

**Combined Board and Program Committee Meeting
May 8 to 10 2012
Leuven, Belgium**

Summary

Opening Remarks

The Chair, Bruce Coulman, welcomed all members and extended his appreciation to Roel Merckx and Sofie Brunel for the excellent preparations for the meeting. The Board was very pleased to have the opportunity to hold this meeting at KU Leuven.

Board Chair's Report

The Board Chair provided his customary remarks on the role of the Board, i.e. focus on issues of governance, the conflict of interest of policy and disclosure and preparedness for meeting, and followed with a report of activities since December 2011. These included the activities of the Investment Task force and interaction with legal counsel on the direct investment, Consortium activities, arrangements for the Fall Board meeting to be held in conjunction with R4D week in Ibadan, interactions with the consultant working on the CCER on operations and human resources and some views on the recently approved CGIAR Intellectual Asset Policy.

Director General's Report

The DG was very pleased to be able to announce the appointment of key positions at the Institute with Ylva Hilbur as Deputy Director General (R4D) Ken Dashiell as Deputy Director General (Partnerships). In addition, he discussed:

- Elements of the IITA Strategy and R4D orientation, aligning IITA's targets with the CGIAR system level outcomes, realigning IITA's programs according to the CGIAR CRPs and key competencies under the Humid Tropics CRP as the operating arm.
- He talked about the issues of science in the Humid Tropics CRP, building the research outputs around a R4D triangle where improvement in agricultural systems production is closely integrated with natural resource management and marketing leading to development outcomes, incorporating situation analysis and monitoring and evaluation to reach the ultimate goal of producing international public goods. He also talked about the approval process and the fact that IITA had received a category II approval with a request for additional 'must haves' to be addressed, his plans for addressing these and finalizing the proposal for resubmission.
- The Refreshed IITA strategy and plans for stakeholder consultation and finalization.
- Postponement of the Innovation Park Concept as there were a number of other priority areas that needed attention.
- Activities in connection with hub operations and infrastructure upgrades in West Africa, Bukavu in DRC, Nampula in Mozambique, and in Cotonou as well as rejuvenation of laboratory facilities and other research and administration infrastructure on the Ibadan campus and in Abuja.
- The resource mobilization strategy and plans for fundraising as well as the growth in funding within a period of 9 months from \$53.0 m to \$67 M.

- Following a report and discussion of the CCER on operations and human resources, the Board requested the Human Resources Committee to review the recommendations and provide advice to the Board at the fall meeting.

Partnerships and Capacity Building

Ken Dashiell presented the overall vision of the Partnerships and Capacity Development Directorate as well as the vision and responsibilities of the different units comprising the Directorate. The units that comprise the Directorate are not new but rather a reorganization of current activities. Building the Directorate is a work in progress and he expects to have a more comprehensive report for the Board at the fall meeting.

For the Board's information he also provided an overview of the ongoing projects at IITA as of April 2012 by CRP with funding source – Window 1, 2 or bilateral—and by value classes. More detail was provided on the current and proposed funding for Banana and Plantain, as funding for research on these crops has been a source of concern to the Board.

Finally, while recognizing the success with project approvals and the impressive growth within the last several months, the Board raised the issue of risk related to project execution and meeting project deliverables that is critical for maintaining credibility. The DG agreed and mentioned that there were a number of initiatives being put in place such as an effective and reliable monitoring and evaluation system, qualified staff within finance and administration and training.

Program Committee

The PC Chair noted the decision to hold the Board and the Program Committee together given time constraints and the fact that the Program Committee is a Committee of the full Board. Reporting had therefore been kept to a minimum. A full Program Committee will be held in conjunction with R4D week at the fall meeting of the Board.

The four R4D Directors presented a broad overview of their vision of success, strategic focus, general characteristics, research themes and research highlights, as well as financial and human resources, bilateral projects and critical issues for each of their regions.

Direct Investment

The Investment Task Force led by John Griffith provided an update of its activities since December, which was followed by a report from Peter Morgan, General Counsel for Dickstein & Shapiro on their findings, consultations they have had to date and actions taken so far. The Board had extensive discussion on the next steps. It considered the various options and agreed on a course of action for the near term.

Report of Executive & Finance Committee

The Board approved the 2012 operating budget as proposed by the Finance Committee and congratulated the senior management on the outstanding efforts in fundraising. They noted that, along with the growth, IITA had to ensure that it had adequate human resources to deliver on all of the expectations of its funders and maintain the credibility of the institution. To keep the Board informed,

Trustees requested the Director of Finance to provide a snapshot view of the spending on large projects synchronized with milestones.

The Finance Committee noted that 2011 income and expenditure lagged behind projections due to lower amount of CRP funding as well as lower rate of expenditure on restricted projects with lower revenue generation for indirect cost. The Finance Committee recommended that the Board signal a need to monitor the Institute's performance with regard to management and expenditure of restricted funds, especially for large projects. This monitoring should consider both the rate of spending and attainment of project milestones.

The Board endorsed the Finance Committee recommendation related to cost containment. It noted that indirect costs had decreased in 2011 due to careful cost management and acknowledged that this is in the direction of the target overhead level proposed by the Consortium (15%). However, given the institute's needs for capital renovation, expansion of the hubs and holding minimal reserves, excessive cost-cutting should not be a priority in coming years. Commitment to cost containment must be balanced against the establishment of an upgraded well-functioning institute capable of attracting great talent and new funding.

The Board also endorsed the DG's proposal for a separate fundraising effort by the Board to respond to needs for renovation and upgrading of buildings, labs and capital equipment, hub expansion and additional staff. The Board agreed to constitute a Board Committee for this purpose. It agreed with the Finance Committee that a capital investment planning effort should be undertaken in some detail to provide assurance that both initial capital costs and subsequent operating costs would be consistent with IITA's budget outlook.

The Board agreed with the Finance Committee view that the analysis and proposal for the separation IITA's HQ and research station functions/operations in Ibadan over the coming months should be communicated to the Board.

Board Self Evaluation

The Executive Committee discussed the results of the Board self-evaluation. The general view among the E &FC is that the on-line survey worked well as Trustees provided more useful comments. There were a number of areas that had mean scores below 3 (out of maximum of 5). Critical among them was the Board's monitoring of the strategic plan. The Executive Committee had a discussion and agreed that once the strategic plan is finalized, the Board should develop some guidelines for monitoring. The other low score was in the Finance area, which the Board has already taken steps to improve. The areas that received higher scores were Board composition and board conduct. Plans are to continue with the self-evaluation at the end of each Board meeting and address the issues that receive low scores. Trustees were encouraged to complete the form soon after the meeting.

Governance – New Arrangements

The ad-hoc committee provided the results of its consultation and the ensuing recommendations. The Board discussed the series of new arrangements related to structure, meeting processes, formation of a governance committee, location of Board meetings and board composition and size. The Board agreed with the proposed structure for the spring and fall meetings of the Board; they however, were concerned about the reduction in Board size given IITA's mandate and complexity and science coverage as well as the need for regional representation to capture stakeholder views. On the subject of a

governance committee, the Board was of the opinion that this should be a responsibility of the whole Board. The Board requested the Ad Hoc Committee to analyze the key points and define the next steps that also consider the interface with the advisory committees of the CRPs, the development of KPIs for the Institute, a formal process for agreeing to the conflict of interest policy and the formalization of a peer accountability session. The session will ideally take place before the formal meetings of the Board and is an occasion for Board members to inform their peers about the activities he/she has engaged in to advance the interests of the Institute.

Report of the Audit Committee

The Board endorsed the following recommendations of the Audit Committee and requested the Audit Committee to work with the Internal Auditor as well as with senior management to ensure that all internal audit recommendations are implemented.

- **Risk Management:** The AC requested management to review risk management plans, procedures and processes that include adequacy of insurance policies that are in place, and with advice from the AC present a full update at the next AC meeting.
- **Finance Report:** That cash flow forecasts provided quarterly to the Board should be on a 12 month rolling basis.
- **External Auditors Report 2011 and Management Letter:** (1) IITA received an unqualified audit opinion on the 2011 financial statements with investment balances recorded at full value; the AC requests Board adoption of the 2011 External Audit report; (2) the AC requested management to provide an update on issues raised in the management letter at the next audit committee meeting.
- **External Audit Work Plan 2012:** The AC approved the Work Plan that included an audit of the Zambia hub as part of the audit.
- **Direct Investment:** The External Auditors brought to the AC's attention the importance of recovery to avoid having a significant impact on the 2012 financials.
- **Internal Audit Report:** The AC noted the key findings from the internal auditors report and requested that a full report on procurement procedures and actions taken to address weaknesses at the next AC meeting. Internal Audit was also requested to provide an update on previous recommendations in the high/medium category that have not been addressed, and to commence the external quality assessment.
- **Internal Audit and Audit Committee Charters:** Charters for the IAU and for the Audit Committee in line with the CGIAR were presented to the AC for review. These charters will be considered as part of the quality assessment review.
- **Succession Plans:** The AC recommended that management reviews succession plans for key positions across the organization and ensures that there are appropriate staff development plans in place and a report provided at the next AC meeting.

Report of the Human Resources Committee

- The Committee received feedback from the NRS satisfaction survey and was informed of the actions being taken at the senior management level to address the areas of concern.
- IITA was waiting further guidance from the Consortium on the gender strategy. The DDG of Partnerships and Capacity Development will assume responsibility for the development of the IITA gender strategy and metrics as well as performance tracking on gender in research and gender in the work place.

- With respect to statistics, the HRC suggested that it would be useful to move towards reporting on staffing patterns with vacancies and filled positions indicated, recruitment prioritized and accounting on FTEs as well as actual staff by hubs and by CRPs. It also suggested linking the HR dashboard to the finance monitoring against deliverables and spending. It recommended that the Board support/encourage senior management efforts to move toward a standardized system of time accounting.
- The Board endorsed the following recommendations:
 - Support the personnel reorganization initiatives as part of the HQ/West Africa Hub separation and revisit it at the fall meeting
 - Approve the return of IRS to the AIARC retirement system
 - That the issues of Institute consultants be re-examined from three perspectives: (1) definition of consultant that includes time limitation and a process for recruitment that is streamlined; (2) policy conditions under which a consultant can be employed; and (3) an action plan for regularization of current consultants. Financial implications will need to be calculated and refined. The action plan should be reviewed by the HR Committee at the Fall Board meeting.
 - Amending the retirement age of 62 and in so doing also direct senior management to take proactive approach to ensuring that policies/practices are implemented to ensure that performance is adequate, younger scientists/managers are encouraged to aspire to senior positions and services of emeritus staff are utilized when possible.

Nominating Committee

The Board approved the Nominating Committee recommendations:

- To appoint Jill Findeis from the University of Missouri-Colombia to replace Emmy Simmons when she leaves the Board after the fall 2012 meeting.
- To appoint John Griffith as Vice Chair to replace Emmy Simmons
- To appoint Xikombiso Mbhenyane as HR Committee Chair and Ezekiel Oyemomi as a member.
- In the next round of selecting Board members to IITA, emphasis should be placed on agro industry and commercialization as a top priority. A female candidate from the private sector in Africa would be ideal given the need for regional and gender balance but the first priority should be background and expertise. A public sector employee with a good knowledge of technology registration and regulatory process in Africa would also be appropriate.

Future Meetings

The fall 2012 meeting will be held in conjunction with R4D week from 25 to 30th November, 2012.

The spring 2013 meeting will take place 6 to 10th May 2013. Possible venues are Cotonou, Yaoundé or Bukavu.