

**IITA Board of Trustees Meeting
25 and 30 November, 2012**

Summary of Decisions and Key Discussion Points

Opening Remarks

The Chair welcomed new Trustee, Jill Findeis and Consortium Director of Finance and Corporate Services, Gordon MacNeil, and brief introductions were provided by all present.

Report of the Consortium Director of Finance and Corporate Services

Reporting on the results of his monitoring visit to IITA on behalf the Consortium, Gordon MacNeil was pleased to be able to report that during his week at IITA he detected no performance problems and was assured that IITA had the financial systems in place, qualified and able finance staff, and the ability to manage its affairs efficiently. The appointment of a highly experienced and regarded financial manager as Deputy Director General of Corporate Services was also an important accomplishment.

He also made a strong recommendation for IITA to join the CG Internal Audit Group.

Board Chair's Report

The Board Chair's report focused on the following key topics.

- Activities of the Investment Task Force and steps that were taken towards recovery of the investment.
- Preparation of the Financial Recovery Action Plan in consultation with the Consortium Office to be submitted to the Consortium and the Fund Council.
- Approval of the Humid Tropics CRP.
- Activities related to external and internal audit.

Financial Matters

Funding

IITA recorded a 55% increase in funding between 2011 and 2012. The increase was the largest increase from one year to the next during a 10 year period and represented the enormous efforts on the part of IITA management and scientists. Twenty three new projects were approved in 2012 in addition to the large SARD-SC project of \$63 m financed by the African Development Bank.

2012 Operating Results

IITA was projecting a 2012 year end surplus of \$0.9 m based on a budget of \$72.781 m due in large part to the receipt of unrestricted funding from the Government of Nigeria and Gesellschaft für Internationale Zusammenarbeit (GIZ), Germany. The surplus will be utilized to build up the operating reserve.

IITA's operating reserve at the end of 2012 is estimated at \$2.046 m and capital reserve at \$0.980 m. All capital investment in 2013 will be financed from special grants or special projects where there is provision to do so.

The Board approved the write-off of the unrecovered investment in 2012. The Director of Finance agreed to consult with the Consortium on the mechanism. The Investment Task Force is, however,

cautiously optimistic, based on feedback from legal counsel, that some form of recovery might be forthcoming from legal action currently being pursued.

2013 Budget and Financing Plan

The Board approved the 2013 Budget and Financing plan estimating a surplus of \$1.471 m based on grant income of \$71.739 m and proposed expenditure of \$70,268 m. As in 2012, the surplus will be allocated to the operating reserve. The largest percentage of expenditures in the overall budget is in the Humid Tropics CRP followed by the CRP on Roots, Tubers and Bananas.

Financial Recovery Action Plan (FRAP)

The Board approved the revised Financial Recovery Action Plan indicating a higher level of reserves than the original recovery plan. The new estimates have received the approval of the Consortium Office. In close consultation with the Consortium Office, the Board agreed to a two-phased Financial Recovery Action Plan with agreed targets and reporting arrangements covering the periods 2012-2014 (phase 1) and 2015-2016 (phase 2).

Fundraising

The Board agreed to the challenge of fundraising on behalf of the Institute and to aim for the annual target of \$400,000, starting in 2014. To assist the Board Fundraising Committee, the DG agreed to provide relevant material on IITA as well as key areas of investment that could be used for initial discussions with potential donors. In addition, the Board decided to add fundraising as an area of expertise in the appointment of future Trustees.

Revised Investment Policy

The Board approved the adoption of a revised Investment Policy that had been developed in accordance with CGIAR guidelines and with the guidance of the Consortium Office.

Partnerships and Capacity Development

Highlights for 2012 in the Partnerships and Capacity Building Directorate were: the recruitment of the Head of Capacity Development and the Coordinator of Proposal Development; appointment of a staff member to Abuja as liaison between IITA and donors and the Nigerian Government; relocation of communications staff to strengthen communications at the hub locations; and the upcoming recruitment of the head of communications. IITA also engaged in a number of training activities during the year that included: individual and group training; professional development training; digitization of all material in the Knowledge Management Center; and a project management system to enhance monitoring of expenditures and deliverables on all special projects.

Intellectual Assets Policy

The Board approved the revised Intellectual Assets Policy that has been aligned with the March 2012 Consortium Intellectual Assets policy. Under the new policy, Boards will be required to provide an annual report to the Consortium Board that IITA is compliant with the Consortium IA policy and, where it is not, to provide a list of deviations. All future projects in which the Institute engages will have to adhere to the policy, or seek the approval of the Consortium before entering into contracts with donors.

The Institute agreed to provide the Board with the template developed by the Consortium legal counsel for Board guidance in annual reporting to the Consortium.

The Board also requested the Director General to consider the possibility of generating revenue from the use of IITA's intellectual assets by third parties. The DG agreed to consult with other centers that have engaged in such activities and to provide an operational plan for review by the Board at its May 2013 meeting.

Director General's Report

The DG provided the highlights of his first year at IITA and an outline of activities to be undertaken in his 2013 Work Plan.

- Finalizing the Refreshed Strategic Plan that included consultation with staff and stakeholders and internationally-renowned scientists.
Trustees agreed to provide their comments on the strategy document circulated to the Board in early November. The DG will incorporate these into the final version to be sent to Trustees by February 1 for approval on a no objection basis within two weeks.
- Building the IITA team with the recruitment of: the DDG (Partnerships and Capacity Development); the DDG (R4D), for strengthening the research component in the R4D model; the DDG (Corporate Services) for improving administrative efficiency across the Institute; and the Director for Natural Resource Management for strengthening core competency in natural resource management and providing the intellectual leadership of the Humid Tropics CRP.
- Approval of the Humid Tropics CRP.
- Building morale with the review and rationalization of human resource policies, ensuring they are equitable and consistently applied, organizing forums for sharing information and receiving feedback, and improving support services to give appropriate attention and support to scientists.
- Upgrading the infrastructure at headquarters and at IITA stations.
- A 55% increase in funding between 2011 and 2012.
- The DG recognized the strong collaboration and support from the Board in addressing the repercussions from the unrecovered investment at the level of the Fund Council and Consortium and with individual donors in home countries.

The Board agreed to provide its comments to the Director General on his proposed 2013 activities which will be reflected in his 2013 Work Plan to be submitted to the Board for approval.

Report of the Program Committee

The Board approved the following recommendations of the PC based on presentations and discussions of the hubs and the CRPs.

Hubs

- To intensify the efforts for attracting funding for banana research. (Eastern Africa)
- To intensify the interaction with donors interested in intensification of production on present agriculture land to avoid further deforestation particularly in the Central Africa region. (Central Africa)

CRPs

- (1) To provide administrative assistance (accounting) so that quality in CRP reporting can be assured and; (2) to secure sufficient support for each CRP so that scientists will be able to concentrate on the science and the scientific leadership.
- In CRPs where IITA has a small role, that there is sufficient critical mass to give real momentum to IITA's involvement and that IITA seeks additional funding for these CRPs to justify its involvement;

- On CRP governance and scientific advice, the PC sees the need for strategic representation in the CRPs in which IITA is involved and recommends the BoT be engaged in the appointment of members to the various governing and scientific advisory boards.
- The PC recognizes the challenges that IITA as a lead center for the Humid Tropics will have in launching this important CRP. It recommends that IITA has achievable and measurable goals which also tap into the other CRPs in which IITA is involved.
- The PC recommends that the use of cassava leaves is included in nutritional studies in the Agricultural for Health and Nutrition CRP to verify whether they can be a valuable extra source of nutrients to humans.
- For the CRP on Climate Change the PC recommends: (1) that IITA follows up on the funding opportunities, while climate change is still a popular topic, to be able to support a critical mass of scientists; (2) utilizes the interaction with other CRPs to build the case for increased funding and; (3) that the CRP focuses its efforts less on climate change, mitigation, etc. and more on adaptation for African farmers.
- On Grain Legumes, CRP3.5: The PC notes that the impact of IITA legume work in Malawi has been small due to government emphasis on national institute produced varieties and inoculants and it recommends that the DG visits high level government officials in Malawi to discuss this problem.
- On the Roots, Tubers and Bananas, CRP3.4, the PC recognizes the uneven publication rate among participating scientists and recommends that the scientists find ways to support one another in the writing process and that they are allocated the required amount of time to publish.

Audit Committee Report

The Board approved the following recommendations and requests to management by the Audit Committee:

Requests to Management

- The Director of Finance should discuss with the Consortium Office in early December how the write off of \$14.782 m should be reported in the financial statements
- A capital investment plan for 2013/2014 to be provided to the Audit Committee in January 2013 that will include source and use of funds.
- An update on actions taken with regard to procurement will be presented at the next AC meeting
- Management and IAU should take the necessary action to ensure timely implementation of internal audit recommendations.
- Development of a comprehensive IT strategy for the Institute and review of the IITA password policy
- Inclusion of an IT audit in the 2013 internal audit work plan.

Recommendations to Board

- Issuance at appropriate time of the Request for Tender for external auditors with contract commencement date of 1 March.
- Write-off of \$14.782 m unrecovered investment in 2012 financial statements
- External Review of Risk Management
- IITA membership in the CGIAR Consortium Audit Group
- Interim approval of the Internal Audit and Audit Committee charters until CGIAR IAU provides further guidance in line with new audit arrangements.

Report of the HR Committee

The HR Chair reported on the discussions from the HR Committee which addressed HR policy and implementation of recommendations from the HR review, succession planning, IITA gender strategy, and issues of alignment with the CGIAR. The following recommendations and requests were presented and approved by the Board:

- On the elimination of the regional research staff category, the HR Committee recommends that the Board request management to develop an action plan that includes the financial implications of the switch from RRS to IRS status and the impact on the Institute's budget, and provide an update at the May 2013 HR meeting.
- To present an update to the HR Committee in May 2013 on progress in the regularization of consultant/casual positions at IITA.
- To present an update on progress on the transfer of staff to the AIARC retirement plan.
- With no plans for additional resources to be allocated to Human Resources and the number of HR initiatives that are being implemented, the Board requests management to review the situation and present a position to the HR Committee in May 2013.

Future Meetings

As proposed by the DG, the next meeting of the Board will be held in Dar-es-Salaam from 6-10 May, 2013 in conjunction with the inauguration of the new science building in Tanzania. IITA will utilize the occasion of the opening of the science building to organize a high level global event to give visibility to the Institute, strengthening its image across the CGIAR. The proposal assumes that the building in Tanzania will be completed by that time. The DG will visit Dar in late January to monitor the progress of construction, and will make a final decision on whether the meeting will be in Dar. If it appears that the building will not be completed by May, the Board will meet in Cotonou, as was originally proposed. . The 2nd meeting of the year will be held in Ibadan from 25 to 30 November in conjunction with R4D week.

Board Budget

The Board budget of \$325,000 for 2013 was approved; this is at the same level as 2012. The Board Chair is hopeful that the Board will be able to achieve a savings of 10% in 2013 with the reduced number of members, and the likelihood of reduced travel compared to 2012.

Report of the Governance Committee

The Governance Committee had an extensive agenda which was discussed in relation to the new governance initiatives and it reached the following decisions which were approved by the Board:

1. To move to a system of annual review and appointment of Board members to Board Committees and as Committee Chairs.
2. To change the criteria for the appointment of new members to the Board. Re- appointment of members to a second three year term would be based not only on first term performance, but also on a review of expertise that is required for the board, which may change from the time of a member's initial appointment.
3. In the absence of the two Trustees concerned, the GC indicated that, based on the consolidated feedback from survey forms completed by individual Trustees, the GC recommends the appointment of Trine Hvoslef-Eide and Hans Joehr to second terms. The Board Chair will discuss the reappointments to confirm their independence and absence of any conflict of interest with current

full time positions. The GC also recommends the continued appointment of Trine Hvoslef-Eide as Chair of the Program Committee.

4. With respect to Committee membership, the GC (1) nominated Jill Findeis as a member of the HR Committee and nominated the incoming Board member as a member of the Audit Committee.
5. The GC also discussed the formation of a separate Finance Committee but decided to leave the finance functions under the responsibility of the Executive & Finance Committee. This decision will be re-examined after the feedback from the baseline survey on governance (See item 6) and the system wide governance review.
6. The GC agreed to conduct a one-time baseline survey to assist the Board in moving forward on issues of governance. The survey form will be distributed to members after the meeting.
7. The Board received an overall evaluation of 3.9 on a scale of 1-5 from the self-evaluation exercise completed by members following the spring meeting in Leuven. Provision and adequacy of information, conduct of meeting and Board composition received ratings of above 4. Lowest scores were in the area of board effectiveness. Partly this was due to the fact that program related issues were postponed for discussion in the fall meeting, so there was not a lot of discussion/guidance on programs. The GC proposed that the Board request management to update/develop succession plans for the DG, the DDG's, Directors and other key management positions at IITA.
8. Other matters:
 - a. Reviewed and reconfirmed the Whistle Blower Policy
 - b. It also agreed to maintain the evaluation forms for the Board Chair and Committee Chairs and to carry out the evaluation immediately after this meeting.
 - c. Agreed to review and update the Board of Trustees Handbook under the leadership of the Board Vice-Chair, taking into account the feedback from the various reviews.

The Board approved the Governance Committee recommendations. On the selection of future Trustees, the Board decided to postpone selection until further information was obtained. The GC Chair indicated that he expected to be able to get this information within the next two months.