SUMMARY OF MAJOR DECISIONS

Fifty Sixth Meeting, Colombo, Sri Lanka

5 & 6 December 2014

Chair: Don Blackmore

CGIAR MATTERS

CGIAR Mid Term Review, SRF and Second round of CRPs

An update on the CGIAR Mid Term Review (MTR), the Strategy and Results Framework (SRF), second round of CRPs, and the finance plans for 2014-2016 were presented under this agenda item.

Mid Term Review
The DG updated the Board on the background leading to the release of the draft MTR Panel report in October followed by the final report issued in early November 2014 just before the Fund Council (FC) meeting. The findings of the MTR Panel and its 9 recommendations had been presented during the meeting of Center Board Chairs and DGs in October 2014. One key recommendation was on the governance structure and the FC has decided to set up an ‘options team’ to explore further and report to the next FC meeting. In broad terms three options will be considered, the status quo of the CB and FC, a modified status quo, and the MTR recommendation of a single entity. Members of the options team are being considered by the FC. In parallel, IRRI has initiated a discussion among Centers on what a revised Consortium could look like.

Strategy and Results Framework (SRF)
The DG informed that the Results Framework part is now coordinated by ISPC with close interactions from donors. In previous drafts, climate change had displaced the focus on sustainable natural resources management (NRM) at the highest level of System Level Outcomes (SLOs) but now NRM has been re-instated after comments from IWMI and donors. The SRF is expected to be finalized for submission to the CB and then to the FC for approval in April 2015. In terms of guiding future CRP developments, the SRF is expected to establish priorities for key research areas and criteria but will not extend to defining the components of the second round research portfolio.

Second round of CRPs
The DG explained the process initiated by engaging the services of Meridian Institute, collectively by the Centers, to proactively consider what the second round of CRPs could look like so that Centers are positioned better to influence the discussions with donors, ISPC and the CB. Meridian obtained the ideas of Centers during the October meeting in Montpellier and a number of options have been presented and then narrowed down for further consideration.

Affirmation of Centers’ Joint Venture Agreement
The DG updated the Board on the background leading to the need for the Centers to consider affirming and ratifying their membership of the Joint Venture (JV) of Centers
that was established as a step in the process of setting up the CGIAR Consortium with requisite legal status. The Board reviewed three options, proposed by Consortium Board, Bioversity and CIP respectively, and agreed for IWMI to make a ratification statement using the version proposed by CIP that keeps options open on the role of the JV which can then be dissolved at a later stage by the Centers. The IWMI Board unanimously approved ratifying the joint venture agreement and communicating the same to the Consortium Office, as follows:

**Recommendation**
IWMI as a Party to the Agreement for the Establishment of the Consortium of International Agricultural Research Centers dated 29 April 2010, which Agreement established the Consortium as a contractual joint venture between and among the Centers, hereby affirms and agrees that such contractual joint venture has not been dissolved pursuant to Article 1 paragraph 3 of the Consortium Constitution and continues to effect until such time as it is dissolved in accordance with the relevant provision of Article 24 of its Constitution.

**BOARD MATTERS**

The Board reviewed the updated Risk Register presented in the Board documentation which summarized the key risks (highest potential impact) and the other risks identified by Management and approved by the Board for intensive monitoring, including the key mitigating actions which are in place to manage these risks. The point was raised that although a reputational risk to the Institute exists given the current funding scenario, especially in terms of CRPs, it is not reflected strongly in the risk register. The Board also discussed the usefulness to have a dashboard that will show at a glance the major risks, the likelihood of impact, etc.

**Recommendation**
The Board approved the Risk Assessment Statement with two amendments: (a) Consolidating the reputational risks to IWMI into one item with the IWMI branding strategy as the mitigating action; (b) Segregating the risks and risk likelihoods; and (c) including a dashboard presentation of the status.

**Research**
The Board reviewed and discussed the draft research ethics policy aimed at providing a code of ethics for conducting and reporting of IWMI research and developed after reviewing around 15 research ethics policies from UK universities, UK and American professional bodies and ethical requirements from around five funding organizations. The draft policy has also taken into account the results of a survey on ethical issues conducted among IWMI research staff and their comments and suggestions incorporated.

**Recommendation**
The Board approved the Research Ethics Policy noting that it includes adequate provision to institutionalize the policy.
**Program Committee**

At its previous meeting, the Board reinstated the Program Committee and appointed the Deputy Director General (Research) as the Committee’s Secretary. The Board reviewed and approved the revised terms of reference of the Program Committee to reflect this appointment.

**Recommendation**

The Board approved the revised Terms of Reference for the Program Committee which includes the DDG (Research) as the Committee’s Chair and provides for the Committee to meet as a Committee of the full Board.

The Program Committee met as a Committee of the whole Board and the meeting covered the agenda items: Report of WLE Steering Committee Chair, Report on WLE Management, Report on IWMI CRP Contributions, Direction of WLE in second round of CRPs and Communicating IWMI/WLE messages.

The WLE SC Chair explained that the SC is being more proactive with regard to their role in the program which has resulted in some strategic advancement and progress within the program. Over the past year, the WLE has transformed from the initial SRPs to five integrated Flagships, three core themes and it is operationalizing the Innovation Fund and Focal Region work. The SC Chair also presented six criteria for the Focal Region initiatives and noted these are hard recommendations which the SC feels are absolutely necessary for WLE to succeed in its objective.

The Program Director for WLE presented an overview of the program from both an administrative and programmatic perspective. This included the development of an online program of work and budget system, preparation of annual reports, appointment of Focal Region Coordinator, the Monitoring and Evaluation Coordinator, the Innovation Fund, and status in regard to Knowledge Management and Communications.

Presenting the IWMI CRP contributions, the DDG (Research) updated the Board on the Program Planning meeting held in June 2014 which brought together senior research leaders to plan for 2016, and discuss new ideas and strategic directions. The meeting preceded the implementation of the reorganization of IWMI research program into seven themes. His report also covered the challenges in planning and executing research programs due to unanticipated budget reduction for 2014 late in the year and surrounding ambiguity for 2015.

The PC was updated on WLE communications team’s efforts in communicating the key messages from WLE. The Program’s unique selling points or propositions are that WLE supports human development by working with ecosystems and people, and that ecosystems are the foundation for agriculture productivity, equity, livelihoods and prosperity. The Program Committee noted that ‘Uniting agriculture and nature for poverty reduction’ is the strongest message provided to date.
Report of the Audit Committee

The Audit Committee Chair summarized the Audit Committee proceedings and presented three recommendations for Board approval. The Audit Committee met with the CG Internal Audit Unit (CGIAU) Director, Pierre Pradal connecting via web conference. The CGIAR Associate Director, T.N. Menon was present at the meeting. The Audit Committee discussed with the Associate Director the internal audit arrangements and an update of the IAU which included a status report on audits carried out for IWMI in 2014 and proposed 2015 draft internal audit plan. The Audit Committee had also met with KPMG, IWMI’s external auditors, in closed session and discussed the 2014 audit plan.

Recommendation
The Audit Committee did not note any major concerns and recommends the adoption of the report from the CGIAR Internal Audit, amendments to the 2014 audit plan and the approval of the 2015 internal audit plan as presented.

The Audit Committee discussed the Internal Audit (IA) business plan for Asia based CGIAR centers presented by Management, following Board’s approval at the April 2014 meeting to buy only Tier 1 share of CGIAU that gives basic services such as quality assurance and software and to develop a plan in collaboration with interested Centers. The plan had been jointly developed by IWMI, IRRI and CIFOR and the Boards of IRRI and CIFOR have already approved it. Once the IWMI Board approves the plan, Management can move to set up the separate Asia IA Unit.

Recommendation
The Audit Committee recommends that the Board approves the business plan for Internal Audit Unit of Asia based centers and encourages Management to start the process of setting up the shared services unit.

Report of the Nominating and Human Resources Committee (NHRC)

The NHRC Chair summarized the key highlights of the meeting and tabled several recommendations for Board approval. The Committee had considered the reappointment of two Board members whose first term is due to expire end this month and also the Committee appointments for 2015.

Recommendation
The NHRC unanimously recommends the reappointment of Don Blackmore and Barbara Schreiner to the IWMI Board for a second term of three years commencing 1 January 2015.

Recommendation
The NHRC recommends the following Committee appointments for 2015:

Nominating and HR Committee
Chair - Isher Ahluwalia
Members - Don Blackmore, George Rothschild, Ivan de Silva (and Jeremy Bird, Resource Person)
Audit Committee
Chair - Chemutai Murgor
Members - Barbara Schreiner and Letitia Obeng

The NHRC reviewed and considered the amendments proposed to the Personnel Policy Manual (PPM) to address four issues, namely, employment of family members (to further strengthen the criteria related to potential conflict of interest), termination during probation (to formalise existing practice through policy), medical evacuation (to state the support Management may consider when not covered through the medical insurer) and performance improvement plan (to include necessary steps in the process).

Recommendation
The NHRC recommends the approval of the proposed amendment to the policy on employment of family members to:
(a) preclude a related staff member from being involved in any part of the selection process; and
(b) include the requirement to inform HR and disclose the relationship when/if a close relative is called for interview.

Recommendation
The NHRC recommends the approval of the proposed amendment to state that an employment contract may be terminated during probation due to unsatisfactory performance by giving one month’s notice or one month’s salary and salary associated benefits in lieu of notice, thereby formalising the current practice.

Recommendation
The NHRC recommends the inclusion of the proposed clauses as presented in the NHRC documentation which provide for Management to consider covering the travel costs for the staff member/authorized dependent in cases where the required medical facilities are not available at the duty station and, if the circumstances do not qualify for evacuation through the medical insurer.

The Committee had reviewed and discussed the amendments proposed to include the process when a staff member is placed on a performance improvement plan and suggested further strengthening the process by including the involvement of HR as an independent third party to advise and facilitate the process. The Board reviewed the revised amendments submitted by the HR Director in response to the NHRC request and approved the revised draft.

Recommendation
The Board approved the proposed revised amendments to the policy to include the process when a staff member is placed on a Performance Improvement Plan. This revised process includes the provision for HR to be involved as an independent third party throughout the process.
The HR Director had updated the Committee on the redesign of the year end Performance Review and Development Process, now rebranded as MAP (Moving Ahead through Performance) which includes the migration from a paper based to an online system, thereby increasing efficiency and transparency of the entire process. At the request of the NHRC Chair, the HR Director elaborated the MAP process focusing on the improvements over the current system. The Board was pleased with this initiative and encouraged Management to focus on training and capacity development of staff whilst managing staff expectations since the major portion of training occurs on-the-job.

The NHRC had also reviewed a revised Board Self-Assessment questionnaire presented by the Board Secretary in response to the Board’s request at the April meeting to include rating definitions and also review other Center practices with a view to further strengthening the questionnaire. The revised questionnaire included a few minor amendments to the questions and two rating options; the first to retain the current rating system with the ratings clearly defined and the second, a more broader five point rating scale (very dissatisfied → very satisfied), that is used by most of the centers surveyed.

**Recommendation**

The NHRC recommends approval of the revised Board Self-Assessment Questionnaire and the rating system described under option 1, i.e. to follow the existing ratings with clear definitions as this system is clearer to interpret and apply.

**FINANCIAL MATTERS**

The Board reviewed the 2014 projected financials for IWMI with the DFA summarizing the various changes over the year including the reduction of W1 and W2 funding and carryover of Innovation and Focal Region Funding. The DFA clarified how the reduction in W1 and W2 has been applied and said that the reduction has been treated differently by different CRPs, ranging from no change in AAS to 16% reduction in Humid Tropics. Changes to IWMI’s funding are based on the information available from the respective lead center. Where information was not available, the reduction was assumed to be 8% in line with the overall funding reduction at Consortium level.

Compared to the earlier projection of a surplus of $192K, and even with the reduced CRP funding, the 2014 projected financials are now expected to record a total surplus of $558K. The total projected IWMI core income is expected to be around $34.6 million and expenditures around $34.01 million.

Presenting the 2015 draft budget, the DFA updated the Board on the late reduction in WLE funding that has influenced the draft 2015 budget. He noted that the Consortium Office revised financing plan adjusts WLE funding downward to reflect the current system funding levels and, at the same time, the Fund Office proposal on extension phase funding not only disallows carry forward of 2014 unspent funding (which was subsequently revised), but also caps WLE’s extension phase funding at a lower level than proposed. As per the update to the 2014-15 Consortium financing plan, funding for
WLE 2015 would be in line with that of 2014 which means the previously anticipated growth in windows funding of 10% over 2014 is no longer being expected. The final outcome of both these developments will significantly affect WLE and IWMI's W1 and W2 funding, and also funding for the five CRPs in which it participates.

The DFA presented the W1 and W2 funding and its allocation to different components based on the Oct’14 Consortium update on the 2014-15 financing plan and explained the changes to funding that have affected the funding estimates for 2014.

The 2015 funding for WLE and its allocation across various components is based on the revised funding indications from the Consortium, keeping in line with the revised structure of WLE as stated in the approved extension proposal. This new structure envisages WLE’s work under five flagships and three cross cutting themes with a leaner programme management, evaluation and coordination (PMEC) component. The draft 2015 budget for WLE assumes that there will not be any significant carryover from 2014 to 2015 from Centers for the other flagships, and that the Innovation Fund and Focal Region allocation, together with carryover from earlier years, will be fully committed at the start of 2015 and disbursed over the two-year project duration.

**Recommendation**
The Board approved the 2015 WLE W1 and W2 funding and its allocation to components as presented in Appendix 3 of the Board paper (attached as Annex 2 to the minutes), taking into consideration Steering Committee’s recommendation on Innovation Fund and Focal Regions based on the stated assumptions around carry forward and extension phase funding.

**ALL RECOMMENDATIONS WERE APPROVED BY THE BOARD**