Meeting Summary
2nd System Council meeting
25-26 September 2016, Mexico City

Purpose:

This document presents the Meeting Summary for the 2nd meeting of the System Council held on 25 – 26 September 2016 in Mexico City, Mexico, approved by the Council on a no objection basis with effect from 23 November 2016.

Prepared by: CGIAR System Management Office

Approved by the System Council on a no objection basis with effect from 23 November 2016.

Introduction:

This document presents a summary of the 2nd meeting of the System Council ("Council") held on 25 – 26 September 2016, at the Camino Real Hotel in Mexico City, Mexico.

By way of overview:

- **Agenda items**. The meeting considered the 12 agenda items set out in the table of contents on the following page.

- **Decisions**. The Council took six (6) decisions during its meeting, described in the text, and set forth in Annex 1 as a compendium for ease of reference. Appendix A to Annex 1 sets forth the CGIAR research programs and platforms approved by the Council in its decision SC/M2/DP3.

- The 2 '**Action Points**' referenced in the meeting summary serve as a basis for tracking the Council's agreement on items for follow up. Progress on action points will be reported in advance of each in-person Council meeting.

- **Participants**. Annex 2 sets out a list of meeting participants.

- **Definitions**: Terms such as CGIAR Research, CGIAR System (or System) and CGIAR Portfolio are as defined in the CGIAR System Framework.

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Agenda Item 1: Opening Session

1. The Council Chair, Juergen Voegele, Senior Director in the Agriculture Global Practice of the World Bank Group, opened the meeting. He thanked those present, and also beyond the meeting room, for making it possible for the Council to meet so soon after the inaugural 12 July 2016 Council meeting to consider the System Management Board's formal recommendation on a proposed 2017 – 2022 holistic portfolio of CGIAR Research Programs ("CRPs") and platforms ("2017 – 2022 Portfolio").

2. **Decision SC/M2/DP1: Meeting Co-Chair:** The Council elected Dr. Raúl Obando from Mexico to serve as the non-voting Co-Chair for the meeting pursuant to Article 5.2 of the CGIAR System Framework ("Framework").

3. The Chair tabled the Provisional Agenda, and agreed to take the following four items into Agenda Item 12, Other Business as proposed by the constituency indicated in the parenthesis:

    a. Update on TICAD VI and G7 (Japan)
    b. Building stronger partnerships (South Asia)
    c. Considering further action on the Grain Legumes and Dryland Cereals proposal (South Asia)
    d. Update on site integration actions (European Commission)

4. **Decision SC/M2/DP2: Agenda**: The Council **adopted** the Agenda (meeting document SC2-01).

5. Declarations of interest in respect of the adopted Agenda were made by:

    a. Martin Kropff and Ann Tutwiler, who serve concurrently as voting members of the System Management Board (with Martin Kropff serving as Interim Chair), and also Directors General of, respectively, CIMMYT and Bioversity, two of CGIAR's 15 Research Centers, and therefore, together with the other 13 Centers, are key stakeholders in the delivery of the proposed 2017 - 2022 CGIAR Portfolio; and
    b. Marion Guillou, who disclosed that in addition to her role as the representative of France in France's capacity as an invited guest to System Council meetings as host country of the CGIAR System Organization, she was a member of the Board of Trustees of Bioversity International, a CGIAR Center.

6. Senora Adrianna Herrera Moreno, representative of the Mexican Ministry of Agriculture addressed the meeting, welcoming all meeting participants on behalf of the Ministry on the occasion of the important discussions that the Council would have on the proposed 2017 – 2022 Portfolio.

7. During her remarks, Senora Herrera Moreno reflected on Mexico's strong and continuing support for CGIAR, and the very strong relationship that has been built with CIMMYT since the Center started its important work at the frontlines of agricultural research and development as a pilot program supported by the Mexican Government and the Rockefeller Foundation. Highlighting the important role that CIMMYT has played to connect the national agricultural research system with knowledge, experience and resources, Senora Herrera Moreno noted that Mexico prides itself with on its leadership and its investments in technology and innovation in the agricultural sector, and the partnership that the Mexican Government has with CIMMYT, which she noted has never been stronger.

8. To close her remarks, Senora Herrera Moreno expressed Mexico's commitment and ongoing support for CGIAR's work, conveying the Mexican Governments belief that CGIAR's contributions to agricultural research for development are fundamental in initiating the transformation needed for agricultural practices, technology, natural resource management and public policy in developing countries.

Agenda Item 2: Considering the 2017-2022 Portfolio, Part 1 - Reflections

9. Referring to the informal workshop on the proposed 2017 – 2022 Portfolio that was held on the day prior to the 2nd Council meeting, the Chair noted the benefit of more detailed technical discussions being held in advance of the Council's important strategic conversation on what should comprise the 2017 – 2022 CGIAR research agenda that is approved by year-end.

10. The Chair proposed a brief introduction by Martin Kropff, Interim Chair of the System Management Board on the formal proposal before the Council, to be followed by an overview presentation by Maggie Gill, Chair of the Council's Independent Science and Partnership Council ("ISPC") on the ISPC's overall approach to assessing the proposals that will be formally before the Council under agenda item 3.

11. Taking the Council through a brief presentation on the overall basis of the proposed 2017 – 2022 Portfolio, the Interim Chair's points of emphasis included:

    a. The whole of system approach to the portfolio of CRPs and platforms being presented by the System Management Board for the Council's formal review, starting with the approved CGIAR 2016 – 2030 Strategy and Results Framework ("SRF"), and with a clear sense of ownership and stewardship by all the Centers according to the proposal development framework that had been guiding the work of the Centers for the past 18 – 24 months;

    b. The demonstrated capacity of the System Management Board to work with the Centers and, as required, take tough decisions on complex issues for the benefit of the CGIAR System as whole. Here, specifically, the Interim Chair spoke to the critical need for a holistic agricultural research for development agenda to include the people, issues and geographies targeted by the Grain

Legumes and Dryland Cereals ("GLDC") proposal that, ultimately, the System Management Board determined not to include in the formal 2017 – 2022 Portfolio submission. He therefore highlighted the System Management Board's intention to bring back to the Council a robust proposal in the topics covered by the GLDC proposal, and in the interim, invited the Council to consider a possible mechanism to deliver continued funding to the clearly strong elements of the proposal as identified by ISPC;

c. The reality that there is no other organization in the world in the extremely important domain of agri-food systems research and food and nutrition security that is on the ground in the number of countries that CGIAR is, working in very close collaboration and partnership with National Agricultural Research Systems ("NARS") to bring global public goods to country after country for the benefit of many, and particularly the poorest of the poor; and

d. The critical importance of the planned uses of Window 1 and Window 2 funding within the proposed 2017 – 2022 Portfolio as the means by which the Centers, the flagship projects, the CRPs and the Platforms come together to deliver a response to global challenges that is considerably bigger than the sum of its parts. Acknowledging the historical and highly appreciated support of CGIAR's Funders to the research undertaken across the System, he closed by emphasizing that to respond to the Funders' very legitimate request for CGIAR's next research agenda to demonstrate increased overall coherence as a portfolio, requires portfolio level resources to be invested in even the most challenging of financial and political times.

12. Thanking the Interim Chair of the System Management Board for very clearly elaborating the change that people are observing in how the CGIAR System is operating and the Centers are interacting, the Chair noted that the Interim Chair's presentation set the tone very well for the ISPC's high-level observations.

13. Speaking to a comprehensive presentation on the ISPC's approach to the review process for the full proposals, the ISPC Chair's observations included:

a. To build on the observations of the Interim Chair of the System Management Board, that the nature of the Sustainable Development Goals was such that there is an increased need for interdisciplinary and inter-sectoral research, and that this is particularly where part of CGIAR's comparative advantage lies; and

b. By way of an important recap of the basis of the ISPC's overall focus during its reviews, that the SRF and the 2015 Guidance Note for Full Proposals guided the ISPC's work, accepting that no single organization would be able to deliver on the breadth of the research agenda contemplated by the SRF, and that, accordingly, there will of course be gaps in what is included in the proposed 2017 – 2022 Portfolio compared to the SRF.

14. By way of an overall summary of the ISPC's reviews and resulting assessments, as a whole, the ISPC Chair provided the Council with an overall 'scorecard' summary of the 2017 – 2022 Portfolio as proposed by the System Management Board to the Council as follows:

- Has forward looking vision - *emerging*
- Sets priorities at portfolio level - *emerging*
- Adaptable to critical needs - *question mark*
- Baseline funding security - *work in progress*
- Builds on System comparative advantage - *strong*
- Integrated research outputs (in terms of SLOs) - *potential is strong*
- Monitoring and evaluation - *work in progress*

15. Recognizing the importance of clarity in messaging based on a clearly enormous amount of effort by all, the ISPC Chair concluded her introductory remarks by noting that:

a. The ISPC's description of an individual flagship element as 'weak' within the applicable proposed CRP was in no way a reflection on the science quality involved in that flagship. Rather, for some flagships, 'weak' actually means that whilst there were some good Window 3 and bilateral projects described within those flagships, what was not described was how that flagship leadership team was going to extract international public goods from across those projects, which is what the ISPC understood would be the benefit of Window 1 and 2 funding;

b. It is the recommendation of the ISPC that the Centers not be asked at this point in time for further revision to make the relatively minor changes that are being recommended after this now third review, based on the ISPC's assessment that there was a shift into a much stronger overall portfolio since the initial draft of the full proposals. Rather, that assessments by the System Council should be based on the proposals submitted by 31 July 2016; and

c. The ISPC puts a caution around trying to do value for money estimates, whereby the Council looks at the inputs from the CGIAR funding against the targets. Whilst the ISPC believes it to be a good idea that those estimates are done at some stage, for now, it would be ISPC's advice to not draw too many conclusions from those estimates, because of insufficient detail. Rather, considerable more effort should be focused on putting in place a robust monitoring and evaluation framework for the new portfolio, once approved.

16. The Chair thanked the ISPC Chair for the comprehensive summary, and on behalf of the Council as a whole, thanked the ISPC Chair for her considerable contribution to enable the Council to now be in a position to deliberate on a possible portfolio. Noting that the ISPC had maintained its independence as required by the Council, the Council Chair also acknowledged the ISPC Chair's consistent willingness to interact and press for an improved portfolio on all occasions.

17. To conclude introductory observations, the Chair invited the Fund Effectiveness Working Group ("FEWG") Chair to provide any additional observations, with an emphasis on any emerging themes coming from the informal workshop on the day prior.

18. Noting that a first element of the workshop was recognizing the progress that has been made on the proposed 2017 – 2022 Portfolio, and the overall sense that the CGIAR System is really moving forward, the FEWG Chair shared the following high level observations from the workshop:

    a. Discussions were framed by looking at prioritization through the lens of resource mobilization efforts to retain not only existing CGIAR Funders, but to also send the right signals to potentially new donors that the System is getting tighter, and it is making hard decisions; and

    b. With that rather external lens in mind, then asking the following questions:
        - Scope of the portfolio (e.g. should a CRP be in or out).
        - Scope of a CRP (e.g. should a flagship be included or not).
        - The appropriate allocation of funds across the remaining elements, at CRP level and across flagships.
        - Any 'must-haves' for improvement (after approval as first milestones).
        - In the event that something was not supported by the System Council, at CRP or flagship level, would there be scope to bring that back and over what time frame.
        - Where in the System was a more detailed budget check going to be undertaken

19. The FEWG Chair noted that considerable discussion had taken place in the workshop on whether there was an optimal way to categorize the various proposals, and that this could be something that could be tabled under agenda item 3 if helpful to the System Council. Overall, it was noted that the outcomes of the donor-led review was that for some proposals, there was perhaps still some work to do. However, from the different lens applied compared to the ISPC's review – there was a high level of comfort with respect to quality for the vast majority of the proposed 2017 – 2022 Portfolio.

20. Emphasizing that the workshop was not a decision making forum, the FEWG Chair noted an awareness coming out of the workshop that the Council may have to take some tough decisions, particularly in regard to the uses of Window 1 and 2 funding, to make it more attractive for Funders to come back into Window 1. Here, the FEWG noted that perhaps the one area that had not yet had sufficient attention was whether the budget piece of what the System Council would be asked to approve in November 2016 had received sufficient attention.

21. A Council member who participated in the workshop noted that a key question raised therein, was whether all available funding for 2017 should be allocated provisionally by the Council when it takes its planned November 2016 funding decision, or should money be held back for contingencies.

22. The FEWG concluded her remarks by noting that the nature of the conversations in the workshop were such that it was another important signal that the CGIAR System has turned an important corner to build on the governance changes implemented earlier in the year. Recognition was also made of the hard decision of the System Management Board not to put forward the GLDC proposal as part of the proposed 2017 – 2022 Portfolio.

23. The Chair expressed the Council's appreciation to the FEWG Chair and also the FEWG convener for the extraordinary effort undertaken in a short period of time to bring before the Council the different, broader-based information that the donor-led review process had been able to deliver.

24. Concluding the session, and again commending the System Management Board Interim Chair, the ISPC Chair and the FEWG Chair for the considerable effort by all, the Council Chair observed that from 12 months prior when there were potential questions on whether there was an overall portfolio that could come together, there was now clear data on the proposed 2017 – 2022 CGIAR Portfolio that indicated that the System was now in a considerably stronger place.

Agenda Item 3: Considering the 2017- 2022 Portfolio, Part 2: Review of Proposals

25. Noting that the Council had before it 11 CRP and 3 platform proposals, to form the suggested 2017 – 2022 Portfolio, the Chair framed the session by confirming that no decision was being requested from Council members for this agenda item. Rather, that he wished to have observations on how people would like to approach the decision on the proposed 2017 – 2022 Portfolio, and then whether there were residual areas that Council members believed required additional attention and, if so, by when?

26. As the Council discussed the various review comments and assessments of the ISPC and donor-led review process on a proposal-by-proposal basis, variously, members noted the importance of the Council:

    a. Taking decisions based on quality and relevance, thus sending a strong message that proposals and flagships, when approved by the Council, have met a high bar. Here, it was nevertheless noted that simply because the Council identified excellence in science within a proposal did not remove the opportunity for ongoing improvement in the delivery of that program or platform throughout its lifetime;
    b. Taking the time to reflect on budgets, and only deciding at its planned November 2016 virtual meeting, the 2017 indicative budgets for any proposals

that are approved by the Council during this, its 2nd meeting. For those Council members raising this item, the primary concern was to ensure that very valuable Window 1 and 2 resources were being allocated as strategically as possible within the new portfolio, rather than continuing the allocation approach of the current CRP portfolio; and

c. To the extent possible, receiving improved clarity on what it is that Window 1 and 2 resources are buying before taking its funding allocation decision.

27. As the Council discussed elements of the proposed portfolio, the following themes emerged as broad principles:

a. There is an overriding preference, whenever appropriate, for flagships to be part of a designated CRP because of the benefits coming from collaboration between all of the various activities, thus giving rise to a more coordinated picture of how research is being undertaken and outputs and outcomes are being delivered;
b. Without in any way questioning the quality of the science proposed, the ISPC's questions on the overall 'fit' of two flagships in the holistic Portfolio resonated with the Council. Specifically, the Council queried the proposed inclusion of Maize flagship 5 and Fish flagship 3, taking into account the criteria of coherence and comparative advantage, and based on both the ISPC assessment and the donor-led review coordinated by the FEWG;
c. Similarly, for another group of flagships (namely, Fish flagship 2; FTA flagship 2, Livestock flagships 2 and 5, and WLE flagship 5), there was a question on whether the respective proposals had sufficiently articulated the compelling reason why the most valuable Window 1 and 2 resources should be directed to these flagships. For many, in the context of concerted efforts to rebuild the value case to Funders on the importance of providing Window 1 and 2 funds, there was a clear opportunity for the relevant research teams to return to the Council at an opportune time, and through a coordinated process, to more clearly articulate how the flagship more clearly meets the requirements for Window 1 and/or 2 funding;
d. Every year, there ought to be the opportunity for the System Management Board to come back to the Council, to address the risk that a CRP or platform is approved as part of the CGIAR Portfolio and then not revisited until 5 or 6 years' time in the context of the world continuing to evolve rapidly around the CGIAR System as a whole. This approach for many Council members would require the System to be more dynamic and nimble with respect to either problems or opportunities, perhaps requiring annual conversations at the flagship level, as relevant, as well as on the CRPs; and
e. Recognition that it is important for the proposal development process to be stopped at some point, with residual concerns or questions able to be handed back to the System Management Board to address as appropriate based on Council guidance.

28. The Interim Chair of the System Management Board welcomed the Council's identification of these key points, noting that the System Management Board would find the opportunity to reflect on such guidance before the Council moved into its potential decision making session in agenda item 4. The Interim Chair of the System Management Board also proposed, that at an appropriate time, perhaps there would be a future opportunity for the System Council to also consider differing categories of proposals that come before it, including, for example, 'associate flagships' that propose blue sky research. Noting that it had come up in the context of former Fund Council deliberations, the Council Chair agreed that a conversation on blue sky research at a future Council meeting would be welcomed.

29. In closing the agenda item, the Council Chair recognized the important decisions taken by the System Management Board in framing the proposal submission for the proposed 2017 – 2022 Portfolio. In particularly, the Council Chair emphasized the complexity in the decision of the System Management Board not to put forward the GLDC proposal as part of the proposed portfolio, and commended that decision as a significant step forward in the way that CGIAR's governance system now operates.

Agenda Item 4: Confirming the 2017 – 2022 CGIAR Portfolio

30. At the invitation of the Council Chair, the Interim Chair of the System Management Board took to floor to report on System Management Board deliberations immediately following the close of agenda item 3.

31. The Interim Chair confirmed that on the basis of the Council's preliminary discussions, and in consultation with relevant CGIAR Centers, the System Management Board had determined on 25 September, during its 2nd meeting, to re-submit the proposed holistic 2017 – 2022 Portfolio without flagship 5 within the Maize proposal, and without flagship 3 within the Fish proposal.

32. Thanking the System Management Board for its timely consideration of Council inputs, the Council Chair moved to a decision making session on the revised proposed portfolio.

33. **Decision SC/M2/DP3: 2017-2022 CGIAR Portfolio**: The System Council, pursuant to its functions as described in Article 6.1 (q) of the CGIAR System Framework:

    a. Approved, upon the recommendation of the System Management Board, the CGIAR research proposals and platforms as part of the 2017-2022 CGIAR Portfolio as set forth in Appendix A.

    b. Noted, subject to paragraph c. below, that indicative funding amounts to be provided from funds from the CGIAR Trust Fund for the approved proposals will be decided at a later date.

    c. Decided, as a preliminary decision on indicative funding amounts for 2017, that the System Council will not approve the allocation of Window 1 and/or

Window 2 CGIAR Trust Fund amounts for the 2017 implementation year to the following flagship projects ("Flagship") within the CRP elements of the 2017 – 2022 Portfolio, with the System Council reserving its right to approve or decline Window 1 and/or Window 2 funds in future years:

i. Fish – Flagship 2;
ii. Forests, Trees and Agroforestry – Flagship 2;
iii. Livestock – Flagship 3 and Flagship 5; and
iv. Water, Land and Ecosystems – Flagship 5.

34. Emphasizing that no indicative allocation of funding was being made at the current time, Council member and Active Observer additional observations included:

a. The desirability of the Council having before it the recommended allocation methodology anticipated by Article 6.1(p) of the CGIAR System Framework[1], but also with appreciation that in the time that had been available since the transition, that this was complex to have presented and still have maintained overall momentum;
b. From the perspective of the ISPC, the complexity that they found in identifying at the flagship level, exactly what Window 1 and 2 funding would be used for (thus, why the ISPC was basing its assessments of each proposal on whether there are international public goods included in a research agenda that would justify the amount of Window 1 and 2 funding that was being requested);
c. Going forward, recognition that it will be more and more important to have clarity on how Window 1 and 2 funding will be used, particularly with a view to seeking to secure longer-term commitments from Funders;
d. From the Centers' perspectives, having a better understanding of what Funders believe are the most valuable uses of Window 1 and 2 funds would greatly assist the Centers in providing increased clarity within budgets;
e. From the Funders' perspective, and acknowledging the complexities involved, reflecting on whether it was possible for some work to be done before the Council meets in November 2016, that gives the Council a better basis for the indicative budget decisions it will be asked to take in November 2016. As expressed by one member, this work would look at how budgets have been formulated from an overall perspective, and consider whether there are some principles that have been applied in a consistent way to inform the allocation of the proposed funding, rather than grandfathering in funding from previous activities;
f. That any exercise focused on receiving increased budget clarity, should not however go to the point of very concrete reporting on outcomes and tying those outcomes to specific dollars; and
g. Also from a Funder's perspective, the importance of not locking the Council in for the full 6 years whatever decision is made on the budgets in the November

[1] Article 6.1(p) identified the role of the System Council to: *Approve, taking into account advice from the ISPC and proposals from the System Management Board, guidelines and criteria for prioritization and for annual allocation of Unrestricted Funding across CGIAR Research based on strategic priorities and performance*

2016 additional Council meeting, on the basis of being potentially open to things coming back which did not make it into the 2017 – 2022 Portfolio on this occasion. In addition, potential gaps such as CGIAR's engagement in discussions concerning challenges that the world's energy system will be facing, and how agriculture fits into that discussion, were briefly mentioned as examples of CGIAR's need to maintain a strong focus on the science of impact.

35. Accepting that the Council may, in November 2016, consider a shorter-term approach for the 2017 year, it was also emphasized that moving forward, it would be key for the Council to be setting clear direction on what it believes that Window 1 and 2 should be used for, if, as most have said during the meeting, these resources are the most valuable and should be funding the most strategic and long-term and important research.

36. The Head of the IEA confirmed the availability of data within the completed CRP evaluations, in regard to how Window 1 and 2 funding has been used. This included financing of essential areas such as mainstreaming gender in agricultural research, that would be unlikely to have other resources if not funded through the shared agenda.

37. The ISPC Chair also confirmed that the mid-year ISPC reviews of the draft full proposals contained observations and/or questions on the planned use of Window 1 and 2 funding. The ISPC Chair noted that these reviews would be collated and shared with any working group that is formed.

38. Responding to a question from the floor, the Interim Executive Director noted that in an ideal situation, the Council's anticipated *Strategic Impact, Monitoring and Evaluation Committee* would be the group responsible for overseeing work on the presentation of allocation guidelines. However, the relatively short passage of time since the governance transition did not allow for that committee to be convened based on an appropriate terms of reference. The Interim Executive Director also shared his observations on the desirability of there being strategic guidelines for allocation decisions, but recognized that it would be a substantive undertaking for the System to continue to move more into the strategic level, and that a pragmatic approach would be desirable for the near term.

39. The Council Chair summarized the discussion as follows:

    a. There is already a lot of information available on which to base funding allocations, but just not readily available to the Council to deliberate across the proposed 20177-2022 Portfolio;
    b. A lot can be done by November 2016, by just pulling that existing material together, including ISPC's work on potential risks in the CRPs;
    c. It was suggested that a working group may be an effective way of ensuring that information is brought together in a form that can then be assessed by the Council; and
    d. Once the information is collated, the Council would have a stronger idea of whether there is more work to be done and thus, if it will be necessary to do

more in-depth work. If so, then the Council could make a decision on whether it is the ISPC that takes that forward, the same working group, or some other basis. In the event that the working group's mandate continues past November 2016, there may be scope to invite one or two outside persons to join it ranks.

40. The Chair also noted the suggestion that someone would be able to do a very quick across the board look at each flagship to see where the differences lie between them in terms of funding amounts, and that he would discuss this further with the Interim Executive Director.

41. **Decision SC/M2/DP4: Joint System Council and System Management Board Funding Allocations Working Group**: The System Council:

a. **Agreed** to the establishment of a joint working group of the System Council and System Management Board to make a recommendation to the System Council at its 3rd meeting on funding allocations for the 2017 – 2022 CGIAR Portfolio, with the mandate to:
   i. Make progress towards checking if the research work that is proposed is in line with the budget numbers as a "rough check";
   ii. Look more closely at the W1/2 budget to see what it is that this highly valuable money is buying; and
   iii. Recommend in November 2016, what would be needed to place the System Council in the position of applying Article 6.1(p) of the Framework in the longer term: "*Approving guidelines to follow to make funding allocations*".

b. **Welcomed and adopted** the proposals from Australia, Germany, United Kingdom, and United States, respectively, that a representative of their constituency serve as the System Council's nominated members for the joint working group, thus ensuring representation of the full spectrum of CGIAR funding through Windows 1, 2, 3 and bilateral sources.

Agenda Item 5: Exploring available funding for 2017

42. Drawing on the benefit of many Council members having also participated in the pre-meeting workshop, and thus were also able to discuss informally the resourcing that may be required for any new CGIAR Portfolio approved by the Council, the Chair invited Council members to share preliminary indications of where each funder stood in relation to their own planned commitments going into the new cycle. He also emphasized the benefit to the System if the Funders who predominantly provide funding through bilateral means could give an indication of what could help to move some part of that funding into Window 1 and/or Window 2 contributions.

43. Variously, Council members shared indicative funding projections, with a number of the representatives indicating that additional internal discussions would be required before a firm position could be presented.

44. A small number of Funders noted that the capacity to direct funding at flagship level may assist them to move some element of funding from Window 3/bilateral sources into Window 2. Another sole Window 3 and bilateral funder noted the System Council's approval of the new Platform proposals was a helpful contribution to their on-going conversation on whether, at a future time, some part of their funding could move into Window 2.

45. Noting that there were many tentative numbers, the Chair summarized the contributions as amounting to something in the order of an indicative amount of US$ 180 million for Window 1 and Window 2 combined for 2017. Noting it was a significant amount, although a little short of what was being requested in the proposed 2017 – 2022 Portfolio being presented by the System Management Board and Centers, he thanked System Council members for the early indications. He emphasized the importance for the System as a whole of returning to more stable funding for the new portfolio, but also recognized that seeking funding every year is a challenge in the context of the broader issues facing the world. He closed the session by thanking each of the Council members for being strong ambassadors at home, with the goal of continued, and hopefully increased funding, going forward for CGIAR.

46. The Council was also updated on an African Development Bank initiative ("AfDB"), potentially involving the commitment of US$ 300 million over three years from 2017, to take already existing technologies to scale across 18 commodities that are a priority for Africa. Noting that CGIAR Centers have already been collaborating with AfDB on planning for this initiative, the AfDB representative confirmed that the competitive grant initiative would go through CGIAR Centers, and feature a clearing house concept, that will determine the technologies that are ready and available to be scaled up. It was noted that the AfDB will finance the initiative as a grant through CIGAR Centers with the emphasis on delivery outcomes with a demonstrable increase in the number of farmers using the particular technology. The colleague concluded the summary by noting that there may also be the potential for a second tranche to take the initiative to US$ 800 million in three to five years.

Agenda Item 6: System Council Strategic Reflections from July 2016 (SC1)

47. On the invitation of the Chair, the Interim Executive Director framed the session, noting the importance of the conversation on strategic priorities for the Council in the context of the Council's approval of the new 2017 – 2022 Portfolio, and its resourcing.

48. Highlighting the consultations that followed the Council's 1st meeting on 12 July 2016 ("SC1"), the Interim Executive Director shared that of the seven broad themes or 'buckets' that had been identified at SC1, the session paper for this meeting (SC2-03_SC-StrategicReflections) identified that two had attracted the most substantive commentary, namely: Theme 7: *securing more and more stable funding for the new portfolio*; and Theme 1: *responding to new challenges and developing new solutions for CIGAR to bring to bear*.

49. The Chair opened the conversation on Theme 7 (*securing more and more stable funding*), noting efforts being undertaken with Australia to seek to unlock private money through innovative approaches. He also noted that the Returnable Capital Fund instrument, initially tabled by the World Bank at a former Fund Council meeting, is looking for its first investor, with the Chair noting the potential for that fund to take-off from that point forward.

50. Council contributions additional to those already circulated in the meeting paper included:

a. **Members' advocacy role:** The importance of Council members themselves continuing to serve as leading advocates for the CGIAR System in all of the conversations that Council members have, by doing more of what they are already doing, but also starting to speak the language of the private sector and that of policy makers and politicians;

b. **Private sector:** The opportunity to more effectively engage with the private sector, by ensuring a focus on the private sector as a key partner, and not simply as a funding source. It was noted that in many cases, the private sector is able and interested in looking to longer term objectives, and that an approach to the private sector that identifies the added value of that relationship is more likely to deliver longer-term partnership outcomes;

c. **Investor expectations:** The desirability of undertaking a thoughtful exercise, perhaps led by a consultant or the World Bank with its convening power, to ask potential investors what they would need to contribute to the system, and not merely rely on perceptions of what those potential partners may think. Thereafter, translating that into a holistic cross-system strategy on ensuring more effective messaging on CGIAR's capacity to deliver meaningful outcomes and impacts in partnership with national and regional stakeholders;

d. **National Government policy drivers**: The need to be attuned to what it is that is driving decisions inside many national governments, which is broader development and nutrition outcomes, including support to policy and programming in things like education, health, addressing conflict, and response to humanitarian crisis. Taking the example of clear results in areas such as drought tolerant maize, the results on scuba rice, and the results on bio-fortified crops, it is possible for strong arguments to be made to sustain funding, particularly when it is possible to identify how others' funding is being leveraged to achieve these outcomes;

e. **Use of research funds:** When seeking more resources, the importance of being able to articulate what it is that those resources will be used for, tied to CGIAR's SRF, but also answering the policy concerns on at least the crucial topics of climate change, nutrition and addressing degradation of land;

f. **Research for resilience:** At the same time as emphasizing the importance of the nutrition agenda, also focusing more attention on enhancing resilience in the context of risk reduction, with considerable opportunity to leverage CGIAR's comparative advantages to support donor agencies that are looking at the issues of instability, unemployment and migration amongst others. However, here, it was noted that it will be critically important for CGIAR to choose carefully the areas that it invests in to stimulate agriculture changes through targeted research that effectuates that change;

g. **Stability of funding:** Being cognizant also that a discussion on how to bring more funding and more stable funding into the System involves two parts, with the question on stability of funding also needing the Council to be thoughtful about ensuring stability of cash flow during a funding cycle and not only stability in funding commitments. In this context, it was suggested that perhaps the Council should consider a specific session on the potential stabilization impact of Window 3 funding, together with increased flexibility more generally, whether it is by breaking out funding by flagship as some suggested or through some other means;

h. **Non-research actions:** In addition to undertaking research, the need for Centers to also look at what are the things that they need to do outside of research to attract domestic and regional policy makers, so that they can see the contributions the Centers are making and support them; and

i. **Diversify funding:** The importance of whole of System messaging, so that whilst it is important to be articulating more effectively CGIAR's capacity to provide solutions for youth unemployment, climate change and nutrition, it is necessary to see that securing more, and more stable money for CGIAR directly is only part of the solution. In addition, it was important to remember that to have impact at scale, it is important to have different money which may not go through the CGIAR System, but which supports CGIAR's delivery on the SRF through additional funding that is channeled to national program partners amongst others.

51. In Council members for the breadth of contributions, the Chair recognized the importance of CGIAR changing its narrative, and coming with a clearer, and somewhat different narrative than has prevailed to date. This, he noted, will be the means by which CGIAR presents a compelling narrative that penetrates to the level of attention that is needed to make investors want to put their funding into the System, and preferably for multiple years at any one occasion. He added that the task was one that was complex in today's environment, with funding for long term agriculture research not being the conversation that politicians want to have.

52. The Chair closed the topic of Theme 7 (*securing more and more stable funding*) with the hope that the conversation had stimulated the System Council's appetite, so that

if it was necessary to put resources behind redefining the value proposition and narrative, it would now be possible to do so.

53. Introducing Hayden Montgomery, Special Representative for the Global Research Alliance on Agricultural Greenhouse Gases ("GRA") as an invited speaker on the topic of Theme 1 (*responding to new challenges and developing new solutions for CIGAR to bring to bear*), the Chair noted the strong political perspective and insights that the speaker brought to, in particular, the migration effort in the space of agriculture. Further, that the GRA's particular 'light touch' way of bringing knowledge together from around the world may be of strong interest to the CGIAR System as a whole.

54. The presentation delivered by Hayden Montgomery provided a strong insight into how, through a light touch governance approach, it has been possible to bring together NARS from around the world, to have a detailed conversation on how to make a major impact on greenhouse gas emissions in the agricultural sector. By way of example of the various initiatives being undertaken, his presentation covered:

    a. A proposal that every year moving forward, GRA will provide the opportunity for joint programming of national research agendas for those countries that have funding to do so, from amongst the 46 countries involved. Here, it was emphasized that this initiative was not seeking to centralize funding. Rather, that NARS themselves would be investing in joint programing, in the same way that the European Joint Planning Initiative on Climate ("JPI Climate") is operating in regard to the joint programming of the European member states; and

    b. The importance being attached to conservation agriculture, as one of a suite of practices and policy options that GRA is promoting as having the potential for a huge impact on soil carbon levels across the globe, noting that there has been significant uptake in this area in some parts of the world, and very little in others, and that it is both interesting and important to understand why.

55. Expressing their System Council members included:

    a. The Paris negotiated COP21 agreement represents a significant opportunity for CGIAR, with considerable potential for synergies between CGIAR and other very significant research capability around the world on emissions. In that context, there was clearly an opportunity to speak with GRA as one of the potential groups with whom to explore increased strategic collaboration;

    b. Recognition that a one-size-fits-all approach doesn't necessarily meet the challenge of delivering the most thoughtful solutions to reduce emissions, together with a growing appreciation that in many of CGIAR's focus countries, the conversation may be better framed as one about emissions intensity and not necessarily about a low emissions development pathway; and

c. The potential for such collaboration to explore relatively new fields such as the potential benefit that geo-data can do for increasing yield, migration or adaption impacts, appreciating that whilst CGIAR has significant infrastructure and durability in countries, particular in new spaces (including migration), these can be complex areas in which to start to undertake new action, and initiatives such as GRA can serve as a useful network to guide CGIAR through.

56. **Action point SC/M2/AP1**: Noting that there appeared to be a number of potential synergies between GRA (linking into approximately 40 NARS) and CGIAR's work plans on climate smart agriculture, Ann Tutwiler, System Management Board representative, agreed to organize a meeting between GRA and CGIAR Center representatives who will be in Marrakesh for the COP22 November 2016 meetings, for a first conversation around how GRA and CGIAR might explore potential synergies most efficiently, for the System Management Board to bring back to the System Council in due course the topic of working towards a closer partnership between GRA and CGIAR.

Agenda Item 7: Update on Funding System Actions and Entities

57. Noting that agenda items 7 and 8 were closely linked, and were information items only for the current meeting, the Co-Chair invited the Interim Executive Director to update the Council on the System Management Board's progress towards the presentation of a proposal on the CGIAR System administrative costs for CGIAR actions and entities, and the means by which such costs may be financed.

58. Speaking to a brief presentation (meeting document SC2-04), the Interim Executive Director reviewed the progress of the System Management Board appointed working group, recalling for the Council that FAO and the United States were serving as a sounding board to that working group as a result of that support being offered during the System Council's 1st meeting in July 2016.

59. The Interim Executive Director shared that deliberations within the working group on funding system actions and entities were being informed by the broad principles of: ensuring cost effectiveness; the importance of a robust methodology; exploring whether there are multiple means of funding system actions and entities; and an overall need for fairness to underpin any model that is adopted.

60. It was noted that the working group is being asked to consider criteria and modalities, in order that robust criteria to decide what are appropriate costs for the system entities, and what are the principles we are going to use to determine what is an appropriate cost and then following that as a second step what are the appropriate modalities of funding, is it through the CGIAR Trust Fund Windows, is it through a levy, is it through some other source of funding?

61. In closing his remarks, the Interim Executive Director confirmed that a System Management Board sponsored proposal for the means to fund System costs would be provided for Council consideration at its 3rd meeting, planned during November 2016.

62. The Co-Chair closed the session, noting that there were no comments or questions from the System Council on the presentation materials.

Agenda Item 8: Indicative 2017 CGIAR System Entity Budget Envelopes

63. Speaking to meeting document SC2-05, CGIAR 2017 System Entity Budget Envelopes, the Interim Executive Director confirmed that the purpose of the session was to seek Council guidance on the indicative budget envelopes for 6 of the proposed 9 system entities that have been identified to date. He explained that indicative budget envelopes for 3 (General Assembly of the Centers, Partnership Forum and the Internal Audit Function), were not provided at the current time due to a lack of specificity to date on the overall scope of those functions/actions.

64. The Interim Executive Director noted that taking the caveat of the 3 functions not yet being included, the draft material before the Council represented a decrease of US$ 2.6 million or around 14% of the 2016 system action and entities overall budget. He also noted the benefit in the USA and FAO representatives serving as a sounding board for the System Management Board's working group, particularly in regard to conveying broad expectations on budget and reporting formats.

65. In closing his remarks, the Interim Executive Director foreshadowed a proposal to the November 2016 Council additional meeting, from the System Management Board, that residual funds in the existing CGIAR Fund be put towards meeting the costs of the System actions and entities in 2017.

66. Guidance provided by the Council to support finalization of the budget proposal in advance of an anticipated November 2016 decision included:

    a. Ensuring that any proposed budget reporting structure enhances the intended efficiencies of the CGIAR transition to a revised governance structure. For one constituency, it would not be desirable to return to the former Fund Council Peer Review Team model, but for the System Management Board to ensure sufficient detail and transparency in the materials presented. Other constituencies emphasized the need for such efficiencies to be tracked and reported from time to time, necessitating an appropriate reporting format;
    b. Notwithstanding the need to ensure appropriate direct support to the System Council Chair, the importance for the System that the principle of a single office to support the Council and System Management Board is fully realized;
    c. A desire to more fully understand the System Management Board cost line in the context of the transition, with perhaps the expectation that Centers would be the source of funding for the majority of those costs;

d. Making provision in the Council budget for anticipated committee-level support costs, which may include consultancies from time to time; and
e. Reflecting on the hosting arrangements for ISPC and IEA, and taking into account past experiences, it would be desirable in 2017 for there to be provisions for the ISPC and IEA to receive an early disbursement of funds, as a means of managing cash flow over the year.

67. The Interim Executive Director confirmed that the working group recognized the importance of establishing clearly and up front the right set of structures and formats both for transparency and to drive efficiency, but also to address the risk that misconceptions arise in the absence of clarity.

68. He also noted that a primary goal of the working group was on ensuring that the full scope of administrative costs of System entities and actions were visible. Addressing the question on System Management Board funding, he shared that the rationale of including those costs in the central submission was that they are CGIAR System operating costs, whether they are paid by the Centers, or whether they come from a different mechanism which, pragmatically, indirectly comes from in large part the same funding sources. He added that how the costs would be funded, was an important element of the working group's ongoing deliberations.

69. He also confirmed that various elements of the budget envelopes would be tightened leading up to the forthcoming November 2016 formal budget proposal, adding that costings for the Council support, including for the Chair and committees, will, as for all other elements of the proposed budgets, be looked at in some detail by the working group.

70. Recognizing the importance of identifying efficiency gains over time, the Interim Executive Director confirmed a clear priority is to find those efficiencies in the interests of having as lean a system as possible in a matrix management operating model. He did however note that into 2017, demands are likely to change and/or evolve, and how efficiencies can be delivered in that context is something that the System Management Board will have a clear role in oversighting.

71. The Interim Executive Director closed his comments with the observation that in addition to the role being played by FAO and USA as a sounding board, the System Management Office welcomed any additional informal inputs from System Council members, being aware that there are a range of expectations amongst the different constituencies.

Agenda Item 9: 2017-2022 Trust Fund, Funding, and Contribution agreements

72. The Co-Chair framed the discussion, noting the focus of the session was ensuring that the respective legal advisory teams of Council members had in mind the package of legal agreements, and, critically for the purposes of ensuring that the new CGIAR Trust Fund could be established before year-end, the timetable for providing input into

those materials through the legal working group in charge of developing the templates.

73. Speaking to meeting document SC2-06, Arrangements for the new CGIAR Trust Fund the Interim Executive Director highlighted the relatively short window of time for System Council members to provide inputs.

74. Addressing questions from the floor, the System Management Office's Senior Legal Officer confirmed that provisions concerning anti-corruption and anti-terrorism, amongst other standard clauses important to Funders, are to be included in the funding agreements between each Funder to the Trust Fund and the CGIAR System Organization and that these provisions would flow down to the Centers through the agreements between the System Organization and Centers. He also confirmed that these 'downstream' funding agreements between the CGIAR System Organization and Centers would be provided in advance of the Council being requested to approve the 'upstream' agreements (those relating to payment into and disbursement from the CGIAR Trust Fund).

75. A number of Council members noted that, given certain funding regulations to which they are subject, they are unable to enter into a Contribution Agreement with the Trustee and are requesting instead to enter into a contribution agreement directly between themselves and the CGIAR System Organization, although the payment will continue to be disbursed directly to the account of the CGIAR Trust Fund.

Agenda Item 10: System Council Rules of Procedure

76. The Co-Chair framed the session, confirming that Council members were being invited to approve the proposed Rules of Procedure, following a period of consultation with Council members over past months. Speaking to the background meeting paper, the Interim Executive Director briefly recounted the consultation phase, confirming that the paper spoke to how inputs received during that consultation had been taken up. There were no comments or questions from the floor.

77. **Decision SC/M2/DP5: Rules of Procedure:** The System Council **approved** with immediate effect the Rules of Procedure for the System Council as set out in Appendix 1 to meeting document SC2-07.

Agenda Item 11: IEA Matters

78. The Co-Chair framed the session, noting that the introduction of the new CGIAR System Framework resulted in the Council being required to formally approve new Terms of Reference for the IEA, which TOR would be prepared in due course. In that context, he noted the importance of ensuring that the IEA and its team continues to be mandated by the Council to deliver its important work. At this juncture, the head of the IEA recused herself from the meeting room.

79. Speaking to meeting document SC2-08, IEA matters, the Interim Executive Director confirmed that decisions around the sequencing of Council business led to the request for a preliminary one-year renewal of the term of the head of the IEA to allow for the Terms of Reference for the IEA to be developed and approved. In response to a question from the floor, the Interim Executive Director clarified the proposed effective date of the decision if taken by the Council. No other questions arose.

80. **Decision SC/M2/DP6: IEA Matters:** The Council **approved** with effect from 1 October 2016 a preliminary one-year renewal of the term of appointment of the Head of CGIAR's Independent Evaluation Arrangement ("IEA") as an interim decision pursuant to paragraph 44 of the CGIAR Policy for Independent External Evaluation pending the System Council's consideration and approval of revised Terms of Reference for the IEA pursuant to Article 6.1(e) of the CGIAR System Framework.

Agenda Item 12: Any Other Business and Closing Remarks

81. The Chair turned to the expanded list of items as agreed at the opening of the meeting, taking each in turn.

Update on TICAD 6 and the G7

82. Japan's representative confirmed the circulation of an event flyer for the forthcoming G7 meeting and encouraged strong attendance. The representative then summarized highlights from the successful TICAD 6 (6th Tokyo International Conference on African Development) event held for the first time in Africa in August 2016, and announced the Nairobi Declaration[2], with two key items of significance to the CGIAR System:

a. The Coalition for African Rice Development (CARD), which was highly praised in the Nairobi Declaration; and
b. The Initiative for Food and Nutritional Security for Africa, which initiative puts nutrition as a main area of study for Japan's African development program, providing opportunities for linkages with agriculture and human nutrition, then policy frameworks and the private sector.

83. The Chair congratulated Japan on the outstanding TICAD 6 event, recognizing the high level participation and the substantive conversations that were had. Recognizing the data on Japanese life expectancy and balanced diets, he noted the opportunity for the world to learn considerable lessons from Japan. He also recognized that Japan was clearly now moving from being an incredibly strong supporter in rice to going beyond that. He made a strong submission that Japan continue that expansion into the nutrition space in recognition that it is an expanding agenda, not only in Africa but worldwide.

[2] http://www.mofa.go.jp/af/af1/page3e_000543.html

Building stronger partnerships

84. The representative of South Asia noted the importance of the CGIAR System as a whole working in closer collaboration with national agricultural research systems, and highlighting the opportunity for CGIAR Centers to be more proactive in their respective in-country communications with national stakeholders. He highlighted that particularly when new initiatives were being proposed in a country through a CRP, there is a missed opportunity to draw on the national expertise if this work is not undertaken in collaboration with the national system stakeholders.

85. The representative also emphasized the important role for CGIAR Centers to communicate with national-level research bodies in situations where agreements or other memoranda of understanding were being considered at the sub-national level, both because of important legal and regulatory reasons, but also to ensure greater coordination and reduce unintended confusion and duplication.

86. The Chair thanked the representative for the important reminder that, in particular, Directors General do have an important role in ensuring strong, routine and open communications with national systems. Where these were not in place or not optimal, the Chair noted the importance of them being put in place or strengthened as appropriate.

87. **Action point SC/M2/AP2:** The Chair suggested to the Center representatives that a message be sent to all parties reminding everybody that whatever activity is undertaken this must always be in the context of strong coordination with local counterparts.

Considering actions on the Grain Legumes and Dryland Systems proposal

88. The Chair framed the item by confirming that the Council does not have before it a proposal to consider. Rather, that in recognition of the importance of the research questions that arise for the critical commodities, geographies and communities from the GLDC submission considered by the ISPC, there was an opportunity to discuss potential next steps.

89. A representative of the System Management Board confirmed that the Board retains a strong interest in putting forward a new proposal on the areas covered by the GLDC submission, for Council consideration as expeditiously as possible, accepting that there may need to be detailed reflection on what would be the most appropriate.

90. A number of Council members shared the observation that commodities, geographies and communities included were indeed critical for a comprehensive CGIAR research for development agenda. However, in expressing overall support for a proposal or proposals coming to the Council at an appropriate time, feedback from the Council included the following observations:

a. The suggestion for there to be considered reflection on the overall coherence and strategy of collecting into the one proposal all of the commodities, geographies and communities contained in the earlier GLDC submission, with time now available to take a hard look at the issues and put in place the most appropriate model for providing key support;
b. The opportunity for any new submission to have some dimension which reflects the political concerns impacting many of the areas targeted by the former proposal, including the Sahel, as a particularly complex arid region;
c. Also the opportunity to build on discussions that have taken place on a preliminary basis with a view to putting together some form of proposal targeting the transformation of agri-food systems and food security for the MENA region; and
d. That in the timeframe being contemplated for a new submission or submissions, existing bilateral support mechanisms were in place to address concerns about a potential vulnerability of breeding programs should they have needed to have been stopped. In this context, a number of System Council members indicated a willingness to join a 'friends of GLDC' conversation to consider setting up an informal mechanism to co-invest with others to provide new funding for the stronger flagships for the intervening period. Australia, France, the West Asia and North Africa were amongst those that suggested interest in helping to find an interim mechanism to provide support.

91. The Chair summarized the Council's broad-ranging conversation as follows:

a. Strong appreciation of the System Management Board's contributions to the deliberations of the Council, including the Board's decision to not put forward the GLDC proposal, and to also not propose a fixed time to put up a new proposal;
b. The Council is open to any suggestion from the System Management Board that will address the critical commodities, geographies and communities from within the GLDC proposal, particularly those with a focus on poor people;
c. The Council makes no prescription on what may be submitted, with options including a CRP, a platform or any other potential approach), accepting that the former processes have not worked, and a "one size fits all" may not be appropriate in the complex settings in which such programs operate.

Site integration update

92. The Council welcomed the System Management Board update on the status of the Center-led site integration initiative. For one of the Funders, there were clear linkages between advancements in site integration, and the opening of new ventures for resource mobilization. Thus, there was enthusiasm to see how the System as a whole can be more involved in making agricultural development science-based at country level.

Closing remarks

93. Recognizing the importance of clear messaging, the Chair took the opportunity to provide the following high-level summary in regard to the Council's decision on the 2017 – 2022 Research Portfolio (SC/M2/DP3) and planned strategic reflections moving forward:

a. The Council has made real progress these past few days. With the guidance of the ISPC and input from donor reviews of the CRPs, it agreed a uniformly high-quality portfolio for investment via Windows 1 and 2 ('W1/W2') of the CGIAR Trust Fund.
b. The System Management Board has carried the guidance from the ISPC forward and removed two flagships that it considered not ready for funding through W1/W2.
c. The Council also identified a group of additional flagships which will not receive W1/W2 funding in 2017. These flagships can remain in the CRPs, recognizing their relevance and potential to deliver against the SRF and their actual or potential leverage of Window 3 and bilateral resources.
d. The decisions around these flagships need to be seen as an important signal by Lead Centers and System Management Board.
e. These flagships clearly need to be improved longer term or, in other cases where that is not possible, they should move out of the CRP.
f. The decisions concerning these flagships, while difficult, show that the Council is making important progress with respect to sharpening the focus of CGIAR work around key strategic priorities and ensuring that precious W1 and W2 funds are directed to uses that will deliver the largest payoffs in terms of advancing the CGIAR System's agenda.
g. Going forward, the Council will be looking at compelling research opportunities, including new and emerging avenues - as part of its continuing commitment to a rigorously prioritized, highest strategic relevance and potential impact CGIAR research portfolio.
h. The Council will also be looking to improve system-wide portfolio analysis and communication capabilities, with a view to better articulating the compelling value proposition that the CGIAR System offers for existing and potential new donors.
i. In the medium term, the Council recognizes the need to revisit the SRF, in order to ensure that CGIAR's portfolio is sufficiently ambitious, commensurate with advances in CGIAR's science, and to improve recognition of the contribution that the agricultural sector can make to achieving the SDGs and other national and international commitments, including those around climate change mitigation and adaptation.

94. In closing the meeting, the Chair took the opportunity to thank the Council for the very constructive and productive meeting, whilst remaining inspirational throughout.

Annex 1: Compendium of Decisions taken - 2nd System Council meeting

SC/M2/DP1: Meeting Co-Chair

The System Council elected Dr Raúl Obando Rodríguez, representative of Mexico, as the non-voting Co-Chair for the meeting pursuant to Article 5.2 of the CGIAR System Framework ("Framework").

SC/M2/DP2: Agenda

The System Council adopted the Agenda as proposed in meeting document SC2-01.

SC/M2/DP3: 2017-2022 CGIAR Research Portfolio

The System Council, pursuant to its functions as described in Article 6.1 (q) of the CGIAR System Framework:

a. Approved, upon the 26 September 2016 recommendation of the System Management Board, the CGIAR research program and platform proposals set forth in Appendix A, which proposals, together, comprise the 2017-2022 CGIAR Portfolio.

b. Noted, subject to paragraph c. below, that indicative funding amounts to be provided from funds from the CGIAR Trust Fund for the approved proposals will be decided at a later date.

c. Decided, as a preliminary decision on indicative funding amounts for 2017, that the System Council will not approve the allocation of Window 1 and/or Window 2 CGIAR Trust Fund amounts for the 2017 implementation year to the following flagship projects ("Flagship") within the CRP elements of the 2017 – 2022 CGIAR Portfolio, with the System Council reserving its right to approve or decline Window 1 and/or Window 2 funds in future years:
   i. Fish – Flagship 2;
   ii. Forests, Trees and Agroforestry – Flagship 2;
   iii. Livestock – Flagship 3 and Flagship 5
   iv. Water, Land and Ecosystems – Flagship 5

SC/M2/DP4: Joint System Council and System Management Board Funding Allocations Working Group

The System Council:

a. Agreed to the establishment of a joint working group of the System Council and System Management Board to make a recommendation to the System Council at its 3rd meeting on funding allocations for the 2017 – 2022 CGIAR Portfolio
with the mandate to:

i. Make progress towards checking of the research body that is proposed is in line with the budget numbers as a "rough check";
ii. Look more closely at the W1/2 budget to see what it is that this highly valuable money is buying; and
iii. Recommend in November 2016, what would be needed to place the System Council in the position of applying Article 6.1(p) of the Framework in the longer term: "*Approving guidelines to follow to make funding allocations*".

b. Adopted the proposals from Australia, Germany, United Kingdom, and United States, respectively, that a representative of their constituency serve as the System Council's nominated members for the joint working group, thus ensuring representation of the full spectrum of CGIAR funding through Windows 1, 2, 3 and bilateral sources.

SC/M2/DP5: Rules of Procedure

The System Council approved with immediate effect the rules of procedure for the System Council as set out in Appendix 1 to meeting document SC2-07.

SC/M2/DP6: IEA Matters

The System Council approved with effect from 1 October 2016 a preliminary one-year renewal of the term of appointment of the Head of CGIAR's Independent Evaluation Arrangement ("IEA") as an interim decision pursuant to paragraph 44 of the CGIAR Policy for Independent External Evaluation pending the System Council's consideration and approval of revised Terms of Reference for the IEA pursuant to Article 6.1(e) of the CGIAR System Framework.

Appendix A: Approved CGIAR research program and platform proposals for the period 2017 – 2022

Item	Proposal title	Submission date[3]
Agri-food systems CGIAR Research Program proposals		
1	FISH, as re-submitted by the System Management Board on 26 September 2016 without the inclusion of Flagship 3	28 July 2016
2	Forests, Trees and Agroforestry (FTA)	31 July 2016
3	Livestock	21 July 2016
4	MAIZE, as re-submitted by the System Management Board on 26 September 2016 without the inclusion of Flagship 5	31 July 2016
5	RICE	29 July 2016
6	Roots, Tubers and Bananas (RTB)	26 July 2016
7	WHEAT	26 July 2016[4]
Global Integrating CGIAR Research Program proposals		
8	Agriculture for Nutrition and Health (A4NH)	29 July 2016
9	Climate Change, Agriculture and Food Security (CCAFS)	29 July 2016
10	Policies, Institutions, and Markets (PIM)	31 July 2016
11	Water, Land and Ecosystems (WLE)	31 July 2016
Platform proposals		
12	CGIAR Big Data Coordination Platform	July 2016
13	Excellence in Breeding	29 July 2016
14	Genebank	30 July 2016

[3] Taken from the date stated on the cover letter of the relevant proposal (or complete proposal where no separate cover letter is provided), each of which are accessible at: http://www.cgiar.org/our-strategy/second-call-for-cgiar-research-programs/cgiar-research-programs-and-platforms-revised-full-proposals-submitted-for-review/

[4] This date is taken from the Addendum to the Wheat Phase II Full Proposal, with the cover letter remaining dated at 1 April 2016.

Annex 2: List of meeting participants

MEETING LEADERSHIP	
Chair (Ex-officio non-voting member)	Juergen Voegele, Senior Director, World Bank
Co-Chair (Ex-officio non-voting member)	Raúl Obando Rodríguez, Mexico – Delegated Attendee
VOTING MEMBERS	
Constituency	**Participant**
African Development Bank	Ken Bugul Johm – Alternate
Australia	Andrew Campbell – Member Mellissa Wood – Alternate
Bill & Melinda Gates Foundation	Tony Cavalieri – Alternate
Canada	Christophe Kadji - Alternate
East Asia and Pacific	Feng Dongxin, China – Member Zhai Lin, China – Additional support
European Commission	Bernard Rey – Member Juergen Anthofer – Additional Support
Germany & Belgium	Nathalie Francken – Alternate Michel Bernhardt – Additional Support
Japan	Masa Iwanaga – Delegated Attendee Masashi Takizawa – Additional support Satoru Muranaka – Additional support Kyoko Furuta – Additional support
Mexico	*Served as Co-Chair of this meeting* Adriana Herrera Moreno – Delegated Attendee
Netherlands	Marcel Beukeboom – Member
Norway	Daniel Van Gilst – Member Ingrid Skjølaas – Additional Support
South Asia	Chhabilendra Roul, India – Member
Sub-Saharan Africa	Baba Yusuf Abubakar, Nigeria – Member Eliud Kireger, Kenya - Alternate
Sweden	Renée Ankarfjärd – Alternate
Switzerland	Michel Evéquoz – Member
United Kingdom	Alan Tollervey – Member
USA	Robert Bertram – Member Eric Witte – Alternate Lauren Boccardi – Additional Support
West Asia and North Africa	Javad Mozafari Hashjin, Iran – Alternate Eskandar Zand, Iran – Additional support
World Bank	Mark Cackler – Member Michael Morris – Additional Support

EX-OFFICIO NON-VOTING MEMBERS	
Chair of the System Management Board	Martin Kropff, Interim Chair and Center Director General
Executive Director of the CGIAR System Organization	Nick Austin, Interim Executive Director
CGIAR Centers' Representatives	Bushra Naz Malik, Center Board Member Ann Tutwiler, Center Director General
FAO	Samy Gaiji – Alternate Abdoulaye Saley Moussa – Additional Support
IFAD	Malu Ndavi - Alternate

ACTIVE OBSERVERS	
GFAR	Harry Palmier – Delegated Attendee
IEA	Rachel Sauvinet-Bedouin – Nominated Representative Sirkka Immonen – Alternate
ISPC	Maggie Gill, ISPC Chair – Nominated Representative Leslie Lipper – Alternate

MEETING INVITEES	
CGIAR System Organization Host Country - France	Marion Guillou
Trustee - World Bank	Darius Stangu

ADDITIONAL PARTICIPANTS	
World Bank	Jonathan Wadsworth
Fund Effectiveness Working Group (FEWG)	Sara Boetigger, FEWG Chair
FEWG Proposal Review Process Moderator	Gabrielle Perseley
Global Research Alliance on Agricultural Greenhouse Gases	Hayden Montgomery
CGIAR System Organization	Karmen Bennett, Senior Advisor, Governance
	Tony Brown, Senior Legal Advisor
	Olwen Cussen, Assistant to the Executive Office
	Albin Hubscher, Director of Finance and Corporate Services
	Victoria Pezzi, Logistics and operational support
	Sam Stacey, Communications