

**DRAFT SUMMARY OF ACTIONS FROM THE SKYPE CALL MEETINGS
OF THE BOARD EX&FIN COMMITTEE WITH THE MANAGEMENT TEAM
AS PER THE AVAILABE MINUTES (14 August 2006 to 18 April 2007)**

DATE	No.	ACTIONS / TASKS	RESPONSIBLE	COMPLETED BY/ STATUS
14 Aug 06	1	2006 Budget:		
	a.	Target of US\$3.1M in reserves quite feasible by the end of the year. Cuts implemented in areas of Finances and Administration were made to the extent that areas do not become inefficient. Excess funds need to be identified from existing projects. New projects signed + Gordon's scheme, US\$0.5M may be captured.	MT/Finances	Done
	b.	A complete new way of budgeting should be implemented for 2007	MT/Finances	Done
	2	CCER Recommendations:		
	a.	Draft response sent to the Board	MT	Done
	b.	A process set over the next few months to organize ourselves on product lines. Two RDCs should be left and the RII incorporated into the Agroecosystems RDC	DP	Done
	3	Recruitment of RDC Leaders: will be held internally - no need to advertise externally.	MT	Done
	4	Recruitment of the DDG-CS : Instructions to the HR Office to advertise in other regions of LA and through the Gender & Diversity group also.	HR	Done
5	Others: CIAT Business Plan to sent to the CG for the next few years. This will be presented to the ExCo meeting in Paris.	YS/JV	N/A	
3 Dec 06	1	2007 Budget		
	a.	Scenario C was reviewed including post BOT #54 updates (the non-receipt of the full expected 2007 EC contribution) and projecting the recovery of 50% of 2006 EC contribution and the receipt of a substantial CIDA grant for Central America in 2007.	ExFin/MT	Done
	b.	Scenario C was approved with a US\$4.962M reserve level.	ExFin	Done
15 Dec 06	1	Recruitment of the DDG-CS:		
		The most favored candidate Albin Hubscher to be contacted to offer him this position.	JV	Done
	2	Monetization of Benefits		
		It was agreed to postpone this issue until further discussions have been held in other centers to improve the quality, harmonization and efficiency of these services and policies through inter center collaboration and more communication with the PSA.	MT	Postponed - new date tbc
	3	2006 Budget & Cash Flow:		
	a.	Delay experienced from Colombian grants administered by CIAT shows a lower income of US\$200K due. For this reason 2006 reserves go down to US\$1.242M for the end of year 2006.	MT/ExFin	Done
	b.	Projections based on historical data were analyzed up to June 2007. Pass through money for partners and Harvest + are included.	MT/ExFin	Done
	c.	Should additional cash to continue operating be needed CIAT could get commercial credit lines available.	MT/ExFin	Done
	4	2007 Budget - New scenario E		
	a.	New scenario E was reviewed including updates which are giving major decrease on what was seeing during the AGM06	MT/ExFin	Done
b.	Phase-out costs not included. US\$3M are needed to cover these costs. Alternatives discussed are to get some kind of help from the CG or some donors, to ask for a loan or a combination of these two.	YS/JV	N/A	

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	c.	CIAT gap is approx US\$6M - US\$3.2 will be taken out of core and US\$2.8M will have to be taken out of the research restricted funds: US\$1.8M on strategic cuts and US\$1M across the Board.	MT	Done
	d.	Fundamental strategic decisions to be made before the EPMP for substantial reductions - a parallel process of restructuring research along with the research support and general administration. Narratives of scenarios to be prepared.	MT	Done
15 Jan 07		Updates by JV		
	1	JV resigned as Chair of the Alliance Executive; Gordon MacNeil working with JV/YS on a message to major donors renegotiating existing contracts to accept higher cost recovery; GM reviewing existing projects to identify major areas where costs could be transferred from core to special project funding; Project Mgrs. requested special efforts to migrate staff IRS and NRS salaries to special project funding; Visit to CIDA and IDRC in Canada to meet with VP to reconsider decision of not funding CA.	JV/GM	Done
	2	CIAT staff will be doing a time-mapping exercise to train staff on the use of the software required for full costing of staff salaries	GM/KL	Done
	3	Albin Hubscher accepted the offer and will start on 1 May 07. His current employer requires a 3-month advance notice. He will be fully on board for the upcoming EPMP.	JV	Done
	4	A workshop will be held to decide on 4-5 product lines. RDC leaders, Reg. Coordinators and N. Sanginga required to attend.	MT/ResCom	Done
	5	Areas for cuts/ savings were analyzed (Rice, Agronatura, Land Use, Central America). BOT considers TSBF is a role model to be followed by other projects. Those projects that cannot move their expenses to special project funding should be on the list for cutting. New scenario with cuts should be given to the ExFin to review.	MT/ResCom	Done
	6	A table indicating percentages charged to core or to special project funding of the salary of each IRS should be elaborated.	MT	Done
	7	Send Louise Fortmann information on new proposal on rural innovation for LAC presented to the Rockefeller Foundation.	JV	N/A
22 Jan 07	1	2007 Cuts in research areas		
	a.	Rice: a reduction US\$366K means cutting personnel. Biotech, Genomics and FLAR will stay to maintain the urgent commitments.	MT	Done
	b.	Forages: showing the highest cuts because they had the highest amount of core allocation.	MT	Done
	c.	Beans: part of the core is hidden in Biotechnology	MT	Done
	d.	Big cuts for Decision Support, Agroenterprises and Rural Innovation and work remaining will be integrated into product lines.	MT	Done
	e.	GRU: recommendation is made to allocated US\$500K they will be receiving from the systemwide program as restricted core.	MT	Done
	f.	Implication of cuts on on-going activities/ commitments	DP	Done
	2	2007 Cuts in non research areas		
	a.	The total core allocated amounts to US\$6.82M. A table showing details of cuts equivalent to US\$2.8M to be sent to the Board.	MT/Finances	Done
	b.	Phase-out costs have been estimated on US\$2.5M for year 2007. However, some projects may be able to move some of their staff from core to special projects. If so, 2007 reserves will be left at US\$2.4M. Table showing how cuts/ phase-out costs will affect the reserves in 2007 and 2008.	MT/Finances	Done
	e.	CVs of all IRS sent to the BOT	JAC/JV	Done
	f.	List of all IRS whose contract will be terminated to be sent to the Board.	MT	Done

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	g.	Table to be sent to the Board detailing donor by donor and anticipating contributions/ reductions.	JV	N/A
	3	Unspent special project money in 2006		
		US\$11.835M is the total amount of money not spent. The Board asked how much could be used to move salaries of staff to special projects. This will be worked with the RDC leaders. GM's effort to renegotiate contracts already signed with doners to include salary costs.	MT/Finances	N/A
	4	Upcoming EPMR		
		Reviewers should be explained the basis or criteria for making the cuts. Scientists expressed their concern over implementation of ongoing projects.	DP	Done
	5	TSBF		
		CIAT calculates overhead based on the CGIAR guidelines - the number is 20%. As to TSBF, CIAT agreed on 7.5% given that the institute already pays 7.5% to ICRAF and being in Africa they do not receive all the services that projects receive at HQs. Still TSBF pays in total 5% less overhead than any other project.		
	6	Workshop with Project Managers - Product Lines		
		Implementation of cuts to be discussed with Project Mgrs before going to the workshop. Staff will know which areas/ staff will remain at CIAT before designing the product lines.	MT/Project Mgrs	Done
1 Feb 07		A document entitled <i>Vision and Strategic Direction for CIAT</i> prepared by the MT with input from BOT members was the object of discussion. Basically, it deals with having a center more and more funded in two ways: the non-research area through the overhead and the research area moving entirely to special project funding. The documents defines the principles for allocating only the core available and taking upfront as an expenditure set amounts for reserves and contingency funds.		
	1	Overall Management Structure		
		The DDG-Research is the ultimately responsible for the research strategy working closely with the Research Committee - RDC Leaders, TSBF Director, and the Regional Coordinators - the three first being responsible for the regional research strategy while the coordinators responsible more for synergy, personnel mgmt and administration. A member of a product line would report directly to the product team leader who in turn would report to his/her respective RDC Leader. The product team is in the hands of the RDC Leader. The second evaluator would be the Regional Coordinator	DP	Done
	2	Central America		
		There will not be a Reg Res Leader for Central America in 2007. "Non ideal" decisions made because of limited core resources. CA can be handled from HQs. The cut for CA is in core allocation but activities funded through special project money like FLAR and beans will continue.	MT	N/A
	3	2006 Budget Issues		
		Final figures on 2006 books are looking a bit better than expected thanks to the efforts of LRS and his team. There are no pending issues. The execution of projects was only 67% which implies fewer things to close but less overhead to collect. There is still uncertainty about the EU contribution. If CG guidance is that every center has to reduce 100% of what was expected as EU funding for 2006, then CIAT's reserves will go further down. However, this has no implications on our cash flow. Yves has a meeting in Washington next week to go over the 2006 Budget with the CG.	YS	Done
	4	2007 Working Budget		
	a.	Both contingencies and reserves need to start being rebuilt in 2007. Direct cost recovery or overhead will in the future have to cover full cost of management and non research areas. Currently we are only collecting on average about 14% overhead with projects executing only 67%, the figure becomes still lower.	MT	Done

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	b.	Total core allocation is US\$5.9M for non research and US\$4.0M for research. As US\$15M in signed contracts were not spent in 2006, people expect cuts in 2007 and will be hoarding money. This will allow them to pick up the bulk of the slack of US\$7.7M. The cut in core for research implies very strategic changes to be made in the program structure - maintaining a minimum set of competencies to be viable and making sure our signed commitments with donors are	MT	Done
	c.	BOT emphasized the importance of Management taking over the control in the allocation of funds and the need of keeping the social sciences and economics clearly linked to CIAT's activities in spite of shutting down IPRA and agroenterprises.	ExFin/MT	N/A
	5	Research Core Status		
	a.	<u>Biotechnology</u> to be maintained at a high level of excellence. This will require a lot of investment and a critical mass of people in the future. Need to define how much can be done at CIAT and how much can be done by partners. The Harvest+ and Generation CPs have shown this is a field where information and resources have to be pulled together through collective actions where centers have to work closely with advanced research institutions in developed countries. The EPMP can provide advice and reflection on these issues. CIAT's comparative advantages in biotechnology - its potentiality with beans and cassava, its capacity building - should be valuable functions to be taken into consideration.	MT/ResCom	N/A
	b.	<u>Cassava</u> : CIAT and IITA to discuss proposal to be jointly presented to the Gates Foundation building on the same principle of LAC beans taken to Africa - one of the biggest impacts achieved in the past 10-15 years.	MT/ResCom	N/A
	c.	<u>Competency Areas</u> : Social sciences, economics, IPM, etc. are competencies that need to be embedded in the product lines structure. Need to ask donors to fund the social work required in the product teams. It is essential to having people of different disciplines around the table during the product design process.	MT/ResCom	N/A
	d.	<u>Tropical Fruits/ Market Chains</u> : CIAT's role will be to help poor farmers/ farmer association better in linking to high value markets. The model for developing high value options for poor farmers using fruits and vegetable should be applicable to forages, beans or high-value cassava.	MT/ResCom	N/A
	e.	<u>Forages</u> : Concerns for the cuts since CIAT is almost unique in the world of research on tropical lowland forages except for a smaller program in EMBRAPA. No reliance on receiving royalties from the contract with the Mexican private company (Papalotla) and thus, we cannot continue subsidizing any big program entirely any further. Forages could be better exploited in Africa in collaboration with TSBF. The BOT has not received any news on the progress achieved on this collaboration. the Forages product team leader has the responsibility of finding a way to extend forages to Africa deploying all of CIAT's competencies and tools.	MT/ResCom	N/A
	f.	<u>PRGA</u> : No core will be allocated for 2007. PRGA has signed contracts for US\$37K and US\$ 151K unspent for 2006. This represents a total of US\$188K in 2007. No confirmation on the Italian contribution for 2006 and no news heard for 2007. Spending authority for 2006 was given for money that would arrive in 2007. They currently have spending authority for US\$ 188K. When the Italian contribution arrives that will be for 2008.	MT	
	6	Non Research Core Status		
	a.	The total budget before cuts was US\$ 10.2M minus US\$ 2.4M in cuts leaves US\$5.9 M in core available for non research which is a reduction of 42%. Research Mgmt has a reduction of 45% cut and Research Support a reduction of 26%. The contribution to the SC imposed on the centers will be paid by the research projects through a new charge to cover this cost.	MT/Finances	Done
	b.	Cuts proposed for Agronatura is US\$75K instead of US\$180K as previously discussed. The BOT approved a budget of US\$150K but only US\$50K will be implemented.	MT/Finances	Done
	c.	Merge of the soils and analytical services labs to gain efficiency.	MT/Finances	Done
	d.	Ideas to put the Corporate Communications and Capacity Building Units on an income recovery mechanism.	MT/Finances	Done

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	e.	Small cuts in Finances but waiting for AH to implement his new plan for cost reductions in his section.	MT/Finances	Done
	f.	The US\$1.4M cut in Funds & Provisions leaves very little money for capital and depreciation.	MT/Finances	Done
	g.	The BOT concerned on the core reduction in Fields Operations affecting the maintenance of germplasm. LRS indicated that this core reduction will be absorbed by an increase of income generating activities. The Head of gardens will be retiring soon and will not be replaced. This area to be supervised by the Head of Field Operations.	MT	N/A
	h.	The BOT is aware of the difficulties presented on meeting target cuts in the non research areas. The ideal situation would be for overhead recovery to cover the US\$5.9M required by these areas.	MT/Finances	N/A
	i.	Full cost budgeting still not in place. Gordon MacNeil will be on an interim assignment as Financial Director during 2 months to help us achieve this.	GM	Done
	j.	The Board approved Table 1 of the 2007 working budget presented by the MT provided that core allocation includes the line item for phase out costs and accepting that there could be modifications on specific issues (e.g. tropical fruits) coming out of the retreat that should be balanced by reallocations in Table 2. Some of the Board members expressed their concern on the new lines of authority, how these will be addressed in a new organizational chart and how decision will be made and communicated to staff. Also, the Board agreed that there is more need to discuss priorities and future direction.	ExFin	Done
13 March 07	1	2007 Budget		
	a.	Being at 80% on target, a plan should be drafted to move positions out of core. Risks associated with making more cuts specially in the RDC-Agrobiodiversity are not accepted by the BOT. Donors need to be convinced that we are trying to improve in our credibility and capacity to deliver.	MT/Finances	Done
	b.	High cost of NRS severance payments might lead to cut less NRS positions. Some IRS positions could be moved to the Gates project when these funds come in	MT/Finances	Done
	c.	In cassava, looking at bridging funds until the end of the year. In rice, looking at a more orderly phase down. In Forages, trying to maintain a bit of flexibility money to keep forages as an option in partnership with ILRI in Africa. In Biotechnology to maintain capacity in new areas through post-docs (e.g. bioinformatics). In People & Agroecosystems close to target but some issues related to the IPM project and phasing out of positions of entomology and pathology difficult to implement immediately.	MT/Finances	Done
	d.	The Management performance in meeting reserve targets - the business model of using core counterpart needs to be changed as a result of passing the limits of growth. Corrective steps: 1) full cost budgeting implemented at a 90% level, 2) Oracle implemented, 3) harmonization of systems and procedures in the regions and 4) personnel management and procedures linked to the special projects.	MT/Finances	Done
	e.	Phase out costs: a legal advisor to be hired to revise that the money being paid by phase out costs is right in terms of Colombian law. This will be an external opinion to present to the EPMR. A revised Table 1 to be presented to the ExFin	MT/Finances	Done
	f.	The BOT emphasized that cut efforts should be made on the RDC1 to further save money. A new Table 1 should be presented including options discussed. The target is to get as close as possible to the US\$2.3M agreed in February 2007. There should be flexibility not only on research but on reserves.	MT/Finances	Done
	g.	PRGA: LF briefed on her attendance to the PRGA meeting. There is a need to address governance issues between CIAT and PRGA and how the two BOTs interact. This will be discussed during the N&G Committee in May 07. No extension contract has been sent to B.Gurung.	LF	Done

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	2	Request to the WB to deliver US\$1.5M package to CIAT		
		Recommendations on how to draft this requests should include addressing four requirements: 1) straight forward explanation of where we are and why we are here. 2) Financial implications - diagnosis and actions taken, realistic financial targets, contribution to reserves, etc. - but also the credibility of the MT - what is being done in terms of improving the staff morale. 3) Options considered by the BOT on alignment and merges of certain areas (e.g. administrative services, library, spatial analysis, etc.) and 4) Basic decisions on how CIAT proposes to use the US\$5M. A draft response to the CG on the US\$1.5M contribution should be sent to the ExFin.	MT/GM	Done
	3	2006 Budget		
		Financial statements are complete and still being reviewed by the External Auditors. A deficit of US\$3.5M shows due to donor default (especially the EU). Reserves up to US\$1.8M. Copies of these statements to be delivered to the ExFin soon.	MT/Finances	Done
	4	Communications		
	a.	A working group appointed to work on communications strategy including GM. A more positive message needs to be sent to the WB, the CG, colleagues in the Alliance and the donors that actions are taken to solve the problem, emphasizing on the RDC strategy and on the products which are instrumental in implementing the strategy.	JV	Done
	b.	Communicating the new programmatic structure, budget changes and the implementation of the product concept to straighten people's perception that CIAT is going back to the structure of the 80s. JV to concentrate at the RDC level and emphasize on focus and integration.	JV	Done
	c.	Social Sciences at CIAT need to be highlighted in the communications. The DG agreed to emphasize on this issue.	JV	Done
	5	Starting Date for Albin Hubscher: AH will be arriving by the 18 May 07 to meet the BOT and attend the meetings.		
18 Apr 07	1	Update on the request to the WB: Fiona Douglas replied to CIAT's message and the following questions were		
		How much has CIAT improved its controls? Changes in finance need to be better documented as well as their implementation since last year and what is currently being implemented.	YS/GM	Done
		How will CIAT use the money? YS explained to FD that there have been two rounds of cuts representing more than US\$6M in phase out costs which had to be taken out of somewhere (e.g. operations). No additional cuts can be made next year for these would translate into terminating one of the core programs representing an irreparable damage to CIAT and to the CGIAR. The best way would be to add it to the reserves.	YS/GM	Done
		Alternative scenarios if the WB money is not received. A contingency plan on controls needs to be in place. YS will draft a message to Shey Tata showing the improvement in the controls, what has been done and what is being implemented to reach the level of control he is asking for.	YS/GM	Done
	2	2007 Working Budget - Revised version:		
		YS will ask other ExFin members (K. Giller, O. Rojas, M. Scholes) for approval of the Revised 2007 Working Budget	ExFin	Done
	3	Table on CIAT Resources 2008-2010		
	a.	There should be more clarity on this issue - what is the carry over, what is the surplus, what are the total reserves, etc. A table is needed to track down that what has been allocated to programs is what was really decided and that there have been no changes. This table should also show information on categories of staff who have left, staff who have stayed under core, etc. This is needed for the BOT May meeting.	MT/Finances	Done
	b.	Table to be updated on 2006 staff cuts and reflecting cuts implemented in 2007.	DP/GM	Done
	c.	A revised risk assessment plant should be sent to the ExFin by 10 May 07.	LRS	Done
	d.	An organizational chart to be sent to the ExFin with explanation of categories. YS will reply with comments.	AW	Done