

Chair's Summary
9th System Management Board Meeting
10-11 April 2018, Montpellier, France

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

With appreciation to the System Management Office for the very large amount of work undertaken in advance, this note seeks to capture some of the Board's thinking during SMB9 on, primarily, how to drive development of a 'CGIAR business plan' that brings the System more closely together to reduce fragmentation, and deliver improved efficiency and agility in an ever-evolving operating context.

Importantly, our conversations in Montpellier were informed by the clear message from the [2nd General Assembly of CGIAR Centers](#) that now, more than ever before, there is a shared commitment to work more closely together to deliver a CGIAR that presents renewed value for our diverse stakeholder group, including through a more convincing articulation of CGIAR's compelling research agenda, and evolution of our institutional modalities whenever it makes most sense to do so.

Informed by an excellent '*should we consider...*' style meeting paper, SMB9 provided the Board with a first substantive opportunity to start to shape what a final 'CGIAR 3-year business plan' paper might look like for the System Council's 7th meeting in November 2018 ('SC7'), building on an already rich set of consultations across our CGIAR stakeholder group including most of those included on this Chair's Summary.

What we discovered in Montpellier when we discussed the proposed five pillars of that new business plan¹ is that more and more topics demand joint discussion and shared action to deliver our best. It is important to convey that the business plan is not about starting over again, nor abandoning the CGIAR's Strategy and Results Framework. Rather, the 'business plan' seeks to periodically (each 3-years) situate and contextualize CGIAR's work in an ever-evolving context. What I found most compelling from our time together in Montpellier at this SMB9, is that the Board is united in its view that now is the time to capitalize on the capacity and innovation in our System – and be bold and purposeful in what we do next.

The task now is to prioritize those actions in a way that, building on additional direction at the System Council's forthcoming Berlin (May 2018) meeting and decisions to be taken at SMB10 (September 2018), we can deliver to SC7 in November 2018 an inspirational business plan that demonstrates how CGIAR intends to act collectively across the 2019-2021 period with a renewed sense of direction.

¹ Adopting the "Star Model" by Jay Galbraith: Improving strategizing and planning; Institutional innovation in structures; Clarifying and streamlining business processes; Attracting, retaining and nurturing talent; Incentivizing high performance.

Against this background, the following pages contain some early highlights from the SMB9 meeting, together with a record of the formal decisions taken on statutory business items.

Of the latter, much of our statutory business items involved considerable pre-work by the Board's Audit and Risk Committee – chaired by Bushra Malik, and joined by Gordon MacNeil, Bob Semple and Eugene Terry. I wish to commend the work of that committee for the expertise that they brought to their review and recommendation of clear, succinct materials for Board approval. With Audit and Risk Committee membership now rotating from 1 May 2018, I take this opportunity to reiterate the Board's appreciation for the contributions of Bushra Malik and Eugene Terry who will leave the committee. Under the stewardship of the ARC Chair, we have a transformed CGIAR System Internal Audit Function, and the System has now adopted a comprehensive risk management framework that articulates where opportunities lie and risks require mitigation. Both will be key in 2018 and beyond as we now move to focus on strengthening our focus and institutional modalities and receiving periodic assurance on the status of our risk and assurance environment.

As before, a more substantive meeting record will be prepared by the team in Montpellier, reviewed by voting members, and then circulated amongst stakeholders. Accordingly, this note does not seek to provide a comprehensive record of the meeting, but rather an early summary of key thoughts.

Taking note of the unfinished discussions on matters relating to the Grain Legumes and Drylands Cereals CRP, the Board agreed to reconvene on a virtual basis in the third week of April 2018 on a date to be scheduled, to consider these two matters.

For now, I wish to extend on behalf of the Board our appreciation for the excellent meeting preparations and hosting of SMB9 in Montpellier.

Sincerely
Marco Ferroni
Chair, System Management Board

Part A – Main discussion points on a proposed 'CGIAR 3-year Business Plan' concept

The points below reflect highlights of the inputs provided to clarify and further strengthen the paper intended to be discussed in more depth by the System Council at its May 2018 meeting. Relevantly, the paper discussed at SMB9 was not 'the Business Plan' itself, but a set of key questions and/or components of Jay Galbraith's 'Star Model' business model concept. The conversations at SMB9 (and the forthcoming May 2018 System Council) are intended to inform development of the first multi-year business plan for 2019-2021, planned for approval at the November 2018 System Council 7th meeting.

To note also that the summarized points below do not follow the agenda chronologically but are grouped by the suggested five business plan thematic areas.

Business Plan: Strategy – Improving Strategizing and Planning

- The Board reflected on the need for the initial 2019-2021 Business Plan to analyze and more clearly identify where CGIAR sits on the continuum of Research for Development, within the context of the roles of other partners and stakeholders.
- Similarly, the Board identified a need for clearer articulation of the products and classes of research undertaken by CGIAR, and indications on how these could be progressed to impact through effective partnerships. The view was that this stronger articulation would better ground operational and institutional planning going forward.
- The Board also discussed on how a 'go to market' approach could be better defined in the context of relationships and partnerships with the private sector. The important work being done in several parts of the system was noted, with agreement on the need to hold a System-wide conversation on this topic during 2018. The Board agreed that the conversation should incorporate actors with whom CGIAR should be cooperating to disseminate products, including social entrepreneurship and should be taken forward under the leadership of the Board Chair.
- The need for CGIAR's work to be shown to be highly responsive to the global context was emphasized: both inside of agriculture, notably the technology revolution and proliferation of startups in areas such as genetics and decision farming enabled by digital tools, and outside of agriculture, namely an increasingly dynamic economic environment which influences the demand for food and agricultural raw materials and fosters ideas and new ways of doing business in agriculture.
- The Board received a presentation on early thinking on a possible biofortification strategy for the CGIAR System from Dr. Howarth 'Howdy' Bouis. Commending the early effort to develop a shared CGIAR strategy on this topic, the Board's guidance was that a longer-run focus ought to be on addressing 'hidden hunger', of which biofortification is one component part. Agreeing that the initial 2019-2021 Business Plan is not intended to be a panacea for every key question before CGIAR, the Board's

proposal was that the 2019-2021 Business Plan situate a CGIAR biofortification strategy within a broader hidden hunger demand-driven context.

**** Action: SMB/M9/AP1:** Relevant CGIAR Centers to work with Howdy Bouis to prepare by 1 September 2018 for submission to the Board's 10th meeting in September 2018 ('SMB10'), a CGIAR-wide biofortification strategy covering key substantive and institutional issues, and with proposed actions for possible inclusion in the business plan.

**** Action: SMB/M9/AP2:** Recognizing that climate change underpins a broad scope of CGIAR's work rather than being a specific research area, the Board asked that a short CGIAR-wide institutional strategy and investment case on climate change be prepared, coordinated by CCAFS, for possible inclusion in the initial Business Plan.

**** Action: SMB/M9/AP3:** The Board proposed that Centers collaborate with the Director General of ILRI as a focal point for the preparation of a short plan on CGIAR's contribution to tackling Anti-Microbial Resistance for possible inclusion in the initial Business Plan.

- The Board also considered possible ways for CGIAR to set its research agenda for the successive 3 x 3-year business plan implementation periods (2022-2030) through to the 2030 Sustainable Development Goals. The Board noted the "missing middle" between the SRF and individual programs, recognizing the need for a "2030 Plan" to articulate this.
- Noting the interrelated questions of 'which' research is prioritized and 'how' it may be best configured, the Board requested that there be further consideration for an optimal process to prepare such a plan. The Board also took note that moving to a 2019-2021 initial Business Plan, followed by 3 three-year successive business plans as put forward in the SMB9 paper, is likely to require adjustment to the current portfolio implementation end-date (currently 31 December 2022) by bringing it forward by 1 year.

Business Plan: Structures – Institutional Innovation

- The Board considered a range of potential institutional opportunities which could be explored over the coming year for inclusion in the first business plan, with several actions identified to follow up on that work.
- Building on conversations already taking place between Centers, the Board identified that Center Board of Trustees Chairs and members are an important constituency to engage on behalf of the System, particularly regarding greater cooperation between Centers on institutional arrangements.

- ** **Action: SMB/M9/AP4: On Center and System reserves:** An analysis on Center reserve levels was requested to be undertaken by the Board's Audit and Risk Committee and provided by 1 September 2018 for discussion at SMB10, which analysis is built upon conversations with Centers whose reserves levels are below the System's agreed level of risk appetite (90 days) and/or risk tolerance (75 days).²
- ** **Action: SMB/M9/AP5: On deeper cooperation and alignment among Centers:** The Board's Rules of Governance Working Group will follow up with the Convener of the Center Boards of Trustees Chairs and reflect on ways to engage this group more systematically, including on the viability of moving towards shared Boards of Trustees; common Chairs of Boards of Trustees and/or other opportunities to form closer alliances. The Board's Rules of Governance Working Group was requested to present recommendations by 1 September 2018 for discussion during SMB10 for possible inclusion in the initial business plan.
- ** **Action: SMB/M9/AP6: On rapid-response preparedness:** Acknowledging the excellent work underway in the System in response to events such as Fall Armyworm, the Board suggested that Centers collaborate with the Director General of CIMMYT as the Board's envoy on Fall Armyworm. The Board also asked that the DG of CIMMYT lead the development of an inventory of current work in response to crises, and that a draft communications document be developed by the Centers that outlines CGIAR's scientific and on-the-ground capacity regarding crises response.
- ** **Action: SMB/M9/AP7: On Shared Services:** The working group identified at the 2nd General Assembly was noted as an important mechanism for potential ideas to be included in the business plan. The Board proposed that the group bring a concrete proposal by 1 September 2018 for possible inclusion in the initial business plan, for discussion at SMB10.

Business Plan: Processes – Clarification and Streamlining

- Broadly, the Board supported the general approach to adopting a 3-point plan to improve system funding modalities over the initial business cycle, including:
 - a. Adopting a multi-year W2 pledging process at the CRP/platform level;
 - b. Revising use of W1 to change internal hydraulics; and
 - c. Clarifying the approach to funding allocations within and between each 3-year business cycle,
 noting that implementation of the plan is contingent on achieving more stable multi-year commitments from Funders at the program level.
- The Board acknowledged that in addition to the mainstay of funding that CGIAR receives from CGIAR's highly valued existing Funders, it is important to understand better the potential of other income sources for the CGIAR System.

² CGIAR Financial Guidelines Series, No 1.

- Agreeing that CGIAR is not intending to move into the global consulting business, the Board nevertheless acknowledged that there are legitimate opportunities for CGIAR to derive revenue in ways that are fully consistent with a predominant focus on developing global public goods. The Board recognized CGIAR's relative inexperience in effective negotiations with the private sector on intellectual assets issues and agreed that the initial 2019-2021 Business Plan should explore both capacity building measures and coordinated action.

Business Plan: People – Attracting, retaining and nurturing the best

- The Board reflected on what might be some concrete measures to include in an initial CGIAR Business Plan to improve workplace diversity and ensure the application of universally high ethical standards in all that it does.
- Against the background also of recent global conversations on safeguarding staff, partners, and beneficiaries in the aid and development sector, the Board reiterated the need for CGIAR to be identified by all as a best-in-class employer that safeguards all with whom we engage.
- The Board agreed that the following were important steps to be taken by 1 September to put in place the relevant framework for an appropriate Business Plan section on attracting, retaining, promoting and nurturing CGIAR's key people assets:
 - ** **Action: SMB/M9/AP8**: By 18 April 2018, the Board Chair will consult across Centers Board of Trustee Chairs, and deliver to DFID, a Centers/CGIAR System Organization response to a 4 April 2018 letter from the UK Secretary of State for International Development seeking CGIAR's unequivocal commitment to safeguarding all of those with whom CGIAR works.
 - ** **Action: SMB/M9/AP9**: By 1 August 2018, and under the oversight of the Board's Audit and Risk Committee, the Board requests the CGIAR System Internal Audit Function to undertake an advisory engagement to obtain a consolidated view on the adequacy of existing anti-harassment policies and processes to respond to allegations, and report on any System-wide strengthening needs required to ensure that CGIAR's policy implementation environment meets best practice standards.
 - ** **Action: SMB/M9/AP10**: To take forward the Board's agreed actions from the 2018 CGIAR Gender Evaluations, the Board's Gender Champion is invited to bring to the Board by not later than SMB10, a proposed approach to delivering against agreed actions, including those that would be most appropriately included in an initial CGIAR 2019-2021 Business Plan.

Agenda Item 10: Rewards – Incentivizing high performance and securing funding

- The Board considered several new developments towards ensuring that CGIAR has in place an effective program performance management system including substantial progress towards a CGIAR dashboard for the program performance management system, and the introduction of program performance management minimum standards, which could evolve over time to reflect increasing quality in performance management. Recognizing that the work on the minimum performance standards was ongoing, there was nevertheless broad support for both elements. As work progresses, the Board also took note that there are different systems used by the CRPs and Platforms (MARLO and MEL), and that interoperability at the CGIAR dashboard level will be an important feature of a System-level program performance management system.
- It was accepted that an effective program performance management system is critical for the System, and that implementation delays can be particularly frustrating for CGIAR's highly valued Funders. The Board also noted that the philosophy of a traditional development-focused 'results-based management' system, whereby immediate measurements of progress are quickly and easily available, does not apply well to CGIAR's subsidiarized operations and longer-run research focus.
- Taking note that much is still in the development phase, but with good progress having been achieved, the Board's inputs were focused on providing guidance to improve clarity on how inputs into the program performance management system will be assessed (by whom, and in what timeframe), and how outputs will be used.

[Part B – CGIAR Statutory and other Non-Business Plan Agenda Items](#)

The Board also considered some matters of business that do not form part of the business plan proposal, as follows:

Agenda Item 6 – A targeted look at CGIAR's Genetic Resources

- The Board heard a presentation from Michael Halewood, Co-coordinator of the Policy Module, Genebank Platform, on four key genetic resources policy issues. The Board recognized the importance of acting and being seen to be acting in the appropriate manner on these matters, acknowledging their significance regarding the reputation of the CGIAR System. Several points of guidance were endorsed by the Board, as set out in Part C below.

Agenda Item 7: CGIAR System Organization 2017 Audited Financial Statements

- Gordon MacNeil, member of the Board's Audit and Risk Committee ('ARC'), introduced on behalf of the ARC and its Chair, Bushra Malik, the CGIAR System Organization 2017 Audited Financial Statements as endorsed by the ARC at its 4 April

2018 meeting. He reported that the Statements were accompanied by an unqualified audit opinion from the System Organization's external auditors, PwC Rome.

- He also commended the System Management Office for the significant improvements in audit preparation and planning as reported by the external auditors. The decision text of the Board's approval is set out in Part C below.

Agenda Item 12: 2018 portfolio delivery

- The Board received a preliminary update from the CGIAR Independent Science and Partnership Council on their review of a proposed 'common bean' flagship to include in the Grain Legumes and Drylands Cereals CRP. Constrained time did not permit the Board to also discuss the potential to issue a call for a new flagship 2 proposal for the same CRP.
- The Board agreed to return to the two topics during an additional virtual meeting of the Board, to be scheduled once the ISPC's recommendations on the common bean proposal are available (expected Monday 23 April 2018).

Agenda Item 15: Consent Agenda

- Following a summary of the main points arising from the items included, all matters in the consent agenda were approved by the Board as a package in line with the Board's Rules of Procedure. The text of the Board's decisions is set out in Part C below.

Agenda Item 16: Any Other Business

- One item of other business was tabled; a proposal for rotation of the membership of the Board's Audit & Risk Committee (which could not be included in the consent agenda due to the timing of receipt of the various nominations), which proposal was approved. The full decision text is set out in part C below, and appreciation was noted to Board member Gordon MacNeil, for his continued service on the Committee.

Part C – The Board's SMB9 formal decisions

SMB/M9/DP1: Meeting Agenda – 9th Meeting

The Board **adopted** the Agenda (Document SMB9-01, Issued 28 March 2018)

SMB/M9/DP2: CGIAR System Organization 2017 Audited Financial Statements

The Board **approved** the CGIAR System Organization Audited Financial Statements for the year ended 31 December 2017.

SMB/M9/DP3: CGIAR System Internal Audit Work Plan 2018

The Board **approved** the rolling workplan of the CGIAR System Internal Audit Function for 2018-2020 (as set out in meeting document SMB9-07).

SMB/M9/DP4: 2018 System Organization Internal Audit Workplan

The Board **approved** the Internal Audit Plan for the System Organization 2018-2020 (as set out in meeting document SMB9-09).

SMB/M9/DP5: CGIAR Country collaboration Board Ad-hoc working group

The Board:

- i. **Approved** concluding the term of the System Management Board's ad hoc Working Group on CGIAR Country Collaboration with immediate effect on the basis that it has served its purpose.
- ii. **Endorsed** the proposal that the implementation of CGIAR Country Collaboration moving forward be coordinated by the System Management Office, building on key principles as articulated in the summarized recommendations of the Working Group (in Annex I of meeting document SMB9-10).

SMB/M9/DP6: CGIAR System Organization Delegations of Authority Policy

The Board **approved** the System Management Board Delegations of Authority Policy (as set out in meeting document SMB9-11).

SMB/M9/DP7: System Management Board Travel Policy

The Board **approved** the CGIAR System Management Board Travel Policy (as set out in meeting document SMB9-12) .

SMB/M9/DP8: Membership of the Board's Audit and Risk Committee

The System Management Board:

1. **Expressed its appreciation** to the following two persons for their service on the System Management Board's Audit and Risk Committee (ARC):
 - Bushra Malik, term ending 30 April 2018
 - Eugene Terry, term ending 30 April 2018

2. **Appointed** the following persons as members of the ARC to serve in their personal capacity, for the following terms or until their successor is appointed:
 - Bob Semple, for a second term until 30 April 2020
 - Hong Kee Yong, for an initial term until 30 April 2020
 - Nancy Andrews, for an initial term until 30 April 2021

3. Taking note of the provisions of article 16 of the ARC Terms of Reference and pending the appointment of an independent member of the ARC, **appointed** Gordon MacNeil, SMB member and continuing ARC member, to serve as ARC Chair until 31 August 2018 or until his successor is appointed.

SMB/M9/DP9: System Management Board endorsed positions on Genetic Resources Policy

1. **Noting** the risk to CGIAR's reputation/ability to operate if the Governing Body in 2019 finds that CGIAR Intellectual Assets Reports do not provide adequate information, and adopts a resolution to increase the power of Secretariat and GB to require information on an ad hoc basis from CGIAR, the **Board recommended** that the System Organization and CGIAR Centers work together to make additional information available to the Governing Body through expanded annual Intellectual Assets reports and/or other means.

2. **The Board re-affirmed** the importance of the subscription system as a component of a revised multilateral system and **encouraged** the Article 15 CGIAR Centers to confirm if they would, in principle, be willing to become subscribers (subject to satisfactory resolution of outstanding details) and if so, make a related statement to next Working Group meeting (October 2018).

3. **Noting:**
 - a. growing controversy in international fora concerning benefit sharing and genomic sequence information; and
 - b. the risk to CGIAR's reputation if it is perceived that Centers' genomic sequencing activities are not protecting/promoting the international public goods nature of the Centers' Article 15 collections, and/or not demonstrably linked to the generation of benefits for farmers in developing countries,

The Board recommended to Centers that they:

- i. Build in and demonstrate/communicate benefit-sharing for developing countries and farmers in genomic sequencing projects, and collectively across the CGIAR System; and
 - ii. Revisit the guiding principles developed ad hoc in 2017; consider raising their profile (e.g., for a CGIAR statement on genomic sequence information, conservation, sustainable use and benefit sharing).
4. **Noting** the importance of compliance with both the ITPGRFA and the Nagoya Protocol to protect the reputation of CGIAR the **Board recommended** that CGIAR Centers:
- i. Include a statement of compliance in annual Intellectual Assets reports to the System Organization, and/or additional information on how they are complying; or
 - ii. Consider other means of providing public assurance of compliance.