provided highlighted:
   a.     The importance of this area given that people are central to CGIAR, and the need for this part of the business plan to be further fleshed out to address immediate issues as well as longer term challenges.
   b.     The need for the System to put more attention and focus on human resources with an aim of both attracting and recruiting new staff and maintaining high quality staff with expertise and dynamism for new challenges. A focus should also be placed on strengthening capacity areas such as social sciences, delivery, development, digital agriculture and impact. Efforts should also be made on early career development.
   c.     CGIAR being a wider community, including partners and alumni who are ambassadors of the CGIAR System, and should be cared for as an important asset base.
   d.     Additional areas regarding people that could be considered include intergenerational sustainability, capacity building, and nurturing of new generations of southern and northern researchers.

72.     It was highlighted that the CGIAR risk families approved by the System Council in November 2017 include a focus on opportunity and risk indicators around the topics of harassment, safeguarding of people, and mitigating conflicts of interest. Alignment of policies across the System, and the need for a coordinated and confidential cross-System event reporting mechanism were noted as key areas of focus to move forward in this area. It was also confirmed that it is proposed to utilize System-wide metrics to be able to monitor and benchmark ourselves in terms of HR practices, including in recruitment, performance assessment and employee engagement.

73.     Reflecting on where work on these matters should best be carried out, it was suggested that there needs to be diversity in how Centers approach activities related to their staff, led by Center Boards and management. It was acknowledged that ongoing discussions on shared services offered an opportunity for some core elements and common thresholds to be planned. Other views expressed emphasized the importance of acting as a community, so that there is a common understanding of the overall objectives for the System and a common standard to lead to an improved situation.

## Item 12: Crop Trust Briefing

74.     The Chair invited colleagues from the Global Crop Diversity Trust to address the Council on 'Funding CGIAR Genebanks - Forever'. An informative presentation was provided on the following matters:
   a.     A description of the Crop trust and its mandate
   b.     Financial updates and highlights
   c.     Funding trends and challenges and opportunities
   d.     Partnerships, events and initiatives
   e.     Future scenarios and proposition on funding Article 15 collections

75.     In discussions with the System Council following the presentation, the following emerged:
   a.     Appreciation was expressed for the work of the Crop Trust in terms of fundraising, awareness raising, upgrading of the genebanks and supporting storage and distribution of important materials.
   b.     The valuable work of the Genebank platform in helping to raise performance of the genebanks and the availability of genebank materials was highlighted.
   c.     It was noted that funding is still below the intended targets and a question raised as to whether this will still be achievable in the timeframe outlined.
   d.     It was highlighted that challenges for some Funders to be able to pay into endowment funds needs to be recognized. and proposed that there could be benefit in working closely with the CGIAR resource mobilization teams in the context of growing critical infrastructure replacement needs of the genebanks.

76.     In concluding the session, the Chair emphasized the need for collaboration to achieve shared objectives, particularly in terms of ensuring the necessary funding is in place to support CGIAR's genebanks.

## Item 13: Other Business

*Center financial viability*

77.     The Head, Finance of the CGIAR System Organization responded to questions raised by the System Council with respect to the information and figures presented in the

Business Plan concept, including:

a.  On the question of reserves and revenue, it was clarified that the focus was on financial results rather than cash flow results and that there is often a correlation between net results and reserves. A concern was raised over the what appears to be persistent running of deficits and the use of reserves to cover costs, given the difficulty in rebuilding reserves in the current funding climate.

b.  From a Center Board perspective, decision-making on the use of reserves is often conscious and strategic, with reserves sometimes being used for protecting core assets and activities of the Center.

c.  The System Management Board and Center Boards were encouraged to take action to understand reasons for and address deficits and draw-down on reserves.

78.  Thanking members for the open discussion on this topic, the Chair highlighted the concerns around the data and also the clear request for the System Management Board to reflect, plan and act on this matter. The Chair of the System Management Board welcomed the Council's inputs to inform the Board as it continues its deliberations on this matter in its next Board meeting in September 2018. Ahead of that meetings, additional information is being requested from Centers with reserve levels at end-2017 below the 90-day risk appetite and 75-day risk tolerance thresholds to be able to carefully consider how to move forward.

*Elevating the gender platform- a proposed way forward*

79.  The Chair recalled the proposal on elevating the Gender platform arising from the side event on gender, and the request made to bring this to the Council for endorsement of a proposed way forward. It was noted that a decision on the mechanisms sits with the System Management Board, however the System Council should provide a clear and deliberate message to the System Management Board on the desire to raise the level of ambition in this area.

80.  Inviting the System Council to consider text presented on the screen, the System Council endorsed a process as follows:

81.  SC/M6/AP1: Elevating gender equality research in the CGIAR Portfolio
   I.   **Agreed position:**  The System Council **endorsed** the concept of the currently named 'CGIAR Collaborative platform for gender research'- housed in the CGIAR Research Program on Policies, Institutions, and Markets (PIM) - becoming a fully-fledged **CGIAR Platform**, thus the equivalent status of the Excellence in Breeding, Big Data and Genebanks Platforms, to deliver:
   • Global leadership on gender equality and agriculture research that has transformative impacts
   • Greater visibility for innovative work on gender equality research conducted across CGIAR
   • Stronger convening power of the Platform
   • Full embedding of gender equality in the fabric of CGIAR

- Greater ability to absorb and deploy finance to leverage gender equality integration across CGIAR
- Facilitating more extensive engagement of CRP directors and other program elements
- Access to a wider set of funding pathways
- More prominence in System reporting

II.  **Related Action**: By not later than the System Council 7<sup>th</sup> meeting (15-16 November 2018) the System Management Board ('SMB') will **advise** the System Council on the outcome of SMB discussions/decision-making on the following themes for a **Gender Equality Research Platform**, with the same status as the three other CGIAR Platforms:
- Arrangements: hosting, leadership and partnerships and timing
- Funding modalities
- Scale and scope of activities

*Whole of System Reference Group*

82.  Summarizing interventions heard during the meeting, the Chair noted that there was support for a process to bring together the Funders and the implementers of the system to discuss the challenges faced both on the ground for Centers and for Funders to stimulate increased funding.

83.  SC/M6/AP5: Formation of a Whole of System Reference Group
     I.  **Agreed position**:  The System Council **acknowledged** that:
         a.  There is Funder appetite for an expanded shared agenda with increasing shared agenda/pooled funding over time;
         b.  Efforts to deliver on these elements are directly linked to the System's capacity to rationalize itself to remove ongoing fragmentation in effort, such that the System (as represented by the Centers and System Management Board), both proposes and implements research programs in ways that provide Funders with the comfort they understandably need; and
         c.  The way to take forward conversations around the inherent tensions involved is via a reference group that has a broad mandate to have the essential *quid-pro-quo* conversation, informed by dispassionate analysis on what the drivers of the issues are, and how they may potentially be solved.  The outcome of those conversations would inform development of the initial 3-year CGIAR Business Plan, with a focus on putting on the table what is needed to progress towards a more definitive shared agenda, and how to address the trade-offs involved.

     II.  **Related Actions**:
         a.  By not later than **Thursday 31 May 2018**, System Council voting members interested in joining the Whole of System Reference Group are to express that interest via systemcouncil@cgiar.org;

b.   The System Management Board Chair to similarly seek expressions by that date from SMB members and more broadly across the Centers;

c.   By **Friday 15 June 2018**: The System Management Office will have convened the Whole of System Reference Group, consisting of a balanced representation from the System Council and Centers/System Management Board, not exceeding 20 members in total.  Where there are more than 10 persons who have expressed interest from the System Council group and the Centers/SMB Group, the composition of the Group will be identified by the Executive Director of the System Organization after consultation with the System Council Chair and SMB Chair; and

d.   **Over June, July, August and September 2018** the work of the 'Grand Bargain' Reference Group will be facilitated by the System Management Office, with conversations principally being via virtual means, but with the potential to come together if determined appropriate by the group. Formal quorum requirements will not be imposed to enable the group to remain agile and meet when most people can be available.

*Optimizing the portfolio*

84.   The Executive Director presented a proposed revision of ideas in section 1.2 of meeting document SC6-02, based on earlier inputs from the System Council, allowing for a prioritization of:

a.   Areas already featuring substantially in the portfolio needing implementation support which could be achieved through the development of institutional-wide strategies or initiatives including (i) breeding, (ii) climate change, (iii) addressing hidden hunger and (iv) gender in research; and

b.   Areas for additional discussion on the optimal extent of coverage in the Portfolio which could include anti-microbial resistance, major thematic research area gaps such as water, energy and agrochemicals, and responding to threats and emergencies.

85.   Reflections on the revised list included:

a.   Strong support for moving forward with strategic discussions and finding appropriate partnerships in the area of anti-microbial resistance, recognizing that this may be one feature of a broader agenda on health that CGIAR embarks on.

b.   While some emergency responses were identified as important for CGIAR, such as Fall Armyworm, it was cautioned that further work in this area needs to be carefully planned around CGIAR's comparative advantage would be, and when and how CGIAR would engage in order to avoid further fragmentation.

c.   While addressing water and energy are important, they should not necessarily be handled in isolation given that they fall at the nexus of food, water and energy, and the important part they play in understanding the climate change picture.

d.   CGIAR needs to be clearer on what it offers and how it delivers, to be able to position itself on key topics at a global level. In any area that CGIAR works it

needs to be able to keep up with the pace, speed and volume of delivery in order to respond to future demand.

*Update from SC6 executive session*

86. The following action point was reported from the Executive Session:

87. <u>SC/M6/AP4</u>: Ongoing efforts to strengthen the CGIAR internal control and risk assurance framework
    I. **Agreed position**: The System Council **noted** the System's commitment to making disclosure of credible concerns regarding financial matters, pursuant to agreed reporting and legal arrangements.
    II. **Related actions**:
        a. <u>By Wednesday 23 May 2018</u>: A set of <u>internal</u> talking points to be provided to Funders regarding two matters presently under discussion, as accompanied by responses to a set of Funder enquiries;
        b. <u>By not later than 28 June 2018</u>: A second set of information to be provided in response to additional information expected to become available by 18 June 2018;
        c. <u>During August 2018</u>: The System Council's Assurance Oversight Committee will meet to discuss the status of reporting on credible concerns;
        d. <u>For SC7 in November 2018</u>: The System Management Board will present a detailed briefing to the System Council on the status quo regarding CGIAR's internal control framework and recommended strengthening measures for implementation during 2019-2021, building on conversations of the System Council's new Assurance Oversight Committee in advance.

<u>Meeting closure</u>

88. The Chair expressed appreciation to the meeting's organizers and for the diligent preparation of meeting materials. He thanked the System Council for the rich discussions and inputs to inform further development of the Business Plan 2019-2021, which will come back to the System Council for approval in November 2018.

89. <u>SC/M6/AP6</u>: Development of an initial 3-year Business Plan for CGIAR (2019-2021)
    **By November 2018**: The System Management Office will ensure that the inputs provided during SC6 on elements of the business plan concept are taken up and form the basis of further System-wide consultations to inform development of the initial 2019-2021 CGIAR Business Plan to be presented for approval at the System Council's 7th meeting in November 2018.

90. In closing the meeting, the Chair, on behalf of the Council, recognized the following:
    a. <u>Germany</u> for its excellent and generous hosting of the System Council meeting;

b.     <u>Bernard Rey</u>, member from the European Commission, who will be taking up a new position and leaving the System Council; and

c.     <u>Albin Hubscher</u> from the System Organization who will be retiring.

91.     The Chair reminded the System Council that the next meeting (SC7) would be hosted by the Bill and Melinda Gates Foundation in Seattle in November 2018 and invited offers to host the Council in 2019. Proposals and suggestions for hosting were received from Australia, China, Turkey and a CGIAR Center location.

92.     The Chair thanked the participants and closed the meeting.

## Annex 1:  List of meeting participants

| Meeting Leadership (non-voting) |
| --- |
| **Chair:  Juergen Voegele** |
| **Co-Chair:  Stefan Schmitz** |

*Note:  The symbols '*' and '**'shown against a name below indicates that voting member/ active observer is being represented at the meeting by the alternate ('*') or another delegated representative ('**').*

| System Council Voting Members (listed alphabetically) | Member representative | Member Alternates & Other Delegation Members |
| --- | --- | --- |
| AfDB (represented at SC6 by IFAD) | **Malu Ndavi*** | |
| Australia | **Andrew Campbell** | **Alternate Member - Mellissa Wood** Other delegate - Gabrielle Persley |
| Bill & Melinda Gates Foundation | **Tony Cavalieri** | |
| Canada | **Michel Gagnon** | Other delegates - Robert Hofstede; Nathalie Rainville; Roxanne Robert |
| East Asia & Pacific (voting member China) | **Tang Shengyao**** | **Alternate Member - Syaiful Anwar (Indonesia)** Other delegate - Hao Weiping (China) |
| European Commission | **Bernard Rey** | Other delegate - Christophe Larose (Day 2) |
| Germany and Belgium | **Nathalie Francken (Belgium)** | Other delegates - Michel Bernhardt (Germany) and Juergen Anthofer (Germany) |
| Japan | **Masa Iwanaga**** | **Alternate Member - Masashi Takizawa** Other delegates - Norihito Kanamori; Naoaki Kamoshida; Naoko Oka |
| Latin America and Caribbean (voting member Peru) | **Pedro Machado* (Brazil)** | |
| The Netherlands | **Melle Leenstra** | |
| Norway | **Daniel van Gilst** | |
| South Asia (voting member India) | **Shri Chhabilendra Roul** | Other delegates - Muttathu Jose (India); R.Madhan (India) (Day 1) |
| Sub-Saharan Africa (voting member Nigeria) | **Yarama D. Ndirpaya** | **Alternate Member - Adil Omer Salih Abdelrahim (Sudan)** |
| Sweden | **Philip Chiverton** | |
| Switzerland | **Michel Evéquoz** | |
| United Kingdom of Great Britain and Northern Ireland | **Alan Tollervey** | **Alternate Member - Howard Standen** Other delegates - Katalin Visnyei |
| United States of America | **Rob Bertram** | **Alternate Member - Eric Witte** |
| West Asia & North Africa (voting member Turkey) | **Gazi Kaya** | **Alternate Member - Javad Mozafari (Iran)** Other delegates - Merve Altan (Turkey); Eskandar Zand (Iran) |
| The World Bank | **Mark Cackler** | **Alternate Member - Michael Morris** |

| Non-voting Ex-officio members | Member | Other Delegation Members |
|---|---|---|
| Chair, System Management Board | **Marco Ferroni** | |
| Executive Director, CGIAR System Organization | **Elwyn Grainger-Jones** | |
| Center Representative 1: Convener of the Chairs of Center Boards of Trustees | **Nicole Birrell** | |
| Center Representative 2: Convener of the Center Directors General | **Matthew Morell** | |
| Food and Agricultural Organization of the United Nations (FAO) | **Samy Gaiji** | Other delegate - Abdoulaye Saley Moussa |
| International Fund for Agricultural Development (IFAD) | *Representing AfDB at this meeting* | |

| Active Observers | Representative | Alternate Member & Other Delegation Members |
|---|---|---|
| GFAR | **Bongiwe N. Njobe** | **Alternate Member - Mark Holderness** |
| CGIAR Independent Evaluation Arrangement | **Rachel Sauvinet-Bedouin** | Other delegate - Jenin Assaf |
| CGIAR Independent Science and Partnership Council | **Maggie Gill** (ISPC Chair) | Other delegate - Leslie Lipper |

| Invited attendees | Representative | |
|---|---|---|
| France - Host Country of the CGIAR System Organization | **Frederic Lapeyrie** (Ministry of Higher Education, Research and Innovation); **Bernard Hubert** (National Institute for Agricultural Research) | |
| Trustee of the CGIAR Trust Fund | **Darius Stangu** (The World Bank) | |

| Additional participants | | |
|---|---|---|
| The World Bank | Jonathan Wadsworth, Lead Agricultural Specialist | |
| CGIAR System Internal Audit Function | Madina Bazarova, Head | |
| CGIAR System Organization *(Technical inputs for sessions; meeting management; logistics support)* | Karmen Bennett, Head, Board and Council Relations | |
| | Rosa Lugos Charpentier, Funder and External Engagement Officer | |
| | Olwen Cussen, Board and Council Relations Associate | |
| | Peter Gardiner, Senior Advisor, Program Performance | |
| | Albin Hubscher, Head, Finance | |
| | Nadia Manning-Thomas, Manager, Board and Council Relations | |
| | Victoria Pezzi, Meetings and Events Associate | |
| | Andre Zandstra, Head, Funder and External Engagement | |
| **Agenda item 12 – Global Crop Diversity Trust briefing** | Tim Fischer (Chair, Global Crop Diversity Trust Executive Board) and Marie Haga, Charlotte Lusty, Janet Muir and Sebastian Winkler (Global Crop Diversity Trust leadership and other senior staff) | |

| Apologies | | |
|---|---|---|
| **Constituency** | **Status** | **Name** |
| African Development Bank | Voting Member | Martin Fregene |
| East Asia and Pacific | Voting Member (China) | Gong Xifeng |
| Japan | Voting Member | Satomi Okagaki |
| Latin America & Caribbean | Voting Member (Peru) | Juan José Marcelo Risi Carbone |
| Mexico | Voting Member | Jorge Rueda Sousa |