



CGIAR
Science for a food-secure future

SC1-12

Meeting Summary 1st System Council meeting

12 July 2016, Paris

Purpose:

This document presents the Meeting Summary for the 1st meeting of the System Council ("Council") held on 12 July 2016 in Paris, France, approved by the Council on a no objection basis with effect from 29 September 2016

Prepared by: CGIAR System Management Office

Approved by the System Council by decision dated 29 September 2016 (SC/M1/EDP3)

Introduction:

This document presents a summary of the 1st meeting of the System Council (“Council”) held on 12 July 2016 in Paris, France.

By way of overview:

- **Agenda items.** The meeting considered the 11 agenda items set out in the table of contents on the following page.
- **Decisions.** The Council took 9 (nine) decisions during its meeting, described in the text, and set out in [Annex 1](#) in full text for ease of reference. The 3 ‘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 at each System Council meeting.
- **System Council Strategic Reflections for the Future:** [Annex 2](#) sets out the compilation of reflections arising from the Council’s deliberations during agenda item 3, as circulated to the Council on 9 August 2016 for input in advance of the Council’s second meeting on 25 and 26 September 2016.
- **Fund Effectiveness Working Group:** As referenced in agenda item 4, [Annex 3](#) sets out the final donor-perspective review criteria for flagships, as circulated to the Council on 29 July 2016.
- **Participants.** [Annex 4](#) 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](#).

Contents

Agenda Item 1 – Opening	4
Agenda Item 2 – Adoption of System Council Chair TOR and Chair Appointment	5
Agenda Item 3 – Reflecting on expectations for the future of CGIAR.....	6
Agenda Item 4 – Fund Effectiveness Working Group progress and next steps	11
Agenda Item 5 – The new CGIAR Research Program Portfolio	15
Agenda Item 6 – Formalizing the Transition Arrangements.....	21
Agenda Item 7 – Carry-over of unspent funds into 2017	21
Agenda Item 8 – Funding System actions and entities moving forward.....	23
Agenda Item 9 – Identification of Active Observers for System Management Board	24
Agenda Items 10 and 11 – Any Other Business and Closing Remarks	24

Annexes

Annex 1: Record of Decisions 1st System Council meeting.....	26
Annex 2: CGIAR System Council Strategic Reflections, version 8 August 2016.....	29
Annex 3: Donor-perspective review criteria for flagships, 29 July 2016	35
Annex 4: List of meeting participants	37

Agenda Item 1 – Opening

1. The presumptive Chair of the System Council (“Council”), Juergen Voegele, Senior Director in the Agriculture Global Practice of the World Bank Group, opened the meeting pursuant to the invitation made during the meeting of the CGIAR System’s Funders and Centers on the CGIAR System, Washington, D.C. on 6-8 June 2016, for the Acting Chair of the Fund Council to serve as the Acting Chair (“Acting Chair”) of the System Council until such time as the System Council elects it Chair.¹
2. Madame Anne-Marie Descôtes, Director General of Globalization, Culture, Education and International Development, within the French Ministry of Foreign Affairs and International Development addressed the meeting for and on behalf of Mr. André Vallini, Minister of State for Development and Francophonie, thanking the Council for affirming that France will receive a standing invite to Council meetings in its capacity as host country for the CGIAR System Organization. During her remarks, she noted France’s continued very strong support to CGIAR in various forms, both as a contributor, but also connecting CGIAR to France’s strong agricultural research system in France and beyond.
3. Turning to the governance transition, Mme. Descôtes emphasized France’s willingness to do all that is necessary to ensure finalization and adoption by the relevant parties of the amendments that the Funders and Centers have made to the international agreement that conveys international organization status on CGIAR.
4. To close her remarks, Mme. Descôtes invited meeting delegates to submit a proposal to their respective national governments, to grow substantially the number of member states that are signatories to the international agreement, thus delivering to the CGIAR System increased benefit from greater institutional visibility. Thanking the Council Chair and delegates, Mme. Descôtes confirmed that the services of the French Foreign Affairs Ministry were at the disposal of member states to take forward such action.
5. Welcoming Mme. Descôtes’ remarks, the Acting Chair emphasized France’s leadership in the area of linking agriculture, agricultural research and climate change in an unprecedented way, highlighting that the world needed such leadership to bring agriculture to the negotiating table for the COP21 deliberations, and beyond, and that France was owed a great deal of gratitude for that achievement. The Acting Chair also strongly supported France’s proposal to seek to broaden the base of signatories to the international agreement, to give CGIAR an essential higher international profile over time.

¹ Refer paragraph 9 of the document ‘The Co-Chairs Summary of the Meeting of CGIAR Centers and Funders on the CGIAR System, Washington, D.C. June 6-8, 2016’,

6. **Decision SC/M1/DP1: Meeting Co-Chair:** Turning to the first item of business, the Council elected Bernard Rey, representative of the European Commission as the non-voting Co-Chair for the meeting pursuant to Article 5.2 of the CGIAR System Framework (“Framework”), as recorded in the decision text at Annex 1.
7. **Decision SC/M1/DP2: Agenda:** There being no other business proposed, the Council adopted the agenda (meeting document [SC1-01](#)), as recorded in the decision text in Annex 1.

Agenda Item 2 – Adoption of System Council Chair TOR and Chair Appointment

8. Inviting the Co-Chair to lead the session, the Acting Chair left the meeting room.
9. The Co-Chair framed the session by drawing upon the former Fund Council’s deliberations at its 13th meeting in Bogor, Indonesia in April 2015, and Article 5.1 of the newly approved Framework, the latter of which records the standing invitation to the World Bank to nominate a senior manager to serve as the System Council Chair (“Chair”), and that the World Bank has accepted that nomination.
10. The Co-Chair tabled the proposed ‘Terms of Reference for the System Council Chair’, as prepared by the Transition Team (meeting document [SC1-02](#)), and presented for Council approval pursuant to Article 5.5 of the Framework.
11. **Decision SC/M1/DP3: Terms of Reference System Council Chair:** There being no discussion, the Council approved the Terms of Reference for the Chair as set out in appendix 1 of meeting document SC1-02.
12. In response to an invitation from the Co-Chair, the Council member representing the World Bank confirmed the World Bank’s acceptance of both the approved Chair TOR and the Council’s invitation to nominate a senior manager to serve as Council Chair pursuant to Article 5.1 of the Framework. The World Bank so nominated the Acting Chair, Juergen Voegele to the position of Council Chair.
13. **Decision SC/M1/DP4: System Council Chair:** There being no discussion, the Council approved the appointment of Juergen Voegele as non-voting Council Chair for a 4-year term with immediate effect, as recorded in the decision text in Annex 1.
14. Returning to the meeting room, and addressing the Council for the first time as Council Chair, Mr. Voegele confirmed his deep appreciation for the trust and confidence placed in himself and the World Bank. He confirmed his intent to operate in the spirit of the Framework, to do what was possible to commit the necessary time to fulfill the Chair function, and to work to facilitate the Council and the CGIAR as a whole reaching the next level, both internally and internationally. He noted the essential need for CGIAR and its partners to do more to connect the research and development agendas for increased impact, and thus confirmed an increasing overlap with his day-to-day responsibilities internal to the World Bank.

15. As an administrative point, the Chair noted his intent for meeting materials to be shared well in advance of forthcoming Council sessions, thanking Council members for their understanding that the very tight timeframe between commencing the new System and the hosting of the first meeting had made on-time delivery impossible.
16. Council members expressed their congratulations to the Chair, and appreciation to the World Bank for its decision to nominate Mr. Voegele into the Council's leadership role.

Agenda Item 3 – Reflecting on expectations for the future of CGIAR

17. Drawing Council participants' attention to the annotated agenda (meeting document [SC1-1A](#)), the Chair proposed that the Council take sufficient time in this, its inaugural meeting, to reflect on the key questions raised therein, before considering also during the meeting a small number of practical decisions to complete the governance transition.
18. Inviting Council participants to share their individual views on one or more of strategic questions, the Chair confirmed the importance he attached to hearing possibly quite diverse views from Council members, so that Council members have a sense of where they respectively stand as the CGIAR System moves into the next phase.
19. In the contributions that followed the Chair's introduction, Council participants variously:
 - a. Identified that for many around the table, 'development' was a core element of their day-to-day responsibilities, and that achieving development outcomes at scale required successes of downstream partnerships that are the key to the adoption and scaling out and up of CGIAR supported research discoveries;
 - b. Affirmed the 2030 agenda for the world's collective achievement of the Sustainable Development Goals ("SDGs") as an appropriate timeframe for reflection;
 - c. Nevertheless, cautioned that the Council must also look backwards across the past 15 years to how progress was made against the Millennium Development Goals, taking care that the trajectory for success for the next 15 years must involve something considerably more than simply doing more of the same across the intervening years. Rather, CGIAR must be ready and willing to think outside of the box to discover and take up new modalities and new ways of working together to meet country-initiated demands. There is new science that CGIAR could bring to bear, and is bringing, to bear, but future successes are dependent also on the Funders identifying the most important challenges that CGIAR can and should address;
 - d. Recognized the significant external pressures being placed on international agricultural research funding in the context of the number of humanitarian crises that countries are contending with across the globe;

- e. Appreciated that space for dialogue on agricultural research for development funding needs has been substantially compressed by these crises in the recent past, and that getting traction will be complex, notwithstanding the promise that delivering on a food secure future can bring;
- f. Signaled that for the CGIAR System to truly operate as one System, CGIAR has to do two quite important things. First, to be open to new innovations and new actors, such that the System is operating within the changing landscape, and not living inside of its own boundaries. Important for many was not that the Centers were to undertake all the work themselves, but that they catalyzed and connected in a nexus with development partners in ways that foster uptake and impact by downstream actors. Second, that Centers need to comprehensively demonstrate that they are proud that they are part of the System. For one delegate, that a number of Directors Generals of Centers have been asked to put the CGIAR logo adjacent to the Center logo, and have failed to do this, is concerning in the context that image is a critical communication channel of what it means to be ‘a System’ that has a shared identity and a shared spirit;
- g. Stressed the need for CGIAR to critically examine its role towards meaningfully establishing a constructive and viable platform for capacity development in the heterogeneous environment in which CGIAR operates – both generally, and then a more targeted approach to capacity building in National Agricultural Research Systems (“NARS”) that goes beyond the number of people being trained who then collaborate with the delivery of CGIAR Research Programs (“CRPs”). Rather, a number of Council participants called for a holistic approach that would target transforming NARS through better policies and research management capacities in the leaders in those systems;
- h. Reiterated the paramount need for CGIAR to become a leader in women’s empowerment and gender equality. Whilst highlighting that CGIAR has significant experience and has made real progress in the past number of years to integrate gender considerations throughout research and staffing, there was considerably more untapped potential for CGIAR to be a global thought leader in women’s empowerment in agriculture, requiring that CGIAR continue to systematically resource these efforts throughout all aspects of its operations;
- i. Recognized the opportunity for CGIAR to develop and adopt a System-wide performance management system with consistent metrics to set it at the forefront of organizations that operate according to a robust accountability framework with clearly identifiable and tangible outcomes and impacts that resist the level of scrutiny that is increasingly attaching to reported results. For a number of delegates, an essential pre-condition to such a framework getting traction, is that it be founded upon an adequate degree of prioritization of the research funded by CGIAR and that have overall strategic coherence;
- j. Emphasized that CGIAR must better demonstrate and communicate externally and to funding organizations and governments: its comparative advantage; its link to partners delivering results on the ground; and the value for money of

- investments in CGIAR, if CGIAR is to continue to attract and retain resources in the context of significant pressures on traditional funding sources;
- k. Welcomed the opportunities that the site integration initiative brings, as a key mechanism in better understanding and responding to the demands of the countries and not only the demands of Funders;
 - l. Noted the historical significance of CGIAR's Genebanks and the varieties generated therefrom, and reaffirmed that the genebanks remained unique treasures of the CGIAR System, necessitating continued focused investments to ensure the availability of these fundamental resources for generations to come;
 - m. Identified the opportunity for CGIAR to begin to develop stronger links to existing global fora and/or multilateral development frameworks such as the G7 and the G20, to better connect research with policy, and in turn, CGIAR with the policy conversation regarding the future of food security and key drivers. Japan's G7 Chair country status in 2016 was recognized, as was Japan's efforts to ensure the central place of food security on the global development agenda through the final declaration resulting from the recent G7 agricultural ministers' meeting. The ongoing opportunity to similarly link CGIAR into the policy conversations with the G20 agricultural ministers was also noted, with part of the role of the Council being to channel messages into those conversations;
 - n. Acknowledged that the conversation at this, the Council's first meeting, was being held against a reform agenda that had its roots in a substantial change in CGIAR's governance in 2009, with a good proportion of the reform goals achieved, but perhaps less than what partners expected, noting that reforms are inherently complex, such that it may be considered relatively normal for ongoing refinements to be made;
 - o. With the 2015-initiated transition now achieved, called for CGIAR to focus on operating more strategically – both within the System Management Board and the Council, simultaneously reducing transaction costs and focusing on stronger agricultural research for development outcomes and impacts. It was also noted that price volatility issues are deserving of the Council's attention at an appropriate time;
 - p. Challenged the System to demonstrate that the transformed governance model is the right model for CGIAR, through a preparedness and demonstrated capacity to take the hard decisions when needed. This was highlighted as being a fundamental precursor to providing the right incentives for Funders to start to have conversations about putting money in, or back in as relevant, to the pooled investment vehicles rather than through bilateral means; and
 - q. Emphasized from among the refreshed 'CGIAR Principles' appearing as an annex to the new Framework document, the essential need for the Council to also embrace the principle that all that the Council does must be greater than the sum of its parts, to join the Centers in their goal of working more collaboratively together, whether through the CGIAR research programs or platforms or for the CGIAR System itself.

20. At the same time as emphasizing a number of the points from other participants, and with particular focus on the critical need to demonstrate tangible results in the context of difficult conversations about the refugee crisis and its causes, Switzerland shared the positive news that despite the considerable internal pressures, for 2016, Switzerland could confirm an 8% increase for CGIAR on 2015 contributions.
21. Welcoming Switzerland's announcement, the Chair reiterated his understanding that everyone around the Council table was undoubtedly having very complex conversations in their respective capitals or host organizations about how agricultural research for development can have an impact on conflict, fragility and migration, and job creation, being a very legitimate question to ask of a System that has a global footprint and a reach that so few other organizations have.
22. He therefore posed the question what can and must CGIAR do as a System to contribute to the global challenges presented by the humanitarian crises, taking note that based on a recent World Bank analysis, there are 62, or approximately one-third, of the world's countries that are in a category of being in conflict at the moment or demonstrate significant fragility symptoms across the entire country or in parts of it at present. A number of Council participants observed that CGIAR's narrative needs to be based very clearly on what is driving development in countries in which it operates, but also what research can contribute towards that development.
23. Reflecting on the contributions which focused on the scarcity of resources for agricultural research, the Chair offered his view that he is increasingly convinced that the world has the means to meet those resource demands. It is there he said, but in the form of more than US\$ 500 billion on agricultural subsidies, in circumstances that a good proportion of that funding is actually part of the problem, rather than the solution to providing food security to the world.
24. Representatives of CGIAR's Independent Evaluation Arrangement ("IEA") and Independent Science & Partnership Council ("ISPC"), both key advisory bodies to the Council, shared respectively the following observations:
 - a. IEA evaluations have confirmed considerable progress has been made in terms of well-articulated theories of change underpinning impact pathways.
 - b. That said:
 - i. When thinking of theories of change, there is a need to look at comparative advantages along the multiple impact pathways to development outcomes. In particular, CGIAR should consider carefully the right balance between what is really at the heart of CGIAR producing international public goods ("IPGs") through excellence in science, and delivery of development outcomes.
 - ii. Partnerships should be carefully thought through and strategized along the impact pathways. Partnerships need to be selective – from research to development – as they are both an investment and come with a cost.

- iii. CGIAR would do well to foster more interdisciplinary and multi-disciplinary collaborations. In particular, the interfaces between social sciences and physical sciences, in recognition of the importance of putting men, women and youth at the center of the scientists' consciousness when thinking how to address the challenges and issues of today and tomorrow.
 - iv. When designing CGIAR's integrated performance management system, the IEA recommends a degree of cautious pragmatism, recognizing that scientists have to take risks and integrate failure as part of their research process. This particular context requires a degree of flexibility in the design of a performance management and evaluation system that provides credible and truthful information.
 - v. All of IEA's evaluations have shown the value of collaboration, and the CGIAR research program model has brought considerable value in this context. There remain challenges however, which must be addressed to extract the full potential and realization of the CRP framework, with stability of funding and a reduction of transaction costs being two of the important challenges to address head on.
- c. From the perspective of the ISPC, CGIAR's research programs have placed CGIAR in the unique position in relation to achievement of the SDGs. Specifically, that the interdisciplinary and transdisciplinary nature of the research undertaken within the CRPs delivers to CGIAR a powerful opportunity to work at an interface that is thoroughly exciting in terms of striving to deliver against the SDGs.
- d. Having said that, as others during the session noted, there are opportunities for CGIAR to be considerably more effective. For ISPC these opportunities include:
- i. Looking outside and being attuned to the dynamism being seen beyond CGIAR, particularly to changes in the global economy, and how these changes impact what CGIAR should be doing.
 - ii. Drawing on the experiences of others who have been successful in more effective engagement with policy makers, with the Intergovernmental Panel on Climate Change ("IPCC") highlighted as a key success story by reason of the IPCC's capacity to communicate in terms of 'probability' in a way that was able to be acted upon by policy makers and the broader public.
 - iii. Providing space during the lifetime of the Strategy and Results Framework ("SRF") to fund new ideas that come through.
 - iv. Considering the manner by which CGIAR delivers on the opportunities presented by the site integration initiative. The ISPC sees risk and benefit in the site integration agenda. As with the research agenda itself, it will be important for there to be prioritization within the site integration approach, to mitigate these risks, including unintended additional transaction costs.

- v. As a lesson learned from the operations of all within the former governance system, CGIAR collectively signaling earlier and more clearly the right balance between meeting national areas of focus yet staying at the international level. Getting the balance right should avoid future situations, as has been seen in limited instances in the current CRP portfolio, where areas of research have gone too far down the line of development, thereby losing support going into the proposed new research portfolio for 2017 – 2022.
25. The Chair thanked Council participants for tabling a rich and rather challenging set of themes for further reflection, emphasizing that the exercise during the meeting of taking a note of the inputs was to capture the spirit of the inputs, and not the exact words. He then invited the Interim Executive Director of the System Management Office to:
- a. At a very high level during the meeting itself, summarize the inputs into a number of themes or, more colloquially, ‘buckets’, which was done; and
 - b. **Action Point SC/M1/AP1:** Prepare, for circulation two weeks after the meeting, a documented summary of the seven broad themes that had emerged from the Council’s contributions, for Council participants to give input upon by earlier September, which could then again be discussed at the Council’s second meeting. As a matter of record, Annex 2 to this meeting summary shares the paper on the Council’s strategic reflections, as circulated to Council participants on 9 August 2016 for inputs.
26. The Chair proposed that at its second meeting, the Council take time to prioritize the themes or ‘buckets’ based on inputs received in advance, so that the Council can agree on the three or four things to take forward over the next 6 months as matters that will make a difference.
27. Taking up a proposal from the floor, the Chair confirmed he was open to suggestions from Council members on a critical thinker who, coming from a different perspective, could be asked to reflect on the next version of the seven broad themes, to ask whether they represent a coherent approach for a System in change.
28. In closing the session, the Chair also reiterated the many views expressed that CGIAR as a System needs to be much stronger in delivering a common narrative of the many success stories that do exist in the CGIAR System. The Chair suggested that consideration be given to finding time during the September 2016 Council meeting and CIMMYT50 celebrations, to sit as a group and, with the highest possible level narrative, ensure that all Council members can have with them a toolkit of the key successes of the CGIAR system to convey to their capitals and senior management.

Agenda Item 4 – Fund Effectiveness Working Group progress and next steps

29. The Co-Chair invited the Fund Effectiveness Working Group (“FEWG”), formed by the former Fund Council, to provide an update on the progress being made, proposed next steps, and linkages to the revised second call CRP (“CRP2”) timetable that was adopted in Rome by the Fund Council in May 2016.
30. Sara Boettiger, the delegate representing the Bill and Melinda Gates Foundation on the Council, and FEWG Chair, delivered a [presentation](#) to the Council participants, recalling that the group was set up in response to a call from the ISPC in May 2016 in Rome, for the ISPC to be given the criteria that the Funders feel that they need in addition to the ISPC adopted criteria.
31. She noted that during the Rome meeting, a number of other issues came up, including the allocation of Windows 1 and 2 funding, with a number of the Funders being of the view that the System does not currently offer the right incentives for that funding. Accordingly, the FEWG took such topics on as part of an expanded scope, always with the intent of serving in an advisory scope, and sharing reflections with the Council for discussion. The focus however for the day’s presentation was confirmed to be the proposed CRP2 Portfolio and the criteria for assessment.
32. A key message delivered during the presentation, and one intended to be taken out by all and communicated broadly across the CGIAR System, was that the primary purpose of the FEWG was to consider how to reverse the trend of donors leaving the pooled elements of the CGIAR funding modalities, and not to disrupt the existing processes or create additional work for the Centers themselves. This, she confirmed, linked to the earlier session of what would need to be done structurally to the System to ensure prioritization of research, and how money is allocated, to deliver on the promise of a more robust System.
33. Tabling draft criteria to guide the work of reviewers to be appointed by the FEWG, the FEWG Chair confirmed that the criteria would be circulated immediately following the meeting for Council member reflections, so that the criteria could be finalized and applied by the three reviewers appointed by the FEWG to each proposal with effect from 1 August 2016.
34. Noting that such reviewers would be drawn from both the existing technical capacity of the Funders, and a pool of external consultants, the Council was advised that the focus of the review exercise was from the Funder lens, including a specific review of comparative advantage that the Funders are uniquely placed to consider given their day-to-day role of considering various grants across a broad portfolio of investments.
35. It was emphasized that rather than trying to create some form of special review process, the exercise was better viewed as a strong first example of the new Council working together effectively, with Funders who normally do their own reviews of funding proposals now working in a coordinated and collective manner.

36. **Action Point SC/M1/AP2:** The review criteria are to be circulated the day following the meeting, with inputs being taken into account and finalized by 31 July 2016. As a matter of record, the final donor-perspective review criteria for flagships were circulated on 27 July 2016, and are set out in Annex 3 of this meeting summary.
37. It was also confirmed that the FEWG would meet on the day following the Council meeting, to discuss the approach to presenting the review outcomes, and what happens between September and December 2016.
38. The presentation was closed with a brief review of the other areas of proposed focus by the FEWG, including providing input on the development of new Terms of Reference for the ISPC so as to ensure that the ISPC is well structured to deliver the advice that the Funders need. Work is also planned to be undertaken on the funding uses of Window 1, to come back to the Council with ideas on how to move away from the practice that Window 1 is spread evenly across the proposals, which is very hard to defend when Funders are looking for targeted, robust investments. As an illustration of one of an undoubtedly broader range of possible ideas, the FEWG Chair advised that the group has been reflecting on whether to break Window 1 into parts including an infrastructure fund, to demonstrate to Funders what they are getting for their funding. On improving performance management within the System, the proposal was not for the FEWG to do the necessary work, but to coordinate the Funders voice, so that it comes out of the Council with a clear 'ask' on what the Funders want for the System in the next, say, 12 months.
39. Invited by the Co-Chair to comment, the ISPC Chair confirmed the FEWG's approach was viewed as positive and complementary to the ISPC assessment process, noting that the ISPC reviewers are operating primarily from a science perspective, but do also understand development.
40. The ISPC Chair noted, however, the fundamental importance of knowing how the reviews initiated by the FEWG will be brought into the existing processes, so that one lot of feedback is given to the scientists.
41. More generally, the ISPC Chair confirmed that the Funder-led exercise was seen as part of a valuable learning process, to ensure that CGIAR is constantly focusing on how to do things better next time around. Specifically, on comparative advantage, knowing that the Funders are particularly interested in considering this, the ISPC has raised continuously in its feedback, right across the timeline of the current CRPs also, how disappointed the ISPC is at the way the Centers are presenting comparative advantage. It was viewed as particularly helpful to have Funder feedback on how CGIAR proposals compare with non-CGIAR proposals that the Funders see.
42. In the discussion that followed, comments from other Council participants included:
 - a. Confirming the view that when compared to the ISPC review criteria set out in the ISPC's portfolio commentary (meeting document 3), the FEWG's proposed

- criteria was very much a re-packaging of the existing criteria to give a different flavor, thus underlying the crucial need to bring to two pieces of work together;
 - b. Reinforcing that the intent of the FEWG is to speed up the individual Funder review processes, by having those reviews undertaken at the same time, and not sequentially; and
 - c. Suggesting that from the perspective of the Centers, when the Directors General see the criteria, they are likely to see that the criteria are not new, and that they are already responding to the review criteria in bilateral settings.
 - d. Highlighting that there remained residual risks in a review focused at the flagship level, as this may end up with a different patchwork of flagships and research programs.
43. On the latter point, the FEWG Chair confirmed that both the ISPC review and FEWG-initiated reviews were looking at the flagship level, and it would be for the Council to decide what happens thereafter. She added that if the review was only focused at the program level, the exercise would not enable the prioritization efforts that the Funders were seeking.
44. The ISPC agreed that it would be important for the Council to start to think about the consequences of, potentially, not approving some flagship elements and how this may impact overall coherence. On this specific point, one of the Funders noted that there is great unevenness in the flagships, with some proposals asking for very modest amounts in Window 1 and 2 funding. In those circumstances, and because it is important for Funders to be able to say that CGIAR is funding the most important issues, the Funder stressed the importance of remaining focused on the reality that Window 3 and bilateral resources could be used to fund these activities should the Council ultimately decide to invest its highly valuable Window 1 and 2 resources elsewhere.
45. The Co-Chair concluded discussions by confirming that:
- a. The FEWG process was endorsed, and that it is very useful for the Funders' decision making processes to look beyond science quality when the Funders have a number of choices;
 - b. There is a discussion to be had on the consequences of flagships receiving less-favorable reviews than others in the same program, and the Council will need to return to this key question as it moves forward; and
 - c. The review criteria should be shared with the Centers and CRP leaders to ensure effective communication.
46. As an additional point before developing an overall work plan for the Council, and noting that CGIAR's System Management Board was also in the process of creating working groups, the Council Chair commented that every working group is a significant investment of people's time, and costs money and effort. Thus, he emphasized the need for maximum alignment in the mandates of the various working groups, whenever possible. Further, the importance of effective collaboration and information sharing

among the various System-wide working groups, noting that past collaboration may not have been as effective as it could have been.

Agenda Item 5 – The new CGIAR Research Program Portfolio

47. The Chair opened discussions by presenting to Council participants a [presentation](#) on CGIAR's mission, referring back to the earlier discussions on whether CGIAR is conveying a consistent and coherent message on the benefits of investing in CGIAR. He confirmed that materials such as the video, prepared with the support of the former Fund Office, could form part of an easily accessible toolkit that is available to all CGIAR stakeholders to carry the broader message of why it is important to invest in CGIAR.

ISPC commentary on the proposed CRP2 portfolio

48. At the invitation of the Chair, the ISPC Chair delivered a [presentation](#) which captured the key elements from the ISPC Portfolio Level commentary that had been circulated in advance (meeting document [SC1-03](#)). The Chair commenced her presentation by reflecting on the important advances that CGIAR has made in terms of being 'on message' regarding its contributions to the SDGs based on a more collaborative working model, not only between Centers through the CRPs, but bringing in new partners, and adopting transdisciplinary working practices (namely cross-over between research into uptake pathways and development).
49. The ISPC Chair confirmed that following the comprehensive revision of CRP2 pre-proposals and platforms, there has been considerable progress in the integration of the elements into a 'portfolio' approach, as a requirement for delivery at the outcome level. The ISPC Chair highlighted, in particular, the potential for the proposed integrating CRPs to be a 'game changer' for the profile of CGIAR and putting CGIAR back on the map at a higher level in relation to its potential to contribute to efforts to address the global challenges before the science community.
50. However, she also noted that variability still exists, and analysis shows that there are remaining challenges with some of the current estimates of targets by individual CRPs.
51. Other areas emphasized during the presentation included:
 - a. That the three System Level Outcomes ("SLOs") from the new 2016 – 2030 SRF are not three parallel outcomes. Rather, there are trade-offs between them, and the impact pathways is therefore complex. Accordingly, the new CRPs should not be addressing just one of the SLOs, but they should be looking simultaneously at the potential unintended consequences on the other two SLOs as part of the complexity that the CGIAR System has signed up to by adopting the new SRF;

- b. As mentioned during agenda item 3, the importance of ensuring a strategic rollout of the site integration initiative to mitigate unintended risks of moving too quickly and not learning whilst doing;
 - c. A significant positive move that has been seen by the ISPC towards food systems research and the broader consequences (and moving away from a focus on production), with the focus on food systems research being essential if CGIAR is to meet the three SLOs simultaneously;
 - d. Confirmation of the important coordinating role that ISPC plays, through its face-to-face internal meetings, to bring together into one commentary, the various inputs of the multiple reviewers of the proposals. It was noted that it was in this context that the ISPC identified the risks arising in regard to the Drylands Cereals and Legumes proposal (“DCL proposal”), ultimately taking the decision to communicate directly with the Directors General involved in the DCL proposal on those risks in advance of sharing the other commentaries with the relevant Centers. This was done in view of the ISPC not being entirely clear at that time which entity was responsible for taking a decision on the proposal in the context of the imminent governance transition; and
 - e. The ISPC’s determination that it was not appropriate to issue ratings for the proposals given the homogenous background to the proposed CRPs, including that some are entirely new CRPs and others have evolved over time. The focus was therefore on looking at the potential for the future, rather than comparing the proposals against each other based on the past. Thus the presentation delivered by the ISPC noted the less definitive categorization of the proposal, and what in practice this type of categorization meant.
52. The ISPC Chair confirmed that the two key areas upon which the ISPC now sought guidance was:
- a. Whether the DCL proposal would be given more time by the Council to undertake what the ISPC described as a fundamental revision to improve overall coherence, theories of change, and pathways to impacts; and
 - b. What was the scope of the ISPC commentaries requested by the Council on the proposals to be submitted on 31 July 2016?
53. Turning to the DCL question before the Council, and before discussions commenced:
- a. The representative of GFAR, in GFAR’s capacity as an Active Observer to the Council, disclosed a conflict of interest by reason of his role as the current Chair of the existing Drylands Systems CRP, and thus recused himself from participating in the conversation; and
 - b. The two Center Directors General present in the meeting, also as Active Observers, recused themselves from proactive participation in the Council’s deliberations based on a perceived conflict, even though they had not taken part in the proposal development. They remained available to answer any clarifying questions that the Council may direct to the Centers.

54. The ISPC Chair confirmed that the ISPC had recently received a strategy document from the authors of the DCL proposal in response to the ISPC's earlier (6 June 2016) preliminary commentary. Further, that following the ISPC's review of the strategy document, the ISPC remained unconvinced that the DCL proposal authors could submit a strong proposal in the remaining time available, although the ISPC accepted that remedying the proposal was still technically feasible.
55. After considerable reflection among Council members on the critical importance of drylands for the CGIAR research agenda as a whole, but also the risks in moving forward in a way that resulted in a different treatment of the DCL proposal compared to all others, the Council rejected the suggestion to offer more time to the DCL proposal writing team.
56. The System Management Board Interim Chair noted the collective views expressed by Council members, and confirmed that he would take the issue to the System Management Board on the day immediately following the Council meeting for deliberations and agreed Board actions.
57. For the purposes of ensuring both due process and clarity in messaging for the conversation to be had within the System Management Board, the Council Chair summarized the Council's deliberations as follows:
 - a. The Council took note of the ISPC's advice that the major challenge with the DCL proposal was not per-se with the science quality of particular flagships, but with the way that the proposal purports to come together as a "CRP".
 - b. Overall, there was a general sense of frustration among Council members that there appeared significant potential for a return in phase 2 of the very same challenges that had been seen by the ISPC and Funders in the phase 1 Drylands Systems original proposal and throughout implementation, in circumstances where the Council and its members have no appetite for those challenges notwithstanding the critical areas of science concerned.
 - c. Wishing to ensure that there was equality and fairness for all, the Council determined it was not appropriate to provide extra time to those developing the program, and that the Centers should present their strongest proposal by the 31 July 2016 deadline, for the proposal to be assessed with all other CRP and platform submissions.
 - d. In making that determination, the Council recognized that the ISPC had already gone beyond the necessary and provided early guidance to the CRP on the key challenges faced.
 - e. A key factor in the Council's deliberations was the highly valuable nature of Window 1 and 2 funding, and that such funding should in some sense be the hardest to get because it is the most valuable. As at the date of the Council

meeting, and without wishing to pre-judge the outcome of the further review and assessment processes, the Council was not convinced that the DCL proposal drafters would be able to present a compelling case for the use of those funds by 31 July.

- f. After 31 July, and assuming that the DCL proposal is submitted as part of the proposed 2017 – 2022 Portfolio, the ISPC and the reviewers appointed by the FEWG, would each review the proposal and provide input into the subsequent September 2016 Council deliberations.
 - g. It is for the System Management Board to consider whether to submit CRPs for consideration by the Council, and thus it is for the System Management Board to decide if at 31 July 2016, the revised DCL proposal is sufficiently strong to warrant being reviewed by the ISPC, and the FEWG appointed reviewers.
 - h. If the DCL proposal comes through to the Council at any time during the next steps in CRP Portfolio review process, and the proposal is not judged to be at the high standard required of a CRP, then the Council has no reservation in declining funding as a CRP. Further, that the Council wishes to convey that it is ready to take the necessary decisions to ensure that Window 1 and 2 funding goes to those CRPs adjudged as being of the necessary quality, noting that this would not preclude a future conversation around dryland systems at an appropriate time.
58. On the scope of the commentaries expected from the ISPC in September 2016, the ISPC Chair introduced the topic by referring to the breakdown of funding by Window in the proposed 2017-2022 Portfolio. Returning to the presentation, the ISPC Chair highlighted that as an average, the proposed CRP2 portfolio presented the case for approximately US\$ 25 million being spent each year on ‘management’.
59. It was noted that it was possible to view these costs as the ‘glue’ that is essential to ensuring that the proposals deliver not only on Window 1 and 2 outputs and outcomes, but from the perspective of the CRP leaders themselves, the management funding helps to ensure that the larger pool Window 3 and bilateral funding is channeled towards the key issues that the Funders wish to ensure sufficient focus upon, including gender, youth and gainful employment.
60. Recognizing that the Council is looking for clarity on the benefits of providing funding in Windows 1 and 2, the ISPC Chair asked:
- a. Whether it would be helpful for the Funders for the ISPC to seek to identify which are the key flagships, that if they were not supported by the Council via Window 1 and 2 funding commitments, there may be unintended consequences on other flagships that may have been highlighted by the Funders as priority flagships?

- b. Whether the Funders would prefer for there to be specific impact assessment budgets, with increased commonality across the CRPs as to what is included in these budgets, that is sufficiently itemized to help explain the key uses of Window 1 and 2 funding? In this way, this would be removed from the 'management' category, which term is not completely representative of what is actually included in this category.
 - c. What in addition to more detailed financial material that the System Management Office will collate on 'management costs' and what these are include, would the Council appreciate to receive in terms of overall use of Window 1 and 2 funds?
 - d. Taking into consideration that the ISPC strongly believes that there should be an investment in big data, is there a confirmed funding source?
61. The Interim Chair of the System Management Board recognized that the question of what is comprised by 'management costs' is a topic that continues to come up. Noting that he believed CGIAR's overhead costs to be quite low compared to other organizations that he had seen, he noted that with the matrix management system such as that which exists in CGIAR, the System is – by agreeing to operate through CRPs – seeking coherence across programs and not just loose projects, but large scale programs at large scale for impact.
62. The Bill and Melinda Gates Foundation representative noted that for the big data proposal, and the related topic to be discussed under agenda item 7, the current view of the Foundation is that existing unspent funding for the Open Access/Open Data special initiative at the end of 2016 would need to be returned, and be subject to consideration as a new grant by the Foundation moving forward. Further, that one of the challenges of delivering increased funding into Windows 1 and 2 was the regular focus on there being 15 Center Boards and 15 Independent Steering Committees at CRP level, all of which are incurring costs that are going into the 'management' costs of the System as a whole, and which in turn makes for a difficult conversation in a government agency or organization such as the Foundation.
63. Noting that the ISPC had put the various questions on the table, the Council Chair noted that he saw the opportunity for the System Management Board to follow up on many of the questions. However, he also proposed that if Council members wished to provide additional insights, those suggestions could be circulated after the meeting. That said, he did expect the System Management Board to interact with the ISPC on the points, as some of the questions were quite specific.
64. One Council member proposed that there be a strong example prepared regarding the benefit of the 'management costs', given the many times that the Funders have been advised of the importance of these costs vis-à-vis effective integration across the portfolio. Here, the Council Chair noted that within the World Bank itself, there is a similar conversation occurring, with a movement now to separate the actual administrative management overhead, which is simply to 'keep the trains running', from what the World Bank terms 'global engagement' which managers do, and which are two different things. This may be something that CGIAR could analyze, and

legitimately claim that managers are doing direct value add, and which is not overhead. He noted the opportunity for the System Management Board to reflect on whether there could be better clarity in this regard.

65. On the question of the Council's preferred approach to impact assessments, the Council Chair proposed that the System Management Board take the topic up, develop a detailed proposal, and then return to the next Council meeting for discussions.

Taking forward development of new Terms of Reference for the ISPC

66. Speaking to the paper prepared for Council member background (meeting document [SC1-04](#)), the Interim Executive Director of the System Management Office confirmed that the purpose of the discussion was to seek Council input on how to move forward. The representative of the Center Board Chairs suggested that the September 2015 Task Force Report on Strengthening the ISPC has considerable background that may be drawn upon as the work evolves, recalling that the former Fund Council was supportive of the work.
67. The FEWG Chair noted that the FEWG has been assuming that it will be consulted in what would need to be very collaborative work, that not only draws on the past work done, but also picks up on the new discussions that are happening around ensuring a stronger CGIAR System. Thus, the FEWG plans over the coming months to take up the task of identifying what it is that is going to work for the Funders in a new system that we are all looking forward to, and then share it as determined by the Council.
68. Inviting comments from the floor, the Council Chair clarified that the purpose of the conversation was to help take forward the broader conversation on re-thinking the role of the ISPC to some extent. Thus the question is what is the process that should be followed, without commenting on the relative strength of the draft materials before the Council.
69. Noting the framing provided by the Chair, as early inputs into the second phase of the work, namely finalizing the content of the ISPC TOR itself, Council participants observed:
 - a. The importance of the new ISPC TOR including provisions on the scope of ISPC's role in providing advice throughout the System beyond the provision of independent advice to the Council itself to ensure increased clarity throughout the System;
 - b. The desirability of including a report to the Council annually on ISPC's assessment of its own performance (which would ideally include inputs from other entities into that assessment), together with a provision that it may be subject to an external audit; and

- c. The opportunity to elaborate more clearly the ‘partnership’ elements, given the relatively light mention of partnership functions in materials prepared in advance of the formal transition to the new System.
- 70. The ISPC Chair confirmed that a preliminary mapping exercise had been undertaken by the ISPC on the draft materials before the Council, and the ISPC would provide that input into the ongoing deliberations.
- 71. **Action Point SC/M1/AP3:** In closing the discussion, the Council Chair confirmed that the work on developing the ISPC TOR would be taken forward based on the comments of the FEWG Chair, emphasizing the need to ensure an inclusive approach to that work.
- 72. He advised that the timetable for that work would be a matter returned to at the end of the meeting, thus ensuring appropriate prioritization among other items that have been identified as possible areas for Council attention in the coming months. The Council Chair also clarified that the hosting arrangements for the ISPC and IEA for 2017 and beyond was a matter for attention by the System Management Board and would be addressed separately.

Agenda Item 6 – Formalizing the Transition Arrangements

- 73. The Co-Chair introduced the three procedural decisions required from a legal standpoint to be taken by the Council to complete the transition, and to ensure the ongoing application of former decisions of the Fund Council until otherwise decided.
- 74. Based on the background meeting papers (respectively, documents [SC1-05](#), [SC1-06](#), and [SC1-07](#)), and without broader discussion, the Council took the following decisions:

Decision SC/M1/DP5: CGIAR System Transitional Arrangements: The System Council agreed to assume the Functions of the former Fund Council in relation to the existing CGIAR agreements for current CRPs and system costs.

Decision SC/M1/DP6: Endorsement of 2016 Work Plans and Budgets: The System Council endorsed the earlier Fund Council decisions to approve the 2016 budgets and related work plans of the following CGIAR System entities.

Decision SC/M1/DP7: Policies: The System Council endorsed until such time as amended or revoked as relevant to the subject matter, all of the current policies, procedures, guidelines and other requirements previously approved by the Fund Council as part of the Common Operational Framework with certain modifications.

Agenda Item 7 – Carry-over of unspent funds into 2017

75. The Chair framed the conversation by noting that should the Council agree to the principle of 'carrying-over' of any unused funds from 2016 into 2017 as a one-off and according to specific circumstances, there may be different ways of putting such a decision into effect.
76. At the invitation of the Chair, the Interim Executive Director tabled the outcome of System Management Board deliberations on the same topic in advance of the Council meeting, namely a revision to the materials earlier submitted to the Council, as reflected in revised meeting paper [SC1-08](#).
77. Summarizing the paper and the System Management Board's preliminary deliberations, the Interim Executive Director highlighted that whilst 2016 has presented fiscal challenges for the CRPs and Centers resulting in a number of CRPs having to make quite significant adjustments, the current CGIAR model results in funding being provided quite late in the year and thus gives rise to the possibility that there may be 'Unused Funding' as that term is defined in the background paper. He confirmed that the earlier paper was revised to take out the unintended confusion in regard to ceilings of budgets, which was not a relevant consideration to the permissions now being sought from the Council.
78. The Interim Chair of the System Management Board noted that one of the elements that adds complexity is that a significant proportion of the annual budget for research is remitted to Centers even in the last quarter of each year. In these circumstances, Centers typically try to pre-finance the first nine months of the year through the limited reserves of the Centers. However, due to the uncertainties surrounding what will be approved by the Council to take forward in 2017 and the overall funding situation itself, there is considerable additional risk on the Centers in the current context to pre-finance in the way that they may have in the past. He also confirmed that due to the reduced funding available in 2016 overall, the amount to be carried over, if any, would be relatively small.
79. In the discussions that followed, it was noted that:
 - a. The proposed carry-over approach offers a pragmatic solution to a system in transition at the time of moving to a revised research portfolio with a number of different elements and revised deliverables;
 - b. The System Organization will be reporting to the Council on the use of the funds over 2016 and 2017, and this mitigates the risk that the Council would not know how the funds were finally used;
 - c. There was general support for there being an adjustment in the 2017 financial plan if required, and the subsequent annual CRP financial plan if also necessary, to take into account funds that were carried over from the 2016 year. This was identified as a mechanism to mitigate the potential risk that more funding was provided than actually required for a given year or utilized for activities that were beyond the scope of the delegation that was provided; and

- d. The proposal facilitates the work of the trustee in closing down the existing CGIAR Fund in advance of moving to the new CGIAR Trust Fund for the CRP2 portfolio. Namely, it reduces transaction costs by removing the need for the trustee to approach each Funder individually and ask how unused funds, if any, could be reallocated into 2017 by reason that the current CRPs contractually end on 31 December 2016.
- 80. Taking note of the various observations made during discussions, the Chair recognized that the carry-over discussion is really a symptom of a broader issue of how to have funding earlier in the System, to address the issue that overall the System is ostensibly delivering the research in one year, but in reality the research is being delivered in the next calendar year when the Window 1 and 2 funds have been received.
- 81. One Council member agreed, suggesting that whilst the carry-over proposal helps the System move forward, it does not resolve two longer term underlying issues that will need attention in due course, which he framed as:
 - a. Getting to the position of funding in advance, so that scientists are not trying to implement programs without really knowing what the budget will be; and
 - b. There is not a clearly identifiable connection between the money that is being provided and the actions being implemented, being something that has been talked about over the years, in terms of having a management system where there is greater connectivity between the work being done and money provided. It was noted that some Centers have this, but that others do not, and that in a System with cross-cutting research actions, moving to a holistic management system would be highly desirable.

82. **Decision SC/M1/DP8: Phase 1 CRP Portfolio Unused Funding at 31 December 2016:**
Recognizing that the carry-over proposal was put forward as a pragmatic way to move ahead between 2016 and 2017, the System Council approved the carry-over of Unused Funds according to the revised proposal tabled.

Agenda Item 8 – Funding System actions and entities moving forward

- 83. The Chair framed the meeting by recalling that the 6 - 8 June 2016 Washington, D.C. transition meeting, requested the Interim Executive Director of the System Management Office to establish a working group to consider further the comprehensive identification of the administrative costs of the system and the means for financing such costs, and to develop a proposal for the development of multiyear, consolidated business plans and budget.
- 84. The Interim Executive Director spoke briefly to a presentation that recapped the key elements from the background paper (meeting document [SC1-09](#)). He confirmed that the ultimate goal is to deliver on the shared goal of having a System that operates with robust budgeting and comprehensive and comparable monitoring and review, as touched on in the earlier discussion of the Council on strategic themes (or ‘buckets’)

to take forward. He also clarified that the role of the working group is not to propose the work plans and budgets for the various System entities, but to focus on the more strategic question of what is funded as a System cost, and through which mechanism.

85. Recognizing that Council members have served on numerous working groups during the transition phase, it was agreed that the engagement level of Council members should take the form of serving as a sounding board, rather than as formal members of the working group itself, with the representatives of FAO and the United States agreeing to take on this role as required.

Agenda Item 9 – Identification of Active Observers for System Management Board

86. **Decision SC/M1/DP9: Active Observers for the System Management Board:** The System Council nominated the representatives of the Bill and Melinda Gates Foundation and the United States, to serve in the capacity as Active Observers with effect from 13 July 2016.

Agenda Items 10 and 11 – Any Other Business and Closing Remarks

87. The Chair confirmed that no other order of business had been raised for discussion during the meeting.
88. Moving to agenda item 11, the Chair invited the Interim Executive Director to outline key proposed dates in September for the System, and then take the meeting through possible areas for focus of the Council's second meeting on Sunday 25 and Monday 26 September in Mexico as follows:

Matters likely to come before the Council between September and year end

- i. Reviewing and approving the CRP2 proposals and platforms based on the ISPC's review and inputs from the FEWG
- ii. Refining and endorsing the System Council's areas for strategic focus ("bucket list"), as refreshed after earlier System Council inputs
- iii. Approving a terms of reference for the ISPC and IEA
- iv. Approving the System Council Rules of Procedure, based on meeting document [SC1-10](#) and the timetable proposed therein
- v. Reviewing a proposal from the System Management Board on what comprise "management costs" for the CRP2 proposals and platforms
- vi. Providing inputs into the System Management Board's proposal for terms of reference and process for fulfilling the Internal Audit Function, for subsequent approval by the System Management Board
- vii. Agreeing on the TOR for the System Council's Audit and Risk Committee, and agreeing the process for appointing its members
- viii. Discussing outline programs of work and budgets for the 2017 for the System entities

Matters anticipated to be addressed in early 2017

- ix. Reviewing and approving a cost-effective, multi-year evaluation plan covering evaluations of the CGIAR Portfolio and the structures and functions of the CGIAR System Organization
 - x. Agreeing on the TOR for the System Council's Strategic Impact, Monitoring and Evaluation Committee, and agreeing the process for appointing its members
89. The Chair confirmed that the key reason for advancing the Council's typical November meeting to September was to move forward with the CRP2 portfolio as quickly as possible, with this therefore being the main agenda point for that meeting.
90. He further confirmed that the September meeting date was not the last time that the Council would come together, at least virtually, in 2016. He foreshadowed that the Council will not come to complete closure on every CRP in September, and there will have to be follow up amendments. Rather than the System waiting for a half-year to have those essential final discussions, he highlighted the likelihood of a virtual meeting closer to the end of the year.
91. In response to a question from the floor, the Interim Executive Director advised that he anticipated the System Organization would be making available the 2015 CGIAR Research Program Portfolio Report by early August, and the 2015 CGIAR Annual Report thereafter.
92. At the invitation of the Chair, the representative of the Center Boards of Trustees, shared details of the 2016 World Food Prize Award to four of CGIAR's scientists – noting that the prize is in effect the Nobel Prize for agriculture. Emphasizing the strong links to agriculture, nutrition and health, he commended the prize winners, highlighting in particular the gender and nationality diversity in the prize winners as set out below, and the very strong evidence base to their recognition:
- a. Dr. Maria Andrade, Cape Verde
 - b. Dr. Robert Mwanga, Uganda
 - c. Dr. Jan Low, United States
 - d. Dr. Howarth Bouis, United States
93. The Council Chair confirmed that the World Bank President would be attending the World Food Prize ceremony in October 2016 for the first time in a long time (given the focus on nutrition and CGIAR). He also shared that this is a great opportunity to showcase where CGIAR is today and what it delivers.
94. The Council Chair then closed the meeting by expressing his appreciation for the collaboration and engagement during the first meeting.

Annex 1: Record of Decisions 1st System Council meeting

SC/M1/DP1: Meeting Co-Chair

The System Council elected Bernard Rey, representative of the European Commission as meeting Co-Chair.

SC/M1/DP2: Agenda

The System Council adopted the meeting agenda for the 1st System Council meeting (document SC1-01).

SC/M1/DP3: Terms of Reference for System Council Chair

The System Council approved the Terms of Reference for the System Council Chair as set out in appendix 1 of meeting document SC1-02.

SC/M1/DP4: System Council Chair

The System Council accepted the World Bank nomination and approved the appointment of Juergen Voegele, Senior Director Agriculture Global Practice, World Bank Group, to serve as the inaugural System Council Chair for a four-year term with immediate effect.

SC/M1/DP5: CGIAR System Transitional Arrangements

The System Council agreed to:

- a. assume the functions of the Fund Council as transferred to it under the Joint Agreement, Consortium Performance Agreements (CPAs) and Fund Use Agreements; provided that the Joint Agreement, CPAs and Fund Use Agreements will be terminated as indicated in paragraphs 1.1 to 1.3 of Appendix 1 to meeting document SC1-05; and
- b. assume the functions of the Fund Council as transferred to it under the Contribution Agreements as indicated in paragraph 5 of Appendix 1 meeting document SC1-05.

SC/M1/DP6: Endorsement of 2016 Work plans and Budgets

The System Council endorsed the earlier Fund Council decisions to approve the 2016 budgets and related work plans of the following CGIAR System entities:

- a. CGIAR System Organization: US\$ 7.25 million;
- b. ISPC: US\$ 3.88 million
- c. IEA: US\$ 2.48 million

SC/M1/DP7: Policies

The System Council endorsed until such time as amended or revoked as relevant to the subject matter, all of the current policies, procedures, guidelines and other requirements previously approved by the Fund Council as part of the Common Operational Framework with the following modifications:

- a. all relevant appearances of the CGIAR Consortium and its derivatives are changed to CGIAR System Organization;
- b. all relevant appearances of Consortium Office are changed to System Management Office;
- c. all relevant appearances of Fund Council are changed to System Council;
- d. all relevant appearances of Fund Office are changed to System Management Office;
- e. all relevant appearances of Consortium Chief Executive Officer or Consortium CEO are changed to Executive Director of the CGIAR System Organization; and
- f. all relevant appearances of CGIAR Consortium Board are changed to System Management Board.

SC/M1/DP8: Phase 1 CRP Portfolio Unused Funding at 31 December 2016

The System Council:

- 1. Agreed that Centers be allowed to carry any funding that was provided for the phase 1 CGIAR Research Programs ('CRPs'), but that is unspent and uncommitted at 31 December 2016 ('Unused Funding') forward into 2017.
- 2. Agreed that that Unused Funding be transferred to, and utilized by, the most appropriate phase 2 CRP and agrees that in the situation where a phase 1 CRP is ending, integrating or divided and re-integrated into different phase 2 CRPs, authority is delegated by the System Council to the CGIAR System Organization ('System Organization') to manage the reallocation of the Unused Funding to the phase 2 CRP portfolio.

3. Agreed that in order to ensure that Unused Funding is managed effectively and efficiently towards the end of the phase 1 CRP, authority is delegated by the System Council to the System Organization to develop guidelines that specify the parameters under which Centers will be able to commit W1-2 funding until 31 December 2016.

SC/M1/DP9: System Council Active Observers to the System Management Board

The System Council accepted the nomination of, and appointed, the following persons to serve in the capacity as Active Observers to the System Management Board as representatives of the System Council until such time as their successor is appointed:

1. Bill and Melinda Gates Foundation: represented by Tony Cavalieri (alternate member)
2. United States of America: represented by Robert Bertram (member) or Eric Witte (alternate member).

Annex 2: CGIAR System Council Strategic Reflections, version 8 August 2016



Introduction

At our inaugural meeting (12 July 2016, Paris), we, the System Council, set aside quality time to reflect and brainstorm, to contemplate bigger things: hopes; expectations for the future; and ways in which we, collectively, can contribute most significantly to the vital work and long term relevance and effectiveness of CGIAR. We shared with each other a sense of our aspirations and our level of ambition. We described where we want to be in 5 and 10 years' time, and contemplated whether we are actually doing the right things to get us there.

At the conclusion of what we agreed were preliminary, but important discussions, we identified seven 'buckets' – as the themes that resonated most strongly amongst us, and called for more detailed reflection over the coming months. The following few pages attempt to capture the essence and sense of the System Council's initial reflections, and to package themes to form the basis of a conversation going forward, and a paper for discussion in September. The order in which the themes, or buckets, appear is not intended to reflect priority.

Taking the themes or 'buckets' forward

System Council members are invited to 'self-select' where they would wish to provide more input. As a stretch target, by September, we can actually make decisions on the three or four things that we want to take forward over the next 6 months that can really make a difference. Questions we should ask ourselves are how much of it that the System Management Office should be taking forward; are there areas that we want to ask others to lead; and are there items that we want to do among ourselves through an ad-hoc working group.

Feedback is invited by **Thursday 8 September 2016**, so that this account can be cleaned up for further conversations or actions depending on what we decide.

Elaborating on the seven themes ('the buckets')

1. Responding to new challenges and developing new solutions

The landscape of agricultural research for development is evolving rapidly. The world faces new, more complex, and more interrelated challenges, such as achieving food security in the face of climate change; reducing deforestation, biodiversity loss and water scarcity; creating meaningful employment for a rapidly growing youth population; and producing not only more food, but more nutritious food, in rapidly globalizing agri-food markets serving increasingly urbanized populations.

Within these changes there are complex and complicated questions: what is the role of livestock in a sustainable future? What is a healthy diet and what should we do to achieve it? Without good science, solutions to one problem can exacerbate another: hundreds of billions of dollars of agricultural and food subsidies actually work against sustainable outcomes. We need interdisciplinary and transdisciplinary solutions.

Biotic and abiotic stresses are changing more rapidly than ever before. CGIAR genebanks safeguard the world's largest germplasm collections for staple food crops, and enable scientists to respond to new stresses, and to continue to advance production and productivity. This is a one of our key comparative strengths and advantages.

Right now, there are 62 countries – or one-third of the countries on the planet – that either have conflict or are considered fragile – some, the entire country; some, significant regions. Very few organizations on this planet have the footprint – the global footprint – and a presence in these countries. Are we, as a system, doing enough, or working coherently enough, in fragile and post-conflict states? With a focus on the Strategy and Results Framework (SRF), what can and should CGIAR do in respect to fragility, migration and job creation?

While we made strong progress against the Global Development Goals, future gains will be harder to realize. We cannot keep doing the same and just trying harder and expect different outcomes – we have to do things differently. We need to know we're addressing not only today's problems, but tomorrow's. We need to read the signs early enough and respond soon enough. CGIAR needs to ensure that robust foresight and world-class modeling inform our research agenda. New challenges require new science and new solutions that CGIAR could bring to bear.

2. Focusing on the right things

Getting the biggest impact from scarce resources means being focused on the right things. It means knowing where research is absolutely fundamental and where CGIAR is uniquely placed. It means prioritization. It means focused, targeted research.

Our Independent Science and Partnership Council needs to be empowered to provide the strategic guidance we need in order to prioritize where to put money. Science quality is

essential; doing the right science is paramount. We want a prioritized research agenda aligning unique CGIAR capacities with critical research needs. A key measure of our success will be the extent to which funds return to the shared agenda; the willingness for hitherto bilateral donors to embrace programmatic or system-wide funding.

We need a rigorous system for identifying high-quality research, a robust system for peer review, and funding channeling mechanisms that reward performance. We desire the attributes of the best of the competitively managed research systems. We see value in a really comprehensive systematic approach. What would it take to become field-leading as a competitively managed research system? How do we take it to the next level?

We aspire to becoming a leader in women's empowerment and gender equality.

We, as a system, must take into consideration the demand of the donors, but also the demands of developing countries, and how this demand is expressed. Our processes of consultation must be genuine and effective. The more relevant the research, the greater the demand.

3. Bridging research to impact – and the importance of partnerships

One of the most elusive challenges is for CGIAR research to really connect with that is going on in the field; for adoption of innovation at scale. There are many potential solutions out there and somehow they are not translating into results on the ground.

But CGIAR is not, nor should it become, an implementer. Scaling-up is very much a development business, so we must foster and nurture development partnerships – both public and private – and it is incumbent on us to make successes of these downstream partnerships. We must catalyze and connect in ways that foster uptake and impact. Excellence in well-targeted research is our key to the network, and excellent partnership are key to delivering the scale of outcomes to which we aspire and to which our SRF commits us.

The responsibility falls not only on CGIAR. Both sides have a role to play. By engaging with CGIAR, national, regional and international development partners have the opportunity drive the relevance of research, to drive 'coherence', that builds on the nexus between agriculture, food security and climate, that fosters coherence with the global architecture, coherence in tax policies, coherence with other initiatives.

CGIAR needs to be more open to these other actors. There is a risk always for a strong system to live inside of its boundaries, to be closed. We have contacts, we need to multiply our linkages, we are not alone in the world. Let's not try to do everything, but to demonstrate our added value to what others are doing.

Site integration is one way of connecting with others, of fostering multi-stakeholder partnerships - research, civil society and the private sector. We must genuinely involve countries in site integration to understand the real demand for science for development.

Site integration has strong potential upside opportunities but, without due care, there may be downside risks. Transaction costs could become significant, and we may diminish our delivery of international public goods. It's a balance between the national and the international, and it's about getting the balance right.

CGIAR has great examples of cooperative research with partners that leverages capacity in carrying out our focused research agenda. We seek to multiply these successes.

4. Building and sustaining capacity in national systems

CGIAR needs to critically examine its role towards meaningfully establishing a constructive and viable platform for capacity development within the national agricultural research systems. This needs to span the full spectrum – from training of individuals; to collaborative learning; to institutional partnerships; to innovation in national systems. We need a better understanding of what we're doing presently. Basic metrics, such as how many Masters or Doctoral completions, would be a good start.

Importantly, we recognize that it is not only formal training that builds capacity. Cooperative research with partners plays a vital role, and capacity building must be mainstreamed into our research endeavor.

Strengthening and working closer with the national agricultural research systems can deliver important capacity gains. We should have a holistic approach that targets national agricultural research systems through better policies and research management capacities in leaders of these systems.

The challenges for building capacity in the developing world have changed. Its new science that we need to be able to bring to the national systems, amongst which there is great variability. So we have to address capacity development in the context of the heterogeneous situation in which we operate.

5. Demonstrating performance

We truly believe that CGIAR has made a major contribution to poverty alleviation and to improved food and nutrition security, and natural resources and ecosystem services. But belief is not enough. We must have credible and truthful evidence of performance, and of CGIAR's contribution. We need well-articulated theories of change and impact pathways, underpinned by strong metrics. Robust, consistent reporting systems paired with rigorous, credible impact assessments will drive our narrative. Are we, as a system, doing enough to quantify and robustly demonstrate, for example, the poverty alleviating impact of our work?

Our performance claims will increasingly be scrutinized, and we should expect that any figures we produce will be looked at very closely. CGIAR credibility rests on high quality impact assessment evidence. Our value for money metrics are so weak and so poor they present a reputational risk. Greater levels of transparency on performance reporting, simple

value for money metrics and impact metrics, and data and stories would help assist in that regard too.

CGIAR must be able to demonstrate its comparative advantage and to show value for money – the results compared to the cost. Ultimately, CGIAR needs to shift to a more performance-based allocation model and to manage for results. We have to be able to effectively track progress. At the same time, scientists have to take risks and integrate failure as part of their research process.

Global challenges require us to work together as a system, where what we do is more than the sum of our individual contributions. While we have come some way, we have much further to go. The efficiency of CGIAR, as a system, has not met partners' expectations. There is far more we can do to drive down transaction costs, to be leaner, nimbler and more efficient.

Following the recent changes in governance, CGIAR now has the opportunity to focus on operating more strategically. Both the System Council and System Management Board need to contribute to this planning effort to reduce transaction costs, and focus on research for development.

6. Communicating narratives and success stories

CGIAR is the only worldwide research partnership addressing agricultural research for development, whose work contributes to the global efforts to tackle poverty, food and nutrition insecurity, and environmental degradation. We firmly believe that the world needs CGIAR, but we're falling short in selling this message coherently and consistently.

CGIAR is rich with extraordinary stories of success and achievement. Massive progress has been made. CGIAR members have just won the World Food Prize. But we undersell ourselves. We fail to exploit successes or to weave them into a compelling narrative that resonates with decision makers. We need to get better at articulating our successes more clearly, of capturing stories, of showing impact. How do we get it to a narrative that is so appealing that the system as a whole gets the recognition it deserves, not the individual pieces?

We have not done a good job of 'selling research' – explaining the scientific process. There is much we can learn from the Intergovernmental Panel on Climate Change (IPCC) process. There are voices saying why are we bothering with research, that we don't need more research, that the solutions are already there, that it's just a matter of getting them off the shelf and into the development community. We really have to build our case, to promote CGIAR research activities in the multilateral development frameworks, in the G7, the G20. We have to explain and demonstrate why research is relevant. There's certainly some good information out there, but it's not readily available and it's not consistently being used across the donor world. We need a much bigger effort in communicating what we do. CGIAR has also not said enough about what has changed through capacity building.

To resonate with decision makers, our narrative needs to speak to very simple, very tangible results: how many refugees have you been able to settle in their own country; how many jobs have you created for rural youth? We must be receptive to the major drivers of development thinking, and to showing what research can contribute towards that thinking: innovation, green job creation, climate smart solutions.

Should the System Council have a session on the success stories, and set aside time to know about the stories. If so, how and when?

7. Securing more – and more stable – funding

The lack of a stable, secure funding stream has long been recognized as a strategic risk to CGIAR. But the money is there. It's not that the world doesn't have the money to spend on agriculture and food security. It is spending \$500 billion every year on things called subsidies – this is money that tax payers around the world are providing to give to agriculture and food security. Unfortunately, 80% of that money is actually part of the problem, not part of the solution – its unsustainable and it makes matters worse.

CGIAR needs to unlock money in many different ways. We need to link to the international G7 and G20 conversations, and to explore new funding modalities and other ways of financing what we would like to achieve. The Official Development Assistance (ODA) pot is shrinking, and the role of ODA is changing - more blending of loans with grants, and acting with the private sector. We need to be alert to new opportunities and to position for the future.

In relation to our research agenda, how can we make sure that new ideas that bubble up in CGIAR Research Programs are actually supported with funding? How do we get more money in the shared agenda, moving from Window 3 into Window 2, or from Window 2 into Window 1? How do we keep our transaction costs as low as practicable?

Annex 3: Donor-perspective review criteria for flagships, 29 July 2016

Criteria for Assessing the Flagship

Note: *These are donor-perspective review criteria and scoring of flagships within the CRP2 portfolio - designed to complement the science quality assessment being undertaken by the ISPC.*

1. Potential Impact (30%)
Have the proposed impacts pathways of the research – community (social, economic, environmental), capacity building or scientific impacts – been clearly identified and feasible?
Who stands to benefit (numbers of households, farmers and/or consumers, in which regions/countries/agro-ecological zones, etc.)?
If relevant, is the design (including partnerships) supportive of delivering impact within 5-10 years or > 10 years? (high/ medium/ low)
Is there organizational buy-in from implementing or scale-up partners? (high/ medium/ low)
Does it explicitly outline how gender considerations will be incorporated into the research objectives, methodology, and implementation
2. Strategic importance logistical viability and governance (20%)
Is there strong alignment between the proposed interventions or research products and established diagnoses of challenges/problems? Are the problems, the priorities, the justification for the flagship and the proposed collaborators clearly articulated?
Are appropriate partners identified and roles adequately defined? (including private sector and NGOs etc.)
Are institutional arrangements and management clearly articulated and reasonable (e.g., cost-effective)?
3. Comparative Advantage and cost effectiveness/value for money (30%)
Are there alternatives sources of supply for the proposed research? (Yes/No)
Will funding this research through the CGIAR deliver a greater gain than funding other organizations or other research to tackle the identified problem?
How well aligned is the research with the unique assets and strengths of the CGIAR?
Is the scale of investment in the research commensurate with the proposed outcomes and scale of impact? (justify the scale of the budget)

Annex 3: Donor-perspective review criteria for flagships
As circulated to the System Council on behalf of the FEWG on 29 July 2016

4. Monitoring, evaluation and learning (MEL) (20%)	
Does the plan for ME&L provide sufficient information for interim assessment or review of whether incremental progress is being made and how findings of interim assessments will be used to adjust research activities?	
Does the ME&L plan where applicable, even for upstream research, sufficiently map to progress in product development?	
Is it clear which outcomes of the research will be measureable within the timeframe of the flagship/CRP?	
1) At the CRP level, is there sufficient coherence across the flagships and linkage between the flagships to deliver an integrated research program?	
2) Likelihood that proposed research objectives will be achieved within 6 years (Score 0 to 5)	
3) At the CRP level, is there a good fit within SRF goals and priorities (Score 0 to 5)	
4) Have major risks been identified and risk management plan strategies proposed?	
5) The key strengths of the Flagship	
6) The main weaknesses of the Flagship - and how easily could these be addressed?	
7) Any additional comments	

Annex 4: 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)	Bernard Rey, European Commission
VOTING MEMBERS	
Constituency	Participant
African Development Bank	Malu Muia Ndavi. IFAD representative, <i>(Delegated Attendee on behalf of AfDB)</i>
Australia	Mellissa Wood – Alternate
Bill & Melinda Gates Foundation	Sara Boettiger – Member Tony Cavalieri – Alternate
Canada	David Cuming – Delegated Attendee
East Asia and Pacific	Dongxin Feng, China – Member Lin Zhai, China – Additional support
European Commission	<i>Served as ex-officio non-voting co-chair</i>
Germany	Heike Henn – Delegated Attendee Michel Bernhardt – Additional Support
Japan	Satomi Okagaki – Member Masashi Takizawa – Alternate Takehiro Okubo – Additional support Norihito Kanamori – Additional support
Mexico	Jorge Rueda Sousa – Member
Netherlands	Marcel Beukeboom – Member Wijnand van IJssel – Alternate
South Asia	Venugopal Menon, India – Delegated Attendee
Sub-Saharan Africa	Baba Yusuf Abubakar, Nigeria – Member
Sweden	Philip Chiverton – Member
Switzerland	Michel Evéquoz – Member Simon Zbinden – Additional Support
United Kingdom	Alan Tollervey – Member
USA	Robert Bertram – Member Eric Witte – Alternate
West Asia and North Africa	Cengizhan Mizrak, Turkey – Delegated Attendee* <i>* Participated remotely</i> Turgut Orman, Turkey – Additional support
World Bank	Mark Cackler – Member

Annex 4: List of Participants
Paris, France; Tuesday 12 July 2016

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	Jimmy Smith, Center Director General Rodney Cooke, Center Board Chair
FAO	Samy Gaiji – Alternate

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

MEETING INVITEES	
Host Country - France	Anne-Marie Descôtes Frédéric Lapeyrie Lilian Puech
Trustee - World Bank	Priya Basu Darius Stangu

ADDITIONAL PARTICIPANTS	
CGIAR Research Program Leader	Victor Kommerell (<i>Delegated attendee</i>)
System Management Board Interim Chair Support	Kathleen Sexsmith
System Management Office	Karmen Bennett
World Bank	Jonathan Wadsworth Maxine Garvey