SUMMARY OF MAJOR DECISIONS

Fifty Fifth Meeting, Colombo, Sri Lanka

26 – 27 April 2014  Chair: Don Blackmore

CGIAR MATTERS

Reform Process
The DG updated the Board on the CG reform process which continues to occupy a considerable part of his time and that of the WLE Program Director and other MT members. In addition to the CRP extension for 2015-2016 and second call for CRPs post 2016 and the regular planning and reporting processes, a wide range of other policy and strategy review processes are underway. The DG expressed an overall positive view of the DG’s meeting with the Consortium CEO and Board members in Dar es Salam which primarily focused on the Gender and Diversity in the Workplace, and the final report of the CRP Governance and Management Review. The Consortium CEO had presented his vision of the future Consortium and ‘strong Centers running coherent CRPs’ was one of his six points for 2019.

The DG also presented a few slides on the CG reform process updating the Board on the status of the mid-term review of the reforms; the developments on the SRF front; the IEA review of individual CRPs planned over the 2014-2017 period; the timeline for second call for CRPs and phase II proposals; and, the data compiled by the Consortium Office on the 2012 bilateral projects and funding sources.

IA Principles
As per section 10 of the CGIAR Intellectual Assets (IA) Principles, all centers are required to submit annually to CGIAR an IA consolidated report covering the preceding year and Board Assurance on compliance of management of IA according to the principles. The Board reviewed IWMI’s consolidated report covering the year 2013, submitted to the Consortium Office in February in compliance of the stipulated deadline.

Recommendation
The Board reviewed IWMI’s IA consolidated report for 2013 and approved Management recommendation for the Board to provide an assurance of compliance based on the said report and for the Board Chair to sign the Board assurance on behalf of the full Board.
BOARD MATTERS

Program Committee
In accordance with the decision at the previous Board meeting, the Program Committee was reconstituted as a committee of the whole Board.

Recommendation
The Board appointed Don Blackmore as the Chair of the Program Committee forthwith up to 31 December 2014 in his personal capacity as a member of the Governing Board.

Audit Committee
The Audit Committee Chair summarized the Audit Committee proceedings and presented six recommendations for Board approval. The Audit Committee met with the CG Internal Audit Unit (CGIAU) Director and discussed the internal audit arrangements, an update of the IAU including a status report on audits carried out for IWMI in 2013 and proposed update of the rolling 2014-2016 medium term internal audit plan based on the risk assessment. The CGIAU Director had updated the Committee on the ongoing developments at the CGIAU, the development of an audit management system to support work papers, follow-ups and status of past recommendation, and work on fraud prevention. The Audit Committee, noting the lead center responsibility of the CRPs, has asked the CGIAR to include the audit of WLE in the center audit plan and to be mindful of the complexities involved around WLE. The CGIAU had agreed to incorporate the audit of WLE in the audit plan presented to the Audit Committee.

Recommendation
The Audit Committee did not note any major concerns and recommends the adoption of the report from the CGIAR Internal Audit and the approval of the medium term internal audit plan as amended with the inclusion of the WLE audit in the audit plan.

The Committee had discussed the 2013 audited financials and linked up with IWMI’s external auditors via teleconference in a closed session and discussed the 2013 audited financials, KPMG Management letter and IWMI responses. The Audit Committee did not have any major issues to report to the full Board.

Recommendation
The Audit Committee recommends that the Board approves the 2013 audited financials for IWMI, KPMG management letter and IWMI responses, and congratulates the Management and staff for their efforts.

The Audit Committee endorsed the selection of external auditors, KPMG, subject to reaching agreement on fee structure.
The Audit Committee had discussed the development of internal audit function in the CGIAR and the paper presented by Management subsequent to the decision taken at the last meeting, including the need to reconsider the decision in light of the clarification provided by the CGIAU Director. The Audit Committee Chair noted that the Audit Committee is responsible for providing oversight of risk based planning, ensuring adequate internal controls etc., and as such encourages Management to ensure adequacy of control environments with respect to WLE.

**Recommendation**

The Audit Committee recommends that the Board approves the Management proposal on establishing in-house internal audit function and encourages management to take notice of the evolving developments in internal audit arrangements at other centers.

**Recommendation**

The Audit Committee encourages the Management to review risk management and come up with a plan to ensure control activities for WLE are in place.

The Audit Committee reviewed the Investment Policy and Reserves Policy that were developed based on the Consortium approved investment policy guidelines and draft reserve policy guidelines.

**Recommendation**

The Audit Committee recommends that the Board approves the revised Investment Policy and Reserves Policy.

**Nominating and Human Resources Committee (NHRC)**

The NHRC Chair summarized the key highlights of the meeting and tabled one recommendation for Board approval. The due diligence on the suitability of Ms. Winsum Chemutai Murgor for IWMI Board membership has been very positive and the NHRC has unanimously agreed to recommend Ms. Murgor for Board membership.

**Recommendation**

The NHR Committee recommends the appointment of Winsum Chemutai Murgor to be appointed to the IWMI Board for a term of 3 years, from 1 January 2015 to 31 December 2018.

**CCER**

The Board reviewed the final version of IWMI response to the eight main recommendations made by the Center Commissioned External Review (CCER) of IWMI Science Quality and Relevance, with the DG and the DDG-Research
briefly clarifying each item and responding to questions following which the Board adopted the Management response. The final version presented to the Board included updates that were contingent upon approval of IWMI’s new five year strategy 2014-2018 and the related reorganization of the research group.

**Recommendation**
The Board approved Management responses to the eight recommendations made by the CCER of IWMI Science Quality and Relevance.

**IWMI Reorganization**
IWMI’s research structure is expanding from 4 to 7 themes partly in response to the CCER of IWMI Science Quality and Relevance that recommended expansion into some areas to strengthen IWMI’s comparative advantage, and to reduce the number of direct reports and open up opportunities for career progression.

Regional Directors have been asked to develop regional strategies to articulate the intent of the corporate strategy at regional scale and provide a framework for linking regional priorities to the process of defining IWMI’s research portfolio in a more structured way. IWMI is introducing a mid-year research planning meeting starting this June. Research planning and resource allocation will continue along a thematic basis but with more engagement from the regions.

The Board discussed the staff performance appraisal system and noted the importance of having a clearly articulated value system and culture as the base upon which an appropriate appraisal system can be built. The need for the system to recognize and reward team efforts without limiting to individual performance, recognition of staff contributions as well as creating awareness that their contributions are being recognized and valued, encouraging a team-based environment, and the need to monitor/review implementation of the appraisal system once developed and put in place, were important points mentioned by the Board.

**Uptake** is becoming increasingly important in IWMI’s research work and several steps and actions are being taken to embed Uptake in IWMI’s regional planning and processes. This structured approach to Uptake is increasing the role of Regional Directors and Office Heads to identify and follow through on the uptake dimensions of the research with the support of the uptake team. This has triggered the need to better capture the role of uptake in the relevant job descriptions and performance appraisals.

**Communities of Practice (COP):** IWMI intends to formalize both within IWMI and those that reach beyond the Institute. This will include establishing terms of references, identifying collaborators and inviting participants. Whilst COPs
are part of IWMI’s work culture, these are currently more informal and staff contributions to COPs are not recognized through the performance review system.

**Advisory Services:** As mentioned in IWMI’s new Strategy, options are being explored to create a ‘service delivery’ or ‘advisory services’ group to foster a more solution-oriented research agenda and link the results of IWMI research to development activities and practitioners. The primary purpose of the Group is to provide support services to clients interested in taking a research concept and further develop them into operational investments. With several business models on board, Management is at the stage of approving concepts but need to think through the roll out as IWMI does not have sufficient internal capacity. Also, the function will require staff resources with wider development skills rather than research skills. One option would be to engage consultants in the short term.

The Board expressed its support for all three initiatives described above.

**FINANCIAL MATTERS**

The Board reviewed the 2013 actual financials for IWMI, variance between the December 2013 projected financials and audited financials, and the developments over the past few months noting that the auditors have given an unqualified report. The audited financials comprise of a total income, including WLE partners, of $47.74 million, total expenditure of $47.73 million and a surplus of $19K.

The Board was presented with a range of analyses covering 2013 financials for IWMI as well as for WLE. For IWMI, this included an analysis of total expenditure by source of funding, by CRP, year on year by SRP and WLE by SRP. In regard to WLE, the analysis were on budget versus actuals, year on year by SRP, fund allocation verses actual expenditure and final allocations versus actual expenditure against each participating center.

The Board reviewed and discussed the revised 2014 budget and the pipeline of proposals. The revised draft budget comprises of total IWMI funding of $43.45 million excluding WLE partners’ funds and focal region funds, expenditure of $43.25 million and a surplus of $192K. The Director, Finance and Administration explained the developments that resulted in the change from a 2014 draft balanced budget presented in December 2013 to a revised surplus budget.
Recommendation
The Board approved the revised 2014 IWMI budget as presented noting the proposed pipeline of $1.0 million; and, in the context of that budget approved WLE Steering Committee recommendation on WLE budget allocation at its last meeting.

Regional Offices
The Board discussed the strategy for regional offices including changes in some offices, progress in establishing an office in Myanmar, action plan for Central Asia and the proposed re-establishment of the office in Burkina Faso. Proximity to other IWMI offices, presence of a number of other relevant agencies and the strong presence in Burkina Faso and relationships from past IWMI work was cited as major plus points in selecting Burkina Faso as the hub for what are generally termed as ‘Francophone Africa’.

The Board recognized that IWMI is gradually growing and that growth comes with a cost and agreed to approve the establishment of an office in Burkina Faso on the basis that the first meeting in 2015 would review the status of the three offices – Myanmar, Burkina Faso and Cairo – the strategic linkages, a strategic set of criteria that demonstrate why IWMI is in those particular countries, including some analysis of financial liabilities associated with the three offices.

The Board also reviewed and commented on the set of critical factors that should be considered in deciding on the establishment of any new office. It felt that the analysis was not yet sufficiently strategic and needs to be sharpened and provide a more rigorous framework for such future decisions.

Recommendation
The Board noted the justification provided and approved re-establishing an office in Burkina Faso as outlined in the briefing paper and an allocation from IWMI reserves to allow for the effective operation of this office over the first two years.

Recommendation
Management to present at the first meeting in 2015, a consolidated status report on the three offices – Myanmar, Burkina Faso and Cairo and a revised strategy paper that would inform future decisions on expanding or contracting IWMI’s regional presence.

ALL RECOMMENDATIONS WERE APPROVED BY THE BOARD