

Highlights
IITA Board of Trustees Meeting
23 to 26 April 2018
Bonn, Germany

The IITA Board of Trustees, met in Bonn Germany for its spring 2018 meeting. Although the custom is to hold the spring meeting at one of IITA's stations or hubs, the decision to hold the meeting in Bonn was the result of discussions with a member of staff of the German Institute for International Development (GIZ), who is the focal point for all IITA projects, and the new investment model by the German Ministry of Economic Corporation and Development (BMZ). The objective was to present IITA's activities along the research for development continuum from discovery, proof of concept, pilot and scaling, to key members of the German development community, university scientists and members of the private sector. Board activities culminated with a special session titled, "African Agricultural Transformation: The IITA Youth Agripreneur Approach to Job Creation," introduced by the Director General with examples of two agri-business startups presented by two youth agripreneurs.

The Board welcomed new member Shuichi Asanuma from Japan to his first meeting as an IITA Trustee.

Board Chair's Report

- Attending his final meeting as IITA Board Chair and Board member, Dr. Coulman updated the Board on CGIAR activities. He was pleased to be able to report that the 2018 General Assembly (the forum for Centers to discuss issues related to the CGIAR System and the CGIAR System Organization), attended by all Directors General and Board Chairs was a positive meeting, "one of the most constructive that he has attended over the past six years." Among the items of discussion were procedures for the General Assembly, appointment of board members to the System Management Board (SMB), centralized resource mobilization and CGIAR branding. In addition to the CGIAR brand, the SMB Chair has asked for branding of cross-center initiatives. IITA has been entrusted with the task of providing information on the Humid Tropics.

Key topics discussed at a recent SMB meeting were a three-year (2019-2021) business cycle to which the CRPs will be matched. The business plan will include a proposal for managing system level funding with the goal of obtaining multi-year commitments to correspond to the business and CRP cycle. A funding update with the possibility of having CRP funding for 2018 earlier in the year than in the past and an analysis of center reserve levels to be carried out by the SMB's Audit and Risk Committee were also on the agenda. Prompted by recent incidents in Haiti, the UK Minister of State has required all organizations funded by the Department of International Development (DFID), to confirm that they had policies and process in place to provide a safe and trusted environment. Centers were required to provide confirmation and the SMB Chair has sent a confirmation letter to the Minister.

Director General's Report

- The Director General focused his presentation on the changing financial landscape, its consequences for IITA and the 14 other CGIAR centers, and the changes that were required at IITA. Dependence on core funding is no longer viable. Over the past 30 years, central CGIAR funding to centers has gone down significantly with no likelihood of a reversal. In 2018, IITA's portfolio will be financed 8% from Windows 1-2 and 92% from Window 3/bilateral. IITA has no option but to prepare for the future and reorganize the way it operates, transforming IITA into a project-based institution and in a manner that protects staff and protects programs, causing minimum disruption that many centers with heavy reliance on W1-2 funding have had to face. Raising funding on the part of scientists and

on the part of IITA management is essential. Senior scientists, because of their international recognition will be required to play a key role in raising funds, placing IITA at the center, ahead of individual aspirations. The strategy to counter the reductions in 2017 and 2018 includes greater dependence on bilateral resources, using W1-2 funding as a strategic investment to leverage more resources, ensuring a strong proposal pipeline, and implementing full cost recovery. The DG identified the challenges and plans for implementing change which the Board endorsed, referring to this change as the new way of working in many institutions in the developed world. Gone are the days of secure funding over a long-term horizon. Changing the mind set of staff and eliminating the imbalance in staff costs, 51% of which are currently charged to W1-2, were the major challenges. The DG also identified the results of a thorough analysis undertaken by management to eliminate the financial imbalance, some of which will be implemented in 2018 and the balance in 2019.

Considering the traditional sources of funding to be on the decline, the DG informed the Board of his strategy to work closer with donors at the country level and with development banks, at the same time strengthening IITA's relationship with country governments.

Audit & Finance

- An important topic discussed at the Audit & Finance Committee meeting was the automation project underway which focuses on HR, Payroll, Finance, Supply Chain, and PDAU. Members congratulated the staff on progress to date. The automation project is expected to improve effectiveness and transparency across the institute, providing financial information in real time which will enable timely reporting, facilitate project management and enhance project execution. Other matters on the Audit & Finance Committee agenda were the Internal Auditor's Report, the Finance Director's Report, Risk Management and a report on IITA's investments.

At the recommendation of the Audit and Finance Committee, the Board approved the 2017 Audited Financial Statements prepared under CGIAR guidelines and agreed that 2017 will be considered the first year for preparation of financial statements under International Financial Reporting Standards (IFRS). There will therefore be two sets of statements for 2017, one prepared under CGIAR guidelines and the other according to IFRS.

The Board also noted the updated 2018 budget of \$126.5 m which is higher than the 2018 budget estimate of \$116.7 m approved by the Board in November 2017.

Program Committee

- The Committee was chaired by the new Chair, Christian Borgemeister. The Agenda consisted of an overview of R4D by the DDG (R4D), updates on the hubs by each of the Hub Directors and an update on Country Alignment and Site Integration by the Director, Country Alignment and Site Integration. A separate session was organized as part of the Program Committee's agenda on the "Future Rural Africa Project" with scientists from the universities of Cologne and Bonn followed by discussion of potential areas of collaboration between IITA and the project.
- The R4D overview covered a wide range of topics from increasing IITA's footprint in the Sahel to new strategic areas for research, publications, the postgraduate research program, the Biorisk Management Facility, IITA's visibility in the media, proposal development, technical and financial reporting to donors and performance-based budgeting.

The Program Committee was pleased to receive the comprehensive report on R4D. Members discussed the new strategic areas of research and shared their views in areas such as the circular economy which is a growing area of study, and the many issues to be addressed in IITA's work in the

Sahel related to climate change. The Program Committee congratulated IITA and the staff member responsible for the significant progress made in M & E. It considered the move to output-based budgeting a very important development, enabling the Institute to monitor project performance. It agreed that management should arrange for a presentation on the work in this area to be given at the Program Committee meeting in November.

The Committee was also pleased to learn of the increase in the publication rate overall and particularly the increase in the number of publications by young scientists; members continued to be concerned that the increases may not be capturing all scientists however, reflecting only increases in the number of scientists who publish frequently.

Members were pleased with the overall success rate on research proposals of 37%. They noted the delays in the financial reporting to donors and are hopeful that, when the automation project is fully implemented, there will be significant improvement.

The PC Chair made a strong recommendation to ensure that IITA takes steps to increase its footprint across Africa, establishing its global brand and engaging in regional communication strategies and capitalizing on the prevailing active media outlets such as newspapers, television and radio. In his view IITA has much to publicize and is not leveraging all the necessary channels to do so.

Partnership for Delivery

- Partnerships for Delivery covered four topics. TAAT implementation progress, updates on the IITA Youth Agripreneurs, and the Nigeria Zero Hunger Initiative were presented by the DDG (P4D). The report of the Business Incubation Platform was presented by the BIP CEO

The presentations were followed by extensive discussion. The Board was pleased to hear that TAAT has finally been approved and is operational; however, they noted the enormity of the task and the importance of ensuring the personnel responsible for the Clearinghouse have the right skills to manage the project. Success is crucial for IITA's reputation. Questions covered the challenge of making meaningful progress by the October date at which time the project will be evaluated and funds for the subsequent year released. It was noted that the evaluation in AfDB's terms refers to the functionality of programs and disbursements made and is not related to project deliverables. Other questions were related to the accounting structure and the role of the NARs. The Board was informed that accounting system will be entirely separate from IITA's central accounting and managed by the Clearinghouse, with dedicated finance and monitoring and evaluation staff. At the same time the system will be subject to audit review under IITA's internal audit unit.

- The main areas of discussion under the BIP related to the importance of separating the BIP from IITA while at the same time maintaining the link to IITA programs and IITA's ownership. The Board stressed that measures need to be in place to protect the investment made by IITA in the BIP as the BIP reaches out to external investors. Other recommendations included the need to conduct due diligence on all potential investors and having an accounting system for the BIP—a profit and loss statement and balance sheet—that is separate from IITA. In addition, it will be important to ensure adherence to the CGIAR's Intellectual Assets policies and the quality control of IITA's products when they are commercialized by the private sector. As financing is at the base of BIP's success, reaching out to key donors like the International Finance Corporation whose mandate it is to engage with the private sector to 'end poverty and boost shared prosperity' was strongly recommended.
- The Board noted the two programs focused on youth—ENABLE and ENABLE TAAT. A major constraint for the youth is the availability of credit to establish their agribusinesses. Connecting the

youth to microcredit facilities is not an option due to lack of collateral. Major progress has been made under ENABLE Sudan where programs are up and running. However, IITA expects to make greater progress through ENABLE TAAT. Through ENABLE TAAT, youth groups in selected member countries will be identified and provided funds to startup businesses with a view that their initial successes will enable them to tap into their country opportunities to access loans.

Governance

- Amos Namanga Ngongi will succeed Bruce Coulman as Chair of the Board at the end of the April 2018 Board meeting.
- The Board has decided to commission an external review of the institute at the beginning of 2020. The last review was conducted in 2008. It will develop terms of reference and take the necessary steps to ensure that the review is objective and a cost-effective exercise, causing minimum disruption to the Institute.
- A Partnerships for Delivery Committee was established and will be chaired by Victoria Salin. Other members of the Committee include incoming member Joyce Cacho, Josephine Okot and Namanga Ngongi.
- The Board agreed to establish a system of appointments of Board members to an emeritus status and recommended and approved the appointment of Bruce Coulman as the first member for his enormous contribution to IITA, steering it through turbulent times in 2011/2012, and partnering with the DG to establish IITA as a financially strong and respected Institute.