

**WORLD FISH CENTRE
BOARD OF TRUSTEES
FULL BOARD
TWENTY NINTH MEETING
6-9 MARCH 2006
Penang, Malaysia**

Present:	- Dr. Trond Bjorndal	Chairman
	- Dr. Linxiu Zhang	Vice-Chair
	- Dr S. Ayyappan	Member
	- Dato' Junaidi Che Ayub	Member, Ex-Officio
	- Dr Wendy Craik	Member
	- Dr Kunihiko Fukusho	Member
	- Dr Serge Garcia	Member, Ex-Officio, FAO Rep.
	- Dr Stephen Hall	Member, Ex-Officio, Director General
	- Dr. Yehia Hassan Khalil	Member, Ex-Officio
	- Dr Anne Kapuscinski	Member
	- Dr Asger Kej	Member
	- Dr Ida Siason	Member
	- Dr Stella Williams	Member
Board Secretary:	- Dr James K. Oliver	Director, Science Co-ordination

DRAFT MINUTES

Agenda Item 1a: OPENING REMARKS

The Chairman, Professor Trond Bjorndal, made the following opening remarks.

"It is a great pleasure for me to welcome you to the 29th meeting of the Board of Trustees. This time we do not welcome any new Trustees, however, we will bid farewell to Dr Linxiu Zhang, Board Vice Chairman and Chairman of the Audit Committee. I believe she will be missed by everybody for her good counsel.

I am very glad that at this meeting we will have an opportunity to pay tribute to Dr Gupta, recipient of the World Food Prize, at a special felicitation event. This is most fitting.

The meeting will be different from past ones, as most of it will be conducted in open sessions. This is for reasons of transparency.

As always, let me remind you of:

- The Board's Mission Statement,
- The Terms of Reference for the Board and
- The Code of Conduct

Best practice implies perusing these documents prior to every Board Meeting. A one line summary is: "We conduct ourselves with integrity".

There have been numerous developments since our September 2005 meeting that will have an impact on today's agenda. Let me mention only two.

The EPMR started at our September 2005 meeting and the official report was submitted very recently. I find the report to be very positive indeed. The report acknowledges many of the good things undertaken by the Centre. Although there are numerous recommendations, many of these are in areas where we have already taken initiatives to make changes so that we will be able to deal with them with relative ease. If anything, I believe the Panel could have recognised more of the initiatives that have been taken

The EPMR has been a costly affair, not only in monetary terms, but perhaps even more so in staff time. Let me acknowledge the tremendous effort by Centre staff in this respect. I know it was very much a concerted effort, but I would still like to mention some names. The Director General and Deputy Director General have provided guidance throughout. Efforts were coordinated by Dr Helen Leitch and her assistant, Miss Meena Arivananthan. All the Portfolio Directors and Discipline Directors, including Dr Suan Pheng Kam as acting PESS Director, made substantial contributions. Ms Guat Cheng Tan and Ms Marie Chan from Finance provided a great deal of assistance to Prof Bala. Many thanks to you and all others who contributed to a very successful outcome of this process.

The second development I should like to mention is in terms of the collaboration with IWMI. At this meeting we are going to have joint sessions with the Board of IWMI and discuss a joint venture agreement covering corporate services as well as other areas of collaboration. Personally, I believe that whether we can go beyond corporate services very much depends on the scope for programmatic alignment between the two centres. If this scope is limited, it will have an impact on what else we can do.

Despite these deliberations, let me stress that it is WorldFish business that will receive most attention at this meeting. 2006 will be an important year for the Centre. We will start seeing returns on our investments. I believe there are many very positive developments, and that the prospects are favourable. The financial situation is good. As mentioned, we now have a Director of Corporate Services and SAP has been implemented. The Centre has been reorganised, and the organisation functions well. Portfolio Directors have lived up to the challenges and assumed important roles with regard to resource mobilisation. Strategies for two of the disciplines will be presented to the Board in September 2006. As an aside, I feel it is unfortunate that we were unable to hire a new Discipline Director for PESS, as this post should not be left vacant for too long. Nevertheless, we have built a very strong foundation, in services and science, on which to develop our future. Let me acknowledge good efforts by so many of you.

I believe that as the organisation changes, the Board must also change and this is one of the important items on our agenda. I mentioned that many developments have taken place since September 2005. Meeting only twice a year, we risk that the Board becomes reactive rather than proactive. If that happens, we cannot provide the kind of guidance and corrective to management that we are supposed to. The need for change is clearly stated in the EPMR report as well as at the CGIAR level. Indeed, we have an opportunity to set an example for other centres, in this field as in so many other areas.

The agenda for this meeting is very much forward looking and concentrating on core business. The agenda has been organised in main headings:

- Organisation performance
- Strategic organisational issues
- Policy issues including approval of Human Resources Policies
- Strategy issues and
- Governance issues.

I would like to thank the Board Secretary for his suggestions with regard to how we organise our business.

With these remarks, I declare open the 29th meeting of the Board of Trustees.”

Agenda Item 1b: APOLOGIES

The Chairman was pleased to report that there were no apologies.

Agenda Item 2: REVIEW AND APPROVAL OF THE PROPOSED AGENDA

The Chairman informed the Board that agenda item 25 and 26 will be moved to the Closed Session.

Board Decision:

The Board approved the agenda with the modification that items 25 and 26 would be made to the Closed Session. (Board Action 29-1)

Agenda Item 3: REVIEW AND APPROVAL OF THE 28TH BOARD OF TRUSTEES MINUTES (OPEN AND CLOSED SESSIONS)

The Board reviewed the minutes of the Closed Session of the 28th Board meeting page by page and made the following amendments.

Board Decision:

The Board approved the minutes of the 28th Board meeting (Closed Session) subject to the following corrections: (Board Action 29-2)

Page 4: Agenda Item 5a(i): 2nd line of the first paragraph should read as “.....he explained to the Board that at times, it **would** be unavoidable.”

Page 15: Agenda Item 25c: Agenda Item 2a: The Board Decision should read as follows:

The Board appointed Dr James K. Oliver as Secretary to the Nominating Committee and Board of Trustees. Dr Oliver left the room when the decision was made. (Board Action 28-20)

The Board reviewed the minutes of the Open Session of the 28th Board meeting page by page.

Board Decision:

The Board approved the minutes of the 28th Board meeting (Open session). (Board Action 29-3)

The following observations were made with regards to the agenda and minutes of meetings:-

- The 29th Board meeting focus more on Board matters
- To standardise the use of either “Dr” or “Professor” in the minutes
- The quality of minutes is good and has improved considerably compared to the past years minutes. The Board suggested that while increased brevity is desirable in future minutes, the minutes should continue to be written in narrative and with a summary of discussion to enable better understanding as the minutes of meetings were also read by external party, e.g. the EPMR panel.

Agenda Item 4: BUSINESS ARISING FROM THE MINUTES

No other business was identified.

Agenda Item 5: RATIFICATION OF EXECUTIVE COMMITTEE AND OTHER BOARD ACTIONS (RATIFICATION OF WORLD FISH BUDGET 2006)

The Director General gave a comprehensive update to the Board on the Budget 2006 process. The budget process was a difficult one, however, there were many lessons learned through this exercise. While some recurrent cost had to be cut in the budget, Discipline Directors and Portfolio Directors are now increasingly aware that they play an important role in providing investment growth to the Centre as core funding continues to decline compared to previous years.

The Budget 2006 was reviewed by the Executive Committee on December 7, 2005 during a teleconference in Marrakesh. Based on the recommendation of the Executive Committee, the budget was then approved by the full Board during out of session.

The Chairman drew the Board's attention to point 3 of the Executive Summary (Agenda Information Sheet) and said that it was not possible for Management to provide a quarterly report in the first week of March. Therefore, Management provided the financial report ending February 2006 to the Board

It was noted that the heading of the report should read as "WorldFish Centre 2006 Budget" and not 2005 Budget.

A request was made if it is possible for Management to provide the budget for Board's approval in September. Management explained to the Board that it is very difficult to get the budget ready this early. It was agreed that the budget for 2007 will be ready by November for the Board's approval. It was agreed that the entire Board would meet in November 2007 (probably by teleconference) to review and approve the 2007 Centre's budget.

The Board commented that there was no budget allocated under the Policy, Economics and Social Science (PESS) Discipline to hire a Discipline Director even though the new structure stressed the importance of this discipline. The Board requested Management to look into this vacant position and to fill it as soon as possible.

Management also clarified that the new salary scheme (including inflation and merit increases) for staff had been included in the Budget 2006.

Board Decision:

The Board ratified the following Executive Committee's decision made on December 7, 2005.

- 1. The Board approved the recurrent budget for 2006.**
- 2. The Board authorised commitments of US\$544,363 from the Reserves to be entered into the first quarter of 2006 as the first stage of the US\$1.2 million investment plan presented by Management. Further authorisation to commit additional expenditure from the US\$1.2 million will be considered in the March 2006 meeting of the BOT.**
- 3. The BOT expects quarterly reports of income and expenditure in 2006, the first of these to be presented at the March meeting of the BOT. These reports should be written in the same format as the annual accounts.**
- 4. The investments made in 2006 should be managed so as to minimise obligations for continued investment from the reserves in 2007. The draw on the reserves that is required in 2007 to sustain investments made in 2006 should not exceed US\$1m.**

(Board Action 29-4)

- 5. The entire Board will meet in November 2006 to review and approve the 2007 Budget.**

(Board Action 29-5)

Agenda Item 6: REVIEW BOARD ACTION PLAN TO 28TH BOARD MEETING

The Chairman recommended that Management make the following corrections to the Board Action Plan and Action List.

1. Board Action Plan

Combine item 12 (Conduct Board Self-Evaluation) and item 29 (Conduct SWOT Analysis of Board) in the Board Action Plan.

2. Action List

Agenda 10 (BCS): Management to include the two issues mentioned in the minutes of meeting under Board Action 28-12.

Agenda Item 7: REPORT OF THE CHAIR AND UPDATE ON THE CGIAR AND CBC, AND REPORT BY OTHER TRUSTEES ON ACTIVITIES AND EARNINGS RELATING TO BOARD ACTIVITIES

Dr Trond Bjorndal: The Chairman's written report was taken as read by all Board of Trustees.

Dr Stella Williams: Dr Williams reported that since the last Board meeting in September 2005, she continued with her consultation with the National Steering Committee and various stakeholders on the implementation of the Abuja Declaration. One outcome of the consultation is the government's application to the World Bank on its PROFISH Programme. She said that she will be participating in this programme together with the WorldFish Centre's scientists.

She further reported that the President of Nigeria is often promoting WorldFish Centre's contributions to the fisheries and aquaculture development in Africa. The latest is the WorldFish Centre's Fisheries, HIV/AIDS and Health Workshop in Africa. The most important aspect is investing in sustainable solutions and its impact on fisheries.

Dr Yehia Hassan Khalil: Dr Khalil reported that he met with the newly appointed Minister of Agriculture and briefed him on the work of the Centre and the role of the Board of Trustees. The Minister of Agriculture said that he looked forward to the Centre holding its Board meeting in Egypt in September 2006.

Dr Khalil further reported that he had liaised with several key officials in the Ministry of Agriculture regarding the outstanding contributions for 2004 and 2005 and also the next contribution for 2006. He informed the Board that he was assured by the officials that this will be resolved in the coming weeks although the Ministry is currently focusing on the bird flu issue. Dr Khalil added that the bird flu outbreak in Egypt had raised major issues about food safety including fish farms where the poultry manure is used as a fertiliser. He also provided advice to the Centre on how best to address this issue in Egypt.

Dr Khalil hosted a dinner for the EPMR Panel members when they visited Egypt in January 2006 and discussed the Centre's work in Egypt and the African and West Asia regions with the panel members.

Dr Khalil said that in view of the Centre's plans to transfer GIFT fingerlings to Abbassa, he advised the Centre on the procedures to ensure that the Centre's work conforms to the legal procedures in Egypt.

Dr Wendy Craik: Dr Craik reported that she will be meeting with Dr John Skerritt from ACIAR during a lunch meeting that Dr Helen Leitch has arranged on Thursday during the Board meeting to discuss potential contribution from ACIAR. Dr John Skerritt is also a Board member of IWMI.

Dr Serge Garcia: Dr Garcia reported that since the last Board meeting, he co-ordinated a workshop on the assessment of small scale fisheries between FAO and the WorldFish Centre, also

attended by the Director General. He is working on the potential alliance between WorldFish Centre and FAO.

Dr Kunihiro Fukusho: Dr Fukusho reported that he participated in the evaluation meeting with Dato' Junaidi Che Ayub for JIRCAS (Japan International Research Centre for Agricultural Sciences) international research project "Studies on Sustainable Production Systems for Aquatic Animals in Brackish Mangrove Areas" which was held on December 7-8, 2005 in Tsukuba. Dr Fukusho said that he also discussed with Dr Koji Nakamura, Director of Fisheries Division and Dr Akinori Noguchi, Vice-President the collaboration between JIRCAS and WorldFish Centre.

Dr Fukusho further reported that he visited the National Research Institute of Aquaculture and had several meetings with Dr Yasuji Sakai, Director General and Dr Satoru Toda, Vice-Director General on collaboration with WorldFish Centre in the field of sustainable aquaculture.

Dr Fukusho informed the meeting that a Japanese student from Kochi University joined the Centre on research activities in the field of fish nutrition by JIRCAS and MAFF.

Dr Fukusho also participated in the 34th Scientific Panel Meeting and Symposium, UJNR Aquaculture Panel on November 7-9, 2005 in San Diego, California, USA. The UJNR promotes the exchange of information among scientists and for the development and utilisation of natural resources between USA and Japan. Dr Fukusho informed the Board that he briefed Dr James McVey, Chairman of the US Panel, NOAA Sea Grant Programme and other panel members on WorldFish Centre's activities to develop the sustainable aquaculture for supply fish to the poor people in the world.

Lastly, Dr Fukusho said that he regretted to report that the Japanese Government did not contribute any fund to the Centre in 2006 due to the national budget shortage. However, he will try his best to report to the Ministry of Foreign Affairs on the Centre's activities and mission with a view to restore Japan's contribution.

Dr Anne Kapuscinski: Dr Kapuscinski reported that she convened a workshop in Minnesota from November 29-30, 2005 at which Centre staff and diverse US collaborators outlined a proposal on guiding ornamental fish trade involving resource poor producers towards high economic return and low environmental risk.

She also convened a workshop at the Centre headquarters from October 17-21, 2005 to draft a peer-reviewed book on methods of assessing environmental risks of transgenic fish in developing country contexts. Several WorldFish scientists are among the 40 co-authors from 19 countries. The workshop was funded by Global Environment Facility, Scientific and Technical Advisory Panel, with *outstanding* partnership by the WorldFish Centre.

Dr Kapuscinski further reported that there was a dialog with an influential leader in the US ornamental fish sector regarding a possible private sector – WorldFish partnership on sourcing ornamental fish from resource-poor producers. This person is now eager to meet with a WorldFish delegation.

A Ph.D. candidate from the University of Minnesota spent several days at the Centre Headquarters working with the Aquaculture & Genetics Discipline Director on a manuscript on aquatic alien species to be submitted to a peer-reviewed journal.

A competitive proposal to the US National Science Foundation on introduced species and genotypes, led by University of Minnesota and including WorldFish as a partner, came very close to being funded. Dr. Kapuscinski has been part of the team preparing a revised pre-proposal that is due in late March 2006.

Dr S. Ayyappan: Dr Ayyappan reported that since the last Board meeting in September 2005, he continued to facilitate the on-going programmes between WorldFish Centre and ICAR Institute with regards to "Achieving Greater Food Security and Eliminating Poverty by Dissemination of Improved Carp Strains Fish in India" and "Community Based Fish Culture in Seasonally Flooded Rice Fields in India".

Dr Ayyappan informed the Board that India has made an additional contribution of US\$100,000.00 towards "Improvement of Inland Fish and Small Plain project".

Dr Ayyappan requested the Director General to visit India and to interface between WorldFish Centre and ICAR Fisheries Institute for collaboration in research areas such as breed improvement, co-management in open water fisheries and impact of alien species on aquaculture.

Dr LinXiu Zhang: Dr LinXiu reported that she attended the IWMI Board of Governors meeting in Colombo in November 2005 on behalf of the Chairman. During that meeting, she had the opportunity to interact with IWMI Board members and also experienced their ways of doing business.

She also participated in the Executive Committee meeting held in Marrakesh in December 2005. She also participated in the Board Improvement activities through email communication since the last Board meeting.

Dr LinXiu also exchanged some ideas with the Centre's staff and potential China counterpart on the logistic of doing business in China. She also assisted in finding suitable technical support to the Geographic Information System (GIS) project, one of the areas of collaboration between the WorldFish Centre and China.

Dato' Junaidi Che Ayub: Dato' Junaidi reported that he was interviewed by the EPMP panel members, representing the Board of Trustees and host country Malaysia. Dato' Junaidi further reported on the successful grant funding by Malaysian Agriculture Research and Development Institute (MARDI) for two projects and he hoped that the project will run smoothly.

Dr Ida Siason: Dr Siason reported that her site visit to Bangladesh in December 2005 was a fruitful trip and she will provide a detailed report with a PowerPoint presentation on Thursday. She also contributed her ideas and suggestions, as a member of the sub-committee on Board Reform, through the exchange of emails for the past few months. Dr Siason informed the Board that she participated as Moderator for the Forum/workshop during the Consultation Meeting with Philippine Partners undertaken by Portfolio Director Dr. Madan Dey in Metro Manila on February 28-Mar 1 2006. At that meeting she had the opportunity to meet Dr Nicolas Bailey, the Officer-in-charge of the Philippines office. Dr Siason also added that she still looks forward to being able to assist the Director General on the pending Philippines sub-Regional Agreement and would appreciate being tapped to provide advice and assistance to Management in order to pursue this matter.

Dr Asger Kej: Since the last Board meeting, Dr Kej participated in the out-of-session teleconference meeting held in December 2005 to approve the Centre's Budget 2006. Besides this, he also interacted with a number of key staff from the Danish Agency for Development Assistance (DANIDA) and with other Danish CGIAR Board members with a view of securing continued core funding support for CGIAR in general and for WorldFish Centre, specifically. As is the case with some like-minded donors, DANIDA is currently favouring decentralised administration of most of their portfolio (detailed prioritisation delegated to embassies in programme countries or even to counterpart organisations in recipient countries.) As part of this strategy, it was proposed to channel the total Danish CGIAR contribution through the CGIAR Science Council. The Science Council does not wish to take on board a funding disbursement responsibility and DANIDA is currently looking at their options. Dr Kej said that he will continue to monitor and try to influence the internal considerations and report back to the Board.

The Chairman thanked all Board members for their participation and assistance rendered to the Centre.

Agenda Item 8: SUMMARY REPORT OF THE DIRECTOR GENERAL

The Director General's summary report was taken as read by the Board of Trustees. The Director General further reported that year 2006 is a crucial year for WorldFish Centre and it is a year of

realisation of plans being put in to effect during the year of 2005. He added that clearer and more focused targets are being set to mobilise the science structure and additional efforts to improve the projects pipeline as core funding has become more volatile. This is one of the areas that management needs to look into.

The Director General also explained to the Board the current situation regarding the unfilled position of the Discipline Director for Portfolio Economic and Social Science Division (PESS). Management was not able to find suitable candidate to fill this position although Management is aware of the critical situation. However, Management will continue to pursue this matter and assured the Board that it is Management's intention to hire a qualified and suitable candidate to fill this position.

A Board member complimented the Director General on his comprehensive report and also commented that the Board would like to see higher level of science activity from the Discipline Directors and Portfolio Directors in terms of improvement in the science quality and outputs.

The Board also commented that more efforts need to be put in with regards to the submission of publications.

Another Board member commented on the reduction in core funding and that Management should seriously look into cost recovery in order to cover the Centre's overhead costs. It is a reality that core funding will continue to decline as years go by and this is a major financial risk to the Centre.

In response to the Board's comments, the Director General said that he is confident that the Natural Resources Management (NRM) Discipline is moving in the right direction and he hoped to see improvements in the Aquaculture and Genetics Discipline (AQ) when the new AQ Discipline Director comes on board. He added that the Centre is focusing more on science activity and, therefore, decided not to do genetic analysis work in the headquarters. He also agreed that core funding is a major financial risk to the Management and will look into other opportunities to ensure that resource mobilisation is in place and will move forward in time.

Agenda Item 9: FINANCIAL POSITION AND PERFORMANCE FOR 2005/2006

Once again, the Chairman of the Board recorded his thanks to Dr Helen Leitch, all Discipline Directors and Portfolio Directors, Miss Guat Cheng Tan, Miss Marie Chan and those involved in the EPMR for their assistance rendered during the EPMR review.

The Director General gave a presentation on the analysis of underspending on grant projects in 2005 and an update on the underspending trends from 2003-2005. He also informed the meeting that 31 projects were underspent in 2005. 70% of project underspending was due to project delays caused by delay in start-up and by partners.

The Director General informed the Board that it is Management's priority this year to monitor the status of projects through the improved Project Management system and better financial reporting method from the SAP system. He further clarified that the delay in the projects start up may not necessary affect the mobilisation in the staff as sometimes the causes of delay were due to other demands. He also informed the Board that the Director of Science Co-ordination has been given the task to look into the tracking of the projects using the Project Management System and the Director of Science Co-ordination will be going to Egypt end of March 2006 to have detailed discussions with the Deputy Director General on subject matter.

The Chairman thanked the Director General, Deputy Director General and Director of Science Co-ordination for providing the Board with their updates and clarifications, and the Board noted the measures that will be taken by Management with regard to the projects underspending.

Agenda Item 10: BUSINESS DEVELOPMENT REPORT

The Director of Business Development gave a comprehensive presentation on the progress that the Centre made in 2005 with regard to the project funding and plans to secure more fundings in 2006. She also briefed the Board on the marketing opportunity and strategy that will assist the Centre in terms of investment growth in year 2006. She informed the Board that the Business Development Office will focus in marketing, investor relations and project development this year.

The Director of Business Development clarified that "core relief" is a portion of grant fund that support overheads and staff costs.

The Board reminded Management to take into consideration the carry over in terms of revenue projection in the budget process.

A Board member raised a question on the contribution by Canadian International Development Agency (CIDA). The Director of Business Development said that she will be meeting with the representative from CIDA in April 2006, and she is confident that the Centre will receive funding from CIDA this year. She said that she will also follow up with CIDA on the Centre's work on HIV/AIDS.

The Director General said that it is important for the Centre to project the actual scenario on the core and grant funds, although the core fund is on a downturn. Management will have to look into a contingency plan to overcome this reduction in core fund.

Agenda Item 11: REVIEW OF BUDGET AND INVESTMENT PLAN

Management indicated that the proposed investment plan is on track. Management will continue with the strategy outlined in the Budget 2006 proposal set in December 2005. The Board emphasised that Management should continue to maintain focus on the Centre's reserves and that these must remain within 100 working days in capital.

The Board also expect Management to provide quarterly investment and expenditure reports on time. Quarterly reports have been delayed in the past and the Board stressed the urgency and importance of submitting these reports to the Board on a timely basis.

The Board reviewed the Management's proposed investment plan and made the following decisions.

Board Decision:

The Board approved the expenditure of the full \$1.2 million investment plan submitted by Management in the 2006 Budget paper of December 2005. This investment is approved provided that the total number of days of working capital does not fall below 100 days and that the call on reserves for 2007 be not more than \$1.0 million.
(Board Action 29-6)

Agenda Item 14: UPDATE ON OCCUPATIONAL HEALTH AND SAFETY POLICY

The Administration and Operations Manager gave a brief update on the activities undertaken from July to December 2005 and the planned activities that will be carried out by Management from January to June 2006. In response to a question regarding working with other regional offices on issues related to Occupational Health, Safety and Security, she indicated that the Centre will be working with the regional offices in the second half of 2006. At the moment, Management is focusing on working closely with the Egypt and Bangladesh regional offices on related matters.

The Deputy Director General informed the Board on the measures that were taken by Management with regards to Bird Flu in Egypt. He said that staff in the Egypt office were given a presentation

and education on the prevention of Bird Flu, mainly, on personal hygiene, how to dispose of dead birds and other preventive measures.

On a different note, the Director of Science Co-ordination briefed the Board on the Professional Indemnity Insurance for the Board of Trustees. He said that he is reviewing the agreement with the insurance company and hopes to sign the agreement with the insurance company by end of this month.

Agenda Item 15: REVIEW AND APPROVAL OF THE HUMAN RESOURCES POLICIES

This agenda item is deferred to September 2006 Board meeting because the Management felt that the three policies should be presented at the same time for the Board's approval in September 2006. Currently, Management is working on the "B" (policies that need to be aligned but require effort and resources) and the "C" (policies that will need to remain different due to differing employment conditions).

Agenda Item 16: REVIEW AND APPROVAL OF THE POLICY ON GENETIC INTRODUCTIONS

This agenda item is deferred to September 2006 Board meeting.

Agenda Item 17: REVIEW AND APPROVAL OF THE 2006 KEY PERFORMANCE GOALS

The Director General explained to the Board the 2006 Key Performance Goals. In response to a query on setting targets for donations by foundations, the Director General informed the Board that it is Management's plan to diversify the Centre's investors with other foundations. However, the Board will not see an immediate impact on this because the Centre needs to cultivate a relationship with these foundations. Therefore, specific targets would best be set after this has occurred.

He also clarified that the number of ex-post impact assessments in 2006 Key Performance Goals has dropped from 11 to 6 because Management would like to focus on the quality and not quantity this year.

Management agreed to a change in the publication target to 2 publications per scientist. It was also agreed that this target should refer to papers published rather than accepted.

With regards to the training hours, the Director General said that the emphasis this year on training is the Performance Management System (PMS) and it is essential for all staff to attend this training to ensure that every staff understand the new PMS and to be on the same page. Management has not specified other trainings but will be looking into it as well.

The Board also suggested that Management include other improvements to the 2006 Key Performance Goals:

1. More objective targets to measure the Corporate Services delivery.
2. Inclusion of some indicators for scientific media under Communications.

The Director General thanked the Board for providing inputs on the Key Performance Goals and informed the Board that the Corporate Services delivery will be measured based on the satisfaction and effectiveness of the services provided to the Scientists. As for setting indicators for scientific media under Communication, these indicators will be included in the next level (goals for each unit and individual).

Board Decision:

The Board approved the 2006 Key Performance Goals subject to the following amendment:

- To change target 13a to 2 publications per research scientist and that these should be published rather than accepted. (Board Action 29-7)

Agenda Item 18: EXTERNAL PROGRAMME & MANAGEMENT REVIEW RESPONSES AND ACTION PLAN

The discussion of this agenda item is deferred to 7 March 2006.

Agenda Item 19: GENDER AND DIVERSITY

The Director General acknowledged the fact that there is gender imbalance in the Executive Management Team although there is a gender balance in the Senior Management and Middle Management Team. He said that he is concerned with the imbalance but there is no immediate solution to the matter. He said that he welcomes suggestions and recommendations from the Board to overcome this issue. WorldFish Centre can probably learn from other Centres such as CIMMYT and CIAT and will look into the different approaches to attract women to apply and work in our Centre.

The issue of how to attract women to apply for Internationally Recruited Staff positions in the Centre was discussed. It was suggested that one or more specific KPG targets should be set for 2006 in order to ensure the issue is addressed during the year. It was said that while *The Economist* is much read by potential male applications, it is read far less by potential female applicants. The need to develop policies to help with spouse employment was also highlighted.

Several Board members commended the Director General for highlighting this important issue.

Board Decision:

The Board requested Management to include one or more Key Performance Goals, targets and measures relating to Gender & Diversity in the 2006 Key Performance Goals. (Board Action 29-8)

Agenda Item 12a: UPDATE AND DISCUSSION ON CSD JOINT VENTURE AND JOINT KNOWLEDGE MANAGEMENT UNIT JOINT SESSION WITH THE INTERNATIONAL WATER MANAGEMENT INSTITUTE'S BOARD OF GOVERNORS

The Chairman of the WorldFish Centre gave an opening address during this joint session with the IWMI Board of Governors. The WorldFish Center Board of Trustees and IWMI Board of Governors introduced themselves during the round table session.

The Director of Corporate Services gave an overview and comprehensive PowerPoint presentation on the Shared Corporate Services Model to both the WorldFish and IWMI Boards. The following comments and questions were raised by some of the Board of Trustees after the presentation:-

1. Clarification on the composition and function of the Steering Committee was requested;
2. Assistance from Management staff from both Centres should be provided to help promote the team spirit within CSD towards the joint venture;
3. Linkages between SAP and HSenid will need to be clearly defined and explained. This will need to be monitored, and additional capacity added if needed;
4. Adequate internet teleconference connectivity between the two Centres will be vital.

The Director of Corporate Services explained to the Board the role of the Steering Committee and also stressed that support from senior management is very important and key to the success of this joint venture. He said that the support from senior management itself will instil the team spirit from the Corporate Services staff.

The Information Technology and Telecommunications Unit (ITTU) is looking into the linkages between SAP and HSenid. Currently, WorldFish Center is paying for the licence fee for SAP and IWMI for HSenid. The Management will have to take a risk on higher cost in the license fees in the initial period and therefore, it is advantageous to have other CGIAR Centres to join the International Research Services (IRS). As more centres join, the cost will be distributed among the members and in the longer term, it will be cost effective to have more members joining the IRS in terms of economies of scale. There might not be any savings in 2006 but hopefully, there will be some savings in 2007. However, it is important that with the joint venture and shared services, there will be significant improvement in the corporate services delivery to scientists, which is the main aspect of the shared services.

The Boards felt that it is not wise to outsource such services outside of CGIAR. The current plan is to ensure that the CSD Joint Venture is within the CGIAR. The Boards also requested a business plan that includes forecast and financial planning to see if there is any improvement in cost savings and productivity under this joint venture model.

The Director of Corporate Services said that the advantages of having a CSD Joint Venture Agreement is that Managements of both Centres do not have to set up separate a legal entity by signing a Memorandum of Understanding. There will be no changes to staff status for both Centres and no changes to the Host Country Agreements.

**Agenda Item 12b: IWMI/WORLDFISH CENTRE RESEARCH ALLIANCE
JOINT SESSION WITH THE INTERNATIONAL WATER MANAGEMENT
INSTITUTE'S BOARD OF GOVERNORS**

IWMI and WorldFish Center's scientists gave an overview on how the two centres can have a research alliance in terms of integrating fisheries and land/water management at the basin level and other opportunities to improve the livelihoods of the poor through more productive agriculture-aquaculture systems.

The Boards commented that based on the presentations by the Scientists, there were synergies to be achieved through joint research. The NRM Discipline Director commented that the next steps depend on how one would like to move forward with this alliance i.e., taking a top down approach from the strategic level or allow this integration to grow "organically". The idea of organic growth from the bottom-up was supported by several Board members.

A Board member commented that the collaboration between water and aquaculture will work but this might be a drift in priorities for the individual centre and this can be a management risk. It is advisable for the scientists to see which areas will overlap and thus, create opportunities to integrate as they arise.

**Agenda Item 12c: EXPLORATION OF GOVERNANCE OF IWMI/WORLDFISH
COLLABORATION
JOINT SESSION WITH THE INTERNATIONAL WATER MANAGEMENT
INSTITUTE'S BOARD OF GOVERNORS**

The Director General of IWMI gave a comprehensive PowerPoint presentation on the different models and options on joint governance. The Director General of IWMI said that both Centres have similar charter, Board and ExCo size.

After hearing the presentation, the WorldFish Board of Trustees discussed the various options. There was significant support for Option 1 or 2 although some members spoke in favour of closer governance arrangements. Only one Board member supported the full merger option. The Boards agreed that they needed some time to review the collaboration effort set forth by Management and would like to discuss this matter.

The Chairman of the WorldFish Centre informed the IWMI Board that currently WorldFish Centre is looking into board reform and he is happy to share with the IWMI Board on this matter.

Recommendation:

The IWMI and WorldFish Boards will review the options presented to them and select an option that each Board is comfortable with, and will communicate this during the next joint session on Thursday morning.

Agenda Item 18: EXTERNAL PROGRAMME & MANAGEMENT REVIEW RESPONSES AND ACTION PLAN

The Director General thanked the Business Development Office for co-ordinating the EPMR and added that the EPMR was a success. The Board Chair also mentioned that this EPMR is one of the best in the CGIAR in the last five years and he is very pleased with the outcome.

The Deputy Director General went through the responses one by one.

Recommendation:

The Board requested Management to edit the responses under Recommendations 1, 4, 5, 13 and to present to the Board on Thursday for approval.

Agenda Item 13: DISCUSSION AND DECISION ON IWMI/WORLDFISH COLLABORATION

The Chairman welcomed the Director of Corporate Services, Dr Barry Tan to the meeting and said that he looked forward to working with him on the IWMI/WorldFish Collaboration as well as corporate services in general.

The Board had a lengthy discussion with numerous interventions on the joint venture agreement. The Board asked that WorldFish Centre's lawyer review the joint venture agreement.

The Board raised the following concerns about the joint venture agreement and would like the Director of Corporate Services to take into considerations these concerns and also to provide the Board with a business plan by mid May 2006, and to compare the operating cost before and after implementation of the shared services. It was also recommended to include a budget analysis in the joint venture agreement.

Other concerns raised by Board Members included:

- Who operates the Steering Committee?
- Definition of the members in the Steering Committee.
- What is the transaction cost in terms of time and resources?
- Definition of founding members and new members.

The Board discussed at great length the different options on joint governance. Overall, the Board felt that it is too soon to explore the joint governance although both Boards have similar size and function. Majority of the Board members voted for the Option 1 with minimum agreements and agreed to have a Memorandum of Understanding with IWMI on the Corporate Shared Services and Joint Information and Knowledge Group (IKG). The Board disagreed with Options 2-4 and (with one exception) strongly disagreed with Option 5.

A Board member commented that WorldFish Centre has a strong reputation within the CGIAR and the Board needs to strengthen the WorldFish Centre's position following the changes in the Centre's structure. The Board should allow a research alliance to flourish and grow "organically" and need not go for a merger.

After all the input and comments given by the Board members, the Chairman concluded that it would not be wise to impose any new structure to the Centre as the Centre has a large investment in place and needs to focus on the core business of the Centre at the moment. He also believed in organic growth, and the Centre will collaborate with IWMI and other Centres where appropriate.

Board Decision:

The Board approved the progress made to date on the development of the WorldFish/IWMI Joint Venture for Corporate Services and recommended further development and details as follows:

- **The Corporate Services Director to prepare and submit the joint venture business plan including budgetary obligations, costs and benefits and productivity gains to the Board by mid-May 2006.**
- **The Shared Corporate Services Joint Venture Agreement to be quality controlled and reviewed by lawyers including the WorldFish Centre's lawyer.**
- **The composition and operations of the Steering Committee to be provided in detail.**
- **The Board welcomes the growing collaborations in research between WorldFish and IWMI and recommends that this be further developed through organic growth. The Board instructed Management to manage this through the development of appropriate Memoranda of Understandings.**

(Board Action 29-9)

Agenda Item 21: REVIEW OF FUTURE HARVEST ALLIANCE CHARTER AND CONFLICT RESOLUTION

The Director General briefed the Board on the Future Harvest Alliance and said that formerly it was the Centre Directors Committee (CDC) which has restructured itself as the Alliance Executive and the Centre Board Chairs (CBC) is now reconstituted as the Alliance Board. He informed the Board that there were other centres who have already endorsed this document but there were also other centres who have not yet done so. It remains to be seen whether all centres will endorse the document. However, he indicated that he felt there is no harm to the Centre in endorsing this document. The Chairman and Vice Chairman concurred with the Director General's statement.

Board Decision:

- **The Board endorsed and ratified the following documents:**
 1. **The Principles and Procedures for the Alliance of Future Harvest Centres of the CGIAR**
 2. **Conflict Resolution Guidelines**
(Board Action 29-10)
- **The Board authorised the Chairman of the Board and Director General to sign the endorsement document. (Board Action 29-11)**

Agenda Item 20: BOARD REFORM AND REVISION OF THE CONSTITUTION

The Chairman of the Board welcomed Mr Rajasekharan from Guru Management to the meeting and informed the Board that Mr Rajasekharan will be facilitating the Board in the discussion and deliberation of this morning's discussion on Board governance and remuneration issue. The Chairman invited Mr Rajasekharan to give a presentation on the proposal of Board Reform.

The Chairman informed the Board that the proposal on Board Reform and the revised Constitution of the Centre had been reviewed by the WorldFish Centre's lawyer, a World Bank lawyer and the CGIAR Secretariat. The CGIAR Secretariat and Governance Group strongly endorsed the changes, subject to the inclusion of the Director General of the WorldFish Centre as an ex-officio Board member.

Besides the above mentioned changes, the Chairman also proposed (where appropriate) to increase the frequency of the meeting to four times per annum with duration of two days for each meeting. The Chairman said that it is not necessary to have a face to face meeting during each meeting but via teleconference. He also suggested that it is not necessary for the Board to meet in Penang all the time. It could select other venues for Board meetings that are convenient to the Board members and cost effective.

The Board considered the revised Constitution page by page. The Board gave the following comments and recommendations on the changes of the Constitution:-

- To include the **“WorldFish Centre”** in Article I (Establishment) of the Constitution;
- Article VI A (1): To have a minimum of **three (3) members at-large** elected by the Board instead of four (4);
- Article VI A (6): To amend to **three (3) Ex-Officio members** instead of two (2) Ex-Officio;
- Article VI C (2): To amend to any **three** of the Trustees instead of five;
- Article VI D (1): The Board will revisit the composition of the Executive Committee members in the September 2006 Board Meeting;
- Article VI D (5): To amend to **at least two (2) of its members** instead of three (3);
- Article VI E (7): To amend to **at least 3 voting members** instead of three (3)

Overall, the Board agreed to the smaller Board size, increase in the frequency of meetings, the abolishment of the Programme Committee. It was agreed that reduction in the Board size could affect the balance of competency of Board members. The Governance Committee must look into the balance of the competencies and skill sets of the Board members carefully. In addition, more meetings per year could also increase the cost e.g. increase in travel costs and payments of honoraria to the Board members although more meetings will increase the commitment of the Board members.

The Chairman agreed to the comments and suggestions provided by the Board members. He informed the meeting that the Board could decide on Terms of Reference for the SARC in the September 2006 Board meeting. He mentioned that the word “observer” will be used instead of advisor because an advisor’s function is more of a consultant. The following points were raised in relation to preparing the Terms of Reference for SARC:-

- SARC needs to provide scientific strategic ideas
- In order to increase the scientific profile, it was suggested to have a Science Conference
- Need to look into the cost implications of having SARC
- The role of the SARC as an advisory body and the Board as the final decision making authority needs to be carefully determined
- The Board needs to look into the purpose and role of the SARC before implementing this committee

Board Decision:

1. **That the Board agreed to the recommendations by the Board Improvement Committee to reduce the Board size, abolishment of the Programme Committee and increase the frequency of Board meetings.**
2. **That the Board agreed to the changes to the ICLARM (WorldFish Centre) Constitution and required to implement these recommendations.**
3. **That the Management prepare the Terms of Reference for the Scientific Advisory and Review Committee (SARC) (or other mechanisms for the provision of scientific guidance) for consideration in the September 2006 Board meeting.**
4. **That the Management to provide a full cost analysis of having 4 Board meetings versus the current practice of 2 Board meetings. (Board Action 29-12)**

Agenda Item 26: REVIEW OF BOARD PROFILE

The Chairman invited Mr Rajasekharan to give a presentation of his report on Board profile and competencies.

The Chairman said that the current Board competency model showed that the Board lacked financial competency. He added that in the past, a Board member will be reappointed to the second term but now the Board should review the individual's profile and competency before reappointing the member to a second term. In view of this, new in-coming Board members must be informed of the new practice.

The Chairman also said that the current Board database does not have sufficient CVs for new Board members. He would like each Board member to suggest a new member each year. He also mentioned that in the Nominating Committee Meeting that was held on Sunday, it was suggested that we should advertise in the Economist for specific skills and also to head hunt for Board members as part of the recruitment strategy. The advertisement in the Economist is a one time event and not on a yearly basis. CVs will be filed in the database.

A Board member commented on the recommendation by Mr Rajasekharan to provide training to Board members for specific competency. He said that it is not practical to invest in training a Board member because the individual Board member may not be interested in the specific area and it will be a waste of time and money to train him/her. The Board may then realise that this individual Board member is not contributing to the Centre after 1-2 years, thus, it will be a waste of resources. It was agreed that the New Governance Committee would meet on Wednesday evening to further discuss these matters.

Agenda Item 24: COMMITTEE REPORTS
Agenda Item 24a: Report of the Audit Committee

The Audit Committee Chairman highlighted to the Board some of the key issues that were discussed during the Audit Committee Meeting, mainly, the 2005 Audit Report, SAP implementation cost and software cost, the audit report on Bangladesh office and Egypt contribution.

Based on the discussion during the Audit Committee Meeting, the Audit Committee recommended the following for the Board's approval.

Audit Committee Agenda Item 5a: Approval of 2005 Audit Report of WorldFish Centre

The Financial Statements and Supplementary Schedules were delayed due to last minute adjustments in the financial report. The final draft of the financial report was circulated to the full Board on Wednesday morning. The Audit Committee requested for some time to review this report later that evening and will return to the full Board for a recommendation.

The Audit Committee met and reviewed the final draft financial report and was happy to report that the statement of account is in accordance with the changes as agreed in the meeting that was held on 7 March 2006.

Recommendation:

1. The Audit Committee recommends to the Board to approve the Audit Report of WorldFish Centre for 2005.
2. The Audit Committee recommends to the Board that the Centre retain the Egypt contribution in 2004 and 2005 accounts. If a formal letter from Egypt is not received before the end of July, these contributions should be de-recognised. Contribution for 2006 should be reviewed after the September Board meeting.

Board Decision:

The Board approved the Audit Report of WorldFish Centre for 2005 and that the Centre retains the Egypt Contribution in 2004 and 2005 accounts. If a formal letter from Egypt is not received before the end of July, these contributions should be de-recognised. Contribution for 2006 should be reviewed after the September 2006 Board meeting. (Board Action 29-13)

Audit Committee Agenda Item 5b: Review of 2005 Management Letters

Accruals for Projects

The Management Letter recommended that USD29,992 relating to projects closed in 2005 should be de-recognised as the Centre has not received the services and has no present obligation as a result of a past event to any third party as at 31 December 2005.

Recommendation:

The Audit Committee recommends to the Board that Management is given until next year to use the accruals for publication. The sum of USD29,992 will not be adjusted for year 2005 due to its immateriality and the potential confusion having to report these changes to the donors, and their subsequent reversal upon the completion of the projects. That Management should ensure better project management and timely completion of projects to avoid such carryover commitments.

Board Decision:

The Board approved that Management is given until next year to use the accruals for publications. The sum of USD29,992 will not be adjusted for year 2005 due to its immateriality and the potential confusion having to report these changes to the donors and their subsequent reversal upon the completion of the projects. The Board requested that Management should ensure better project management and timely completion of projects to avoid such carryover commitments. (Board Action 29-14)

SAP Implementation Cost & Software Cost

The SAP cost was taken as expenses in the 2005 accounts. The External Auditor proposed it to be capitalised as per the CGIAR Guidelines.

Recommendation:

The Audit Committee recommends to the Board that the software cost for SAP amounting to USD 158,024 should be treated as capital cost and written off over 2 years as per CGIAR Guidelines and that the Centre's policy of writing off investment assets over 3 years should be amended to 2-3 years as per CGIAR Guidelines.

Board Decision:

The Board approved that the software cost for SAP amounting to USD 158,024 should be treated as capital cost and written off over 2 years as per CGIAR Guidelines and that the Centre's policy of writing off investment assets over 3 years should be amended to 2-3 years as per CGIAR Guidelines. (Board Action 29-15)

The cost of the roll-out of SAP to Bangladesh has been accrued in the 2005. As no work was done in 2005 for this roll out, it was proposed that the accrual be reversed and this expense be reflected this year when the work is expected to be done.

Recommendation:

The Audit Committee recommends to the Board that the cost of roll-out for Bangladesh accrued in 2005 which was not incurred should be reversed and included in the budget for 2006.

Board Decision:

The Board approved that the cost of roll-out for Bangladesh accrued in 2005 which was not incurred should be reversed and included in the budget for 2006. (Board Action 29-16)

Management Letter for Bangladesh Office Audit

Recommendation:

The Audit Committee noted that the Audit findings of the Bangladesh Office indicate poor housekeeping and sloppiness. It recommends to the Board to request that Management take necessary actions to correct the highlighted issues and ensure the reported findings do not recur in the next audit.

Board Decision:

The Board noted the Audit findings of the Bangladesh Office and requested Management to take necessary actions to correct the highlighted issues and ensure that the reported findings do not recur in the next audit. (Board Action 29-17)

Management Letter for SAP System Audit

Finding 5

Recommendation:

The Audit Committee recommends to the Board that complicated passwords continue to be used to enhance the security settings on WorldFish Centre's network to avoid the need to frequently change passwords.

Board Decision:

The Board approved the continued use of complicated passwords to enhance the security settings on WorldFish Centre's network to avoid the need to frequently change passwords. (Board Action 29-18)

Finding 7

Recommendation:

The Audit Committee recommends to the Board that Management retain the use of Common user ID for input of travel and purchase requisitions and access to general financial report. This recognises the need to facilitate economical use of limited named user licences.

Board Decision:

The Board approved that Management retain the use of Common user IDs for input of travel and purchase requisitions and access to general financial report. This recognises the need to facilitate economical use of limited named user licences. (Board Action 29-19)

Audit Committee Agenda Item 5d and 5e: Evaluation of the External Auditor's Performance and Appointment of External Auditor for 2006

Management and the Committee Chair were both satisfied with the performance of the External Auditor's performance and recommended their reappointment for the 2006 Audit. Ernst & Young has requested an increase in their fees for 2005 due to the increased scope of work involving the SAP implementation. Ernst and Young will submit their proposed new fees to the Corporate Services Director for consideration and to submit a recommendation to the Audit

Committee for approval. Ernst & Young has been appointed for the 5th year already. Under the CGIAR Guidelines, the External Auditor can be appointed up to a maximum of 7 years.

Recommendation:

1. The Audit Committee recommends to the Board that Ernst & Young be reappointed for the 2006 Audit subject to agreement on fees.
2. The Audit Committee recommends to the Board that Management request Ernst & Young to submit their proposed increase in fees for 2005 and their audit fees for 2006 to the Committee through the Corporate Services Director.

Board Decision:

The Board approved that Ernst & Young to be reappointed for the 2006 Audit subject to agreement on fees. Management should request Ernst & Young to submit their proposed increase in fees for 2005 and their audit fees for 2006 to the Committee through the Corporate Services Director. (Board Action 29-20)

Audit Committee Agenda Item 6d: Review of Risk Management Activities

Recommendation:

The Audit Committee recommends to the Board to adopt the Board Statement on Risk Management and Internal Control. In analysis the risk management updates, the following points were made. Increase the risk indicator for the following:

- Under External Environment
 - Centre resilience to external shocks in view of the recent reduction in contribution from a major donor
- Under Information and Germplasm Assets
 - Intellectual Property Rights in view of the discussions with GIFT over property rights
- Under Finance
 - Host country fiscal compliance in view of the audit findings on non-deduction of tax at source

Board Decision:

The Board approved the Board Statement on Risk Management and Internal Control and approved an increase to the risk indicator for:

- **External Environment**
 - **Centre resilience to external shocks in view of the recent reduction in contribution from a major donor**
- **Information and Germplasm Assets**
 - **Intellectual Property Rights in view of the discussions with GIFT over property rights**
- **Finance**
 - **Host country fiscal compliance in view of the audit findings on non-deduction of tax at source**

(Board Action 29-21)

Audit Committee Agenda Item 9: Other Audit Committee Matters

The amendments in the Terms of Reference for the Audit Committee recommended by Internal Audit were not incorporated in the Constitution in the March 2006 meeting due to time constraint as a notice period of at least 60 days is required for any changes to be made to the Constitution.

Recommendation:

The Audit Committee requests Management to incorporate the changes in the Terms of Reference of the Audit Committee in the next revision of the Constitution.

Board Decision:

The Board approved the Committee's request for Management to incorporate the changes in the Terms of Reference of the Audit Committee in the next revision of the Constitution. (Board Action 29-22)

Agenda Item 24b: Report of the Programme Committee

The Programme Committee Chairman highlighted two of the major points that were discussed in the Programme Committee Meeting i.e. the Research Performance Indicators and the Medium Term Plan (MTP) schedule. He emphasised that it is important for the scientists to issue scientific publications and this was also stressed by the EPMR Panel. The Programme Committee requested that Management give an update on the status in a year's time.

The Programme Committee agreed to the proposed schedule for submission of the 2007-2009 MTP as presented by Management.

On a different note, the Programme Committee Chair raised the issue of nominating Board Awards to Staff. He mentioned that the Board Awards Committee would like to set criteria that the awardees will not be nominated for the Board Award for the next 3 years in order to provide opportunities for other staff. The Chairman of the Board requested the Board Awards Committee to discuss and recommend the criteria to the full Board in the September 2006 meeting.

Board Decision:

The Board Awards Committee will discuss and present their recommendations on the criteria for nominating staff for the Board Awards in September 2006 meeting. (Board Action 29-23)

Agenda Item 24c: Report of the Nominating Committee

Nominating Committee Agenda Item 4: Matters Arising From the Minutes

Recommendation:

That the Board agree:

- a) to the addition of Dr Dongyu Qu to the candidate database
- b) to the addition of Dr Mohan Joseph Modayil to the candidate database
- c) to the addition of information on candidate competencies, the source of a candidate's nomination and other relevant statistics to the database in the future
- d) to consider the use of advertising and/or a "head hunter" to secure high quality nominations to fill future Board vacancies

Board Decision:

The Board approved the Nominating Committee's recommendation:

- a) **To add Dr Dongyu Qu to the candidate database**
- b) **To add Dr Mohan Joseph Modayil to the candidate database**
- c) **To add the information on candidate competencies, the source of a candidate's nomination and other relevant statistics to the database in the future**
- d) **To consider the use of advertising and/or a "head hunter" to secure high quality nominations to fill future Board vacancies**

(Board Action 29-24)

Nominating Committee Agenda Item 5b: Consideration of Unfilled Board Position for 2006-2007

Recommendation:

That the Board agree:

- a) to appoint Dr Stella Williams as Vice Chair of the Board
- b) to appoint Dr Wendy Craik as Chair of the Audit Committee
- c) to relieve Dr Stella Williams of her responsibilities as Chair of the Nominating Committee
- d) to relieve Dr Stella Williams of her responsibilities as a member of the Board Awards Committee
- e) to appoint (on the recommendation of the Chair of the Board) Dr Asger Kej as Chair of the Nominating Committee (or the Governance Committee if the constitutional change is accepted)
- f) to relieve Dr Kej of his responsibilities and membership of the Executive Committee
- g) to appoint Dr Fukusho as a member of the Board Awards Committee
- h) to consider a change to the proposed Constitution which would allow for a "minimum of 3 members" of the Governance Committee
- i) to add Dr Ida Siason to the Governance Committee if the changes to the constitution allowing for this are accepted
- j) to invite Dr Serge Garcia to remain as an observer on the Board until the date of his retirement from FAO

Nominating Committee Agenda Item 6: Board Visitation Programmes

The Chairman informed the Board that due to budget constraint, not all site visits will be approved for 2006. However, any Board members who are interested to visit Malawi in September 2006 en-route to or from Egypt for the September 2006 Board meeting should submit their names to the Nominating Committee Chairman. Then, this will be submitted to the Board Secretary who will compile the costs for the Chairman's approval.

Recommendation:

That the Board agree:

- a) to refer the visit of Dr Kapuscinski to Malawi in September 2006 as part of her travel to the Board meeting in Egypt to the Chairman for his consideration
- b) to invite other Board members to indicate if they would also like to visit Malawi during the same period

Board Decision:

The Board approved the Nominating Committee's recommendation:

- a) to refer the visit of Dr Kapuscinski to Malawi in September 2006 as part of her travel to the Board meeting in Egypt to the Chairman for a decision
- b) to invite other Board members to indicate if they would also like to visit Malawi during the same period

(Board Action 29-25)

Agenda Item 32a: HUMAN RESOURCES REPORT

The Head of Corporate Human Resources gave a verbal update on the status of recruitment for the national and international staff. She informed the Board that most of the national staff positions as reported have been filled except for the Accountant which is still pending. Management will not be recruiting the SAP Functional Analyst position at the moment. Final interviews will be carried out next Tuesday for the Scientist Fisheries Resources position, Management is in the process of shortlisting the candidates for Research Scientist Fisheries Management and applications for Coral Reefs Research Scientist will be closed on 15 March 2006. Management is also in the process of shortlisting candidates for the Senior Fisheries Adviser to New Partnership for Africa's Development (NEPAD), Regional Co-ordinator for Portfolio Economic and Social Science Division (PESS) and

Socioeconomist for Mekong Region. She also reported that the Discipline Director of Aquaculture and Genetics Improvement will report for work on 1 April 2006.

The Head of Corporate Human Resources will provide the Board members information on the gender ratio of applicants for the Internationally Recruited Staff positions. She further informed the Board that Management is looking into ways to address the turnover of staff in the Corporate Services.

Agenda Item 32b: REVIEW AND APPROVAL OF SALARY INCREASE FOR 2006 BASED ON 2005 PERFORMANCE

The Board reviewed Management's proposal on the salary increases for 2006 for all staff in all locations and commented that Management should look into the salary increment based on fixed merit increment and possibly do away with the inflation rate for national staff.

Management informed the Board that it is Management's principle and philosophy to compensate deserving staff who do well in terms of performance, therefore, the percentage ratings for Nationally Recruited Staff have increased to 5% for Very Good versus 3% and 7% for Outstanding versus 6%. However, the ratings for Good and below remain the same as previously. However, the total cost implication to implement the proposed increment will be within the approved budget of US\$252,146.00.

The Chairman commented that the proposed increment for the Internationally Recruited Staff is high considering the recent compensation exercise to increase their basic pay in the last Board meeting. When informed that no inflation increase was given to the Internationally Recruited Staff, the Board agreed that the overall increment was more reasonable.

The Board concurred that a similar percentage of increment will apply to all staff for this time. It agreed to Management's recommendation for this year but indicated it expected a more detailed and fully analysed set of recommendations next year.

Board Decision:

- 1. The Board approved Management's recommendation for 2005 performance that an average of 4% merit increase will be applicable to all grades and locations. (Board Action 29-26)**

The recommended rates of percentage merit increase for 2006 based on 2005 staff performance is shown in table 2.

Table 2

Ratings	Percentage
Outstanding	7%
Very Good	5%
Good	3%
Satisfactory	1%
Need Improvement	0%

2. **The Board approved Management’s recommendation to cover 75% of the inflation rate of the country where inflation rates hover above 5% and 100% where inflation rates are below 5% for the Nationally Recruited Staff. (Board Action 29-27)**

The total cost implication to implement the recommendations will be:

Categories / Locations	Estimated Cost Impact on Total Compensation USD
International / Regional Positions	\$100,209
National Positions - Malaysia	\$49,856
- Bangladesh	\$20,794
- Philippines	\$20,897
- Cambodia	\$2,576
- Egypt	\$45,409
- Malawi	\$4,418
- New Caledonia	\$5,128
- Solomon Island	\$2,858
Total Cost Implication	\$252,146
<i>Note: Budgeted increase</i>	<i>\$293,042</i>

Agenda Item 22: REVIEW OF BOARD HONORARIA POLICY

Mr Rajasekharan presented to the Board the proposed increased in honoraria for Board members from \$350.00 per day to \$600.00 per day and the increased in the number of working days for the Chairman from 10 days per annum to 20 days per annum.

One of the questions raised by a Board member is what is the benchmark for the proposed increment and who are we benchmarking with? Mr Rajasekharan responded that there is no professional benchmark for this increment.

The overall sentiment by the Board members was not supportive to the increase in honoraria because many of the Board members indicated that money is not the main motivation to them. The reason for being a Board member of the WorldFish Centre is due to the scientific interest and the ability to contribute to the growth of the Centre. Increasing the honoraria of Board members would not necessarily result in increased efforts on the Board.

Some of the Board members expressed their concerns about this increment in relation to its effect on the Centre’s budget. The Board members agreed that the honoraria for Board members should remain as \$350.00 per day. If the benchmarking exercise is necessary, the Board members suggested that there should not be additional cost incurred for this benchmarking exercise and it should benchmark within the CGIAR and not with private sectors.

With regard to increasing the number of working days for the Chairman from 10 days to 20 days, the Board members voted. During this time, the Chairman left the Board Room and the meeting was chaired by the Vice Chairman. The Board agreed to the proposal that more than 10 days per year are required for the Chairman in order for him to contribute his duties and responsibilities more effectively to the Centre. At the same time, it was also proposed that the Chairman’s honoraria should also be increased to \$400.00 per day from \$350.00 per day to reflect a fairer compensation towards the Chairman’s effort and contribution.

Board Decision:

The Board approved the Chairman’s allowable working days to be increased from 10 days to a maximum of 20 days per year and his honoraria be increased from \$350.00 per day to \$400.00 per day. (Board Action: 29-28)

Agenda Item 13: DISCUSSION AND DECISION ON IWMI/WORLDFISH COLLABORATION

The Board discussed the issue on the exploration of governance of IWMI/WorldFish Collaboration at length. Some of the Board members indicated that the Board should not rush into the governance collaboration and to allow the shared Corporate Services and programmatic collaboration to grow “organically” (bottom-up).

The IWMI Board also had the similar decision (Option 1) as the WorldFish Centre’s Board. The IWMI Board has invited the WorldFish Centre Board to co-locate the Board meeting in 2007 (with one day overlap for joint sessions) at the IWMI Headquarters in Colombo in 2007.

IWMI had drafted a joint WorldFish-IWMI Board Statement that outlined the shared Corporate Services, programmatic collaboration and alignment and Governance alignment. The WorldFish Centre’s Board reviewed the joint statement in a separate session and unanimously agreed that the Centre will collaborate with IWMI by having a flexible Memorandum of Understanding to initiate the research collaboration between the two Centres.

During the IWMI/WorldFish Centre’s joint session on 9 March 2006, the Chairman of WorldFish Centre Board, Dr Trond Bjorndal, informed the IWMI Board of WorldFish Centre’s decision with regards to the collaboration. He informed the IWMI Board that due to the Board Reform and the decision to reduce the Board size from 12 to 8 Board members, WorldFish Centre will not be recruiting new Board members for the next 2-3 years. In view of this, the Board has to identify the profile and competencies of new Board members that are relevant to WorldFish Centre in the next few years. In view of this, the Board was not looking actively to have Joint Board membership at this point of time. However, the Chairman agreed to the informal meetings between the two Board Chairs and Director Generals from time to time and not to the proposed Joint Board Standing Committee. The IWMI Board explained that the Joint Board Standing Committee for oversight of the collaboration between the two Centres is a form of conflict resolution mechanism. However, the WorldFish Centre’s Board responded that if there is any conflict between the two Director Generals, then the respective Executive Committee should be involved.

It was suggested that a clause on the conflict resolutions and setting some processes on this matter should be incorporated into the Joint Venture Agreement and also in the Memorandum of Understanding.

The word “outsource” should also be removed from the joint statement because we are not outsourcing the services but shared services.

The Chairman of the IWMI Board, Dr Nobumasa Hatcho thanked the Management and Board of WorldFish Centre for hosting the IWMI Board of Governors Meeting and also for sharing information with regards to the Board structure. He said that they looked forward to the collaboration with the WorldFish Centre.

The Director General of WorldFish Centre will amend the joint statement accordingly. In conclusion to the Joint IWMI/WorldFish Session, the Chairman of the WorldFish Board said that he looked forward to the joint meeting with IWMI in Colombo in 2007.

The revised Joint WorldFish-IWMI Board Statement dated 9 March 2006 is as follows and the IWMI and WorldFish Board agreed and adopted the revised statement.

Joint WorldFish-IWMI Board Statement 9 March 2006, Penang

Following meetings of the WorldFish and IWMI Boards at the headquarters of the WorldFish Centre in Penang, Malaysia, from 6-9 March, the two Boards agreed to continue to further pursue their organisational alliance and took the following decisions to align the management and operation of the two centres.

Shared Corporate Services

The two Boards approve the plans prepared by management to establish a Joint Venture, provisionally named “International Research services”, between the two centres. The two centres intend to source their finance and HR support services, together with the associated ICT services, through a collaborative Joint Venture. The two centres will align their finance and HR policies and processes and share joint applications of SAP for finance and HSENID for HR.

Following successful implementation of the finance and HR services for the two centres, the intent is to offer the same services to other Future Harvest Centres. To this end, interested centres will be invited to provide inputs to the Joint Venture agreement that the two centres are drafting. The two Boards are asking management to prepare a Joint Venture agreement and a business plan for the Joint Venture by mid-May, 2006. The two centres expect that both finance and HR services will be delivered by the Joint Venture to the two centres through shared systems before the end of 2006.

Programmatic Collaboration and Alignment

About 20 scientists from WorldFish and IWMI participated in a workshop in Penang on March 5 to explore the potential of programmatic alignment between the two centres. Their conclusion was that there is very considerable potential for such collaboration and recommended that the two centres grow such collaboration “organically” (bottom-up). In this regard, it was also recognised that alignment of corporate service delivery through our joint venture agreement will greatly facilitate the collaboration among researchers. Identified areas for collaboration include:

1. Wetlands, agriculture and fisheries in the Mekong basin.
2. Basin synthesis of multiple use water productivity and water poverty, with a focus on the Nile and Ganges basins.
3. Integrated small-scale irrigation and aquaculture in Southern Africa.
4. Shared Geoinformatics support for WorldFish and IWMI research.

It was further agreed that a MoU be developed to facilitate research collaboration between the centres.

Governance Alignment

The two Boards agreed to align governance through the following mechanisms:

1. The two boards will exchange profiles of current and candidate Board members with a view to increasing the number of joint Board members if candidates meet the competency requirements of both parties.
2. The Board Chairs and Director Generals will meet on a regular basis to review progress on collaboration and will involve other board members as required. The outcomes of these meetings will be communicated by the Board Chairs to their respective Boards.
3. A second co-located meeting of the two Boards (with one-day overlap for joint sessions) at IWMI HQ in 2007. Subsequent co-located meetings depending on the development of the alignment of the two centres and other possible partners.

Agenda Item 18: EXTERNAL PROGRAMME & MANAGEMENT REVIEW RESPONSES & ACTION PLAN

The Director of Science Co-ordination presented to the Board the revised texts under Recommendations 1, 5 and 13. The revised Management’s responses are as follows:

Board Decision:

The Board agreed with the revised Management responses to the EPMR recommendations as presented below. (Board Action 29- 29)

RECOMMENDATIONS AND RESPONSES

1. The Panel recommends that the Board commissions an external review of the new research structure by mid 2007 to specifically examine the effectiveness and impact of the matrix approach, the extent of transaction costs incurred and the acceptability by different levels of staff.

WorldFish Response: AGREED. One of the features of the Centre's updated Strategy is that we are committed to reviewing progress regularly and using dialogue amongst key staff to develop mechanisms for improving operational effectiveness and delivery. This process is tracking performance of the matrix and our assessment so far of its effectiveness and impact on the quality and impact of our science is positive. *However we agree that external reviews provide a valuable mechanism for assessing functioning of the matrix as well as other aspects of strategy implementation. With this in mind the Board of Trustees has requested that a rolling programme of CCERs be presented to the BoT at its meeting in September 2006. This will include a Centre-wide review of progress with implementation of the Strategy, including the effectiveness and impact of the matrix approach. We will schedule this Centre-wide review in 2008, so allowing assessment of a full 3 years of operation of the matrix and 2 full years since completion of the Strategy Update.*

Recommendation 1:

The Board recommended that it is advisable to conduct a full review of the research structure in early 2008 in order to have a more accurate review of the success of the new research structure because it will take 2-3 full years for a new structure to be in place. The Deputy Director General to amend the Management's response under Recommendation 1.

2. The Panel recommends that, within the framework of strategic alliances and the growth strategy of the Centre, a pragmatic strategy is defined for leveraging additional resources through a range of joint ventures, including but not limited to co-financing of PhD grants, postdoctoral grants, associated scientists/laboratories in advanced research institutes and calls for joint research proposals.

WorldFish Response. AGREED. We are completely in agreement with the need to broaden the staff resource base available to the Centre and are already implementing a number of mechanisms such as Senior Research Fellows, sabbatical arrangements, part time appointments, joint appointments with other CGIAR Centres, and Adjunct Professorships, to help achieve this. These however need to be expanded and specific approaches are being developed by the Discipline and Portfolio Directors. In doing so we believe that the approach being taken to strengthen the Centre's science focus and capacity through the Disciplines, and to strengthen our regional partnerships and impact through the regional portfolios is making the Centre an even more attractive partner for ARIs and other sources of this science capacity. To further strengthen our focus on these issues the Centre is committed to developing a policy on such opportunities for leveraging additional resources and a strategy for implementing this.

Recommendation 2:

The Board agreed to the proposed Management's response.

3. The Panel recommends that WorldFish identify and embrace a limited number of key scientific issues and research objectives that could be achieved within a reasonable period of time (4 to 6 years) and that could:
 - stimulate WorldFish scientists of different disciplines and promote interdisciplinary research;
 - be recognised by the scientific community as cutting-edge research and, as a result, stimulate collaboration with scientists from both developed and developing countries;
 - demonstrate the comparative advantage of the Centre and its leadership capacity in the field of aquaculture and fisheries for developing countries.

WorldFish Response. AGREED. While we believe that the Centre has already pursued a focused approach to a limited number of scientific issues and the results of this are reflected in some of the successes highlighted by the Panel, we also believe that the Centre needs to continue to do so, and indeed increase the focus and impact of this work. To this end the Discipline Directors for NRM and Aquaculture are developing research strategies for these Disciplines that are designed to provide just such a focus for the Discipline for the next 5-10 years. These research strategies are being developed in concert with the development of campaigns on small-scale fisheries and aquaculture. As described in the Centre's Strategy Update, the Campaigns will provide a wider context and foster a broad range of institutional partnerships to address these issues and the Centre will work with this to focus where our research niche is strongest. While this work is being led by the two Discipline Directors they are doing so in an explicitly interdisciplinary and cross regional way. The drafts of these strategies and Campaigns will be discussed by the Board of Trustees at its meeting in September 2006 and the Strategy for PESS will be developed in 2007. WorldFish is committed to using these Discipline Strategies to specify and pursue the key scientific issues and research objectives on which the Centre will focus globally in the coming 5-10 years, and to use these to provide drive and focus to the Disciplines, stimulate collaboration with others in the scientific community, and demonstrate the comparative advantage and leadership of the Centre.

Recommendation 3:

The Board agreed to the proposed Management's response.

4. The Panel recommends further studies on GIFT be undertaken by geneticists and nutritionists working together, using more controlled experimental conditions, and testing a large range of feeding levels.

WorldFish Response. We agree in principle that stronger collaboration between geneticists and nutritionists can be of value, and we are already exploring ways to do this through our work in Indonesia and Malaysia. However the precise nature of the studies that should be done in order to provide practical value to the production systems that are of importance for poor farmers and therefore of highest concern to WorldFish will need to be carefully assessed as part of the future research strategy within the Aquaculture Discipline. WorldFish therefore commits to considering this recommendation when developing the aquaculture research strategy and a detailed response will be provided through the strategy.

Recommendation 4:

The Board recommended removing the word "However" on the 3rd line.

5. The Panel recommends that WorldFish:

- **continue to make a conscious effort to move away from downstream development activities and explore opportunities for development-related activities to be executed by local or bilateral entities, where available, while the Centre continues to monitor and evaluate the activities/developments in order to analyze the impacts and also to identify constraints and bottlenecks which might require further research;**
- **undertake a scoping exercise to identify its partners' strengths and weaknesses in order to better target capacity building, especially of NGOs, to advance the development spectrum of its work; and,**
- **synthesize and package existing information, including frameworks, manuals, protocols and guidelines to ensure greater dissemination and use of its products.**

WorldFish Response. AGREED. We note that the Panel has recognised the strength of WorldFish partnerships with NARS and NGOs and the role these have played in the Centre's ability to achieve impact through our research. The lessons from this have been reflected in the Centre's 2005 Strategy Update which specifically focuses the Centre's efforts upstream from direct development activities. As we move forward with the Strategy and with regional portfolios in particular, attention is being given to strengthening these partnerships. This already involves an assessment of our partners' strengths and weaknesses as part of our

project development work in many cases, but this will be extended with due account being paid to local sensitivities where necessary.

We view the synthesis and packaging of information for use through these partnerships as being especially important for the scaling out of the Centre's impacts, and will therefore give increased attention to doing so. In this regard we note that the Panel found that material that the Centre currently produces for this purpose is "widely used and applauded by a wide range of NARS and NGOs", and believe that this needs to be increased. While there is a clear tension between producing these products while also producing papers for refereed journals we believe that the measures currently being taken to improve the efficiency of our science publication, as well as steady growth in staff capacity can simultaneously increase the output of both scientific papers and these materials for a wider audience of practitioners. ***In particular, tight management of science publication targets through annual performance plans of individual scientists in the NRM Discipline has already led to a significant increase in articles accepted for publication in refereed journals in 2006, and we foresee similar progress in the Aquaculture and PESS Disciplines as the same management approach is applied there. Similarly greater focus on the identification of stakeholders' publication needs as a part of tighter project design and management is leading to more targeted publication, as was for example seen by the panel during its visit to Cambodia.***

To conclude the Centre is committed to focusing on those areas of the research-development continuum that lie upstream from our NARS and NGO partners, to assess the strengths and weaknesses of partners in doing so, and to placing increased emphasis on synthesis and packaging of materials so that they can be used by partners in pursuing their role.

Recommendation 5:

The Board suggested strengthening the response in relation to publications.

6. The Panel recommends that WorldFish clearly define its continuing involvement and role in the database, including specifying how the various demands on staff will be met.

WorldFish Response. We agree with this Recommendation but believe that the Centre has already defined our continuing role in FishBase. The WorldFish Centre is one of six primary founders of the FishBase Consortium. Our participation is governed by a Memorandum of Understanding, signed by WorldFish and the other members. The MoU specifies that each member commits itself on a long-term basis to ensure development for the FishBase project. The members must provide human resources and financial support, both from the institution's core budget and through funded projects. WorldFish is committed to continue its full participation in the consortium because it is consistent with our mission and Strategy Update.

Within the Consortium WorldFish has a clearly defined responsibility to encode data and maintain the IT team, and develop new tools and areas in FishBase for the Conservation of Aquatic Biodiversity in ACP and Asian countries. The team (of 12 biologists and 3 IT staff) and operating costs are funded largely through the EU funding for food security provided through the EU contribution to the CGIAR.

Recommendation 6:

The Board agreed to the proposed Management's response.

7. The Panel recommends the Centre expand its modelling work on the supply and demand of fisheries and aquaculture and undertake additional ex-post impact assessment in aquaculture, paying particularly attention in both cases to technological environmental impacts and non-negligible dynamic (inter-temporal) effects of fisheries and aquaculture activities.

WorldFish Response. AGREED. The Centre believes that our research on fish demand and supply has been highly effective in guiding policy and future research on fisheries and aquaculture and we are committed to building on this at global, regional and national level where

appropriate. In addition we have welcomed the profile that the Science Council has given in 2005 to the ex-post impact assessments of our aquaculture research and are committed to increasing our work in this area. In doing so we will address the environmental impacts and interaction between fisheries and aquaculture where the data and funding are available.

Recommendation 7:

The Board agreed to the proposed Management's response.

- 8. The Panel recommends that future efforts be made in defining on a pragmatic and objective basis, the acceptable dissemination area of an improved strain, and the realistic monitoring that should be implemented in relation to this dissemination.**

WorldFish Response. AGREED. The Centre's work on the development of GIFT tilapia has been recognised internationally as a significant contribution to food security and poverty alleviation in Asia. However we believe that in order for the full benefit of this technology to be shared with other regions and applied to other species, much greater investment is required. The Centre's Strategy Update accordingly highlights this as one area where we will increase our investment. Reflecting this strategic priority the Centre is committed to expanding our work on the development of improved breeds of tilapias, Carps, and African catfish and, in doing so, to developing improved tools for assessing both economic utility and environmental risk of introducing specific strains. As part of this process the Centre is developing a policy for use of the GIFT strain of tilapia, and developing risk assessment methods. One research project to pursue this has already been developed and others will follow.

Recommendation 8:

The Board agreed to the proposed Management's response.

- 9. The Panel recommends that the Centre take action on the following [for PESS]:**

- **secure a Discipline Director as soon as possible;**
- **conduct a strategic process of research planning and prioritisation that enables the discipline to more precisely identify its research domain and a selected set of issues to produce significant IPGs; and,**
- **develop and apply a balanced growth policy for qualified scientific staff according to research priorities.**

WorldFish Response. AGREED. The Centre is committed to strengthening the PESS Discipline and to moving rapidly to secure a Director. In view of the key leadership role required of this position the Centre is equally committed to ensuring that a leading scientist with the required combination of managerial skills is appointed. While the position as advertised internationally in 2005 and candidates were interviewed, a suitably qualified candidate was not secured. We are however confident that this will happen 2006, just as such candidates have now been recruited for the other two Disciplines (NRM and Aquaculture). When in post the Discipline Director will have explicit responsibility for leading a strategic research planning process and for developing the staff capacity to pursue the discipline strategy that will emerge from this. We are committed to moving ahead with this as rapidly as possible.

Recommendation 9:

The Board agreed to the proposed Management's response.

- 10. The Panel recommends that WorldFish explore opportunities [in sub-Saharan Africa] for collaboration with other CGIAR Centres, in particular IITA, WARDA, IRRI, CIFOR, IWMI, IFPRI and ICRAF, possibly within the context of task forces, to identify gaps in the application of IAA technology and methodology or for activities related to fisheries governance.**

WorldFish Response. AGREED. The Centre is already collaborating with IWMI, ILRI and ICRAF in sub-Saharan Africa (and with IWMI and IRRI in Asia) and we are committed to

increasing this partnership with CGIAR Centres wherever this adds value to the work of both Centres. For example WorldFish and IWMI are collaborating on water management aspects of agriculture in southern Africa.

Recommendation 10:

The Board agreed to the proposed Management's response.

11. The panel recommends the Centre give high priority to:

- **recruitment of senior scientists with a proven track record or the involvement of such scientists in Centre projects through various forms of partnership and adjunct arrangements, and**
- **recruitment of a cadre of younger, recent PhD graduates, particularly in view of present and past difficulties in attracting more senior scientists.**

WorldFish Response. AGREED. As discussed under Recommendation 2 the Board of Trustees and Management are committed to strengthening the scientific capacity of the Centre, including by drawing on the Centre's reserves. This is being pursued actively to implement the Centre's Strategy and to support development of the Disciplines and regional Portfolios under this. It is important to emphasize however that these increases in staffing need to be financially sustainable and considerable effort is being invested in developing staff capacity in a staged manner in order to ensure such sustainability.

Recommendation 11:

The Board agreed to the proposed Management's response.

12. The Panel recommends that WorldFish:

- **elaborate a Partnership Strategy focusing on, among others, the modus operandi for establishing strategic partnerships and alliances that would add significant value to the current research activities undertaken by the Centre;**
- **explicitly define the roles and responsibilities of the Centre relative to its partners in all major projects;**
- **determine its positioning on the research-to-development continuum, within the framework of an impact pathway analysis, for all major projects; and**
- **elaborate a human capacity building policy for its staff and its partners taking into account, as appropriate, the suggestions that have been provided.**

WorldFish Response. AGREED. As noted under Recommendation 5 we believe that the Centre's partnerships with NARS and NGOs has been one of our strengths in recent years and this has been recognised widely, including by the CGIAR partnership award in 2004. As discussed with the Panel we are therefore committed to strengthening and expanding our partnerships in order to further increase our impact. We believe that a formal Partnership Strategy would assist by providing clear guidance to staff in pursuing this work and we will develop such a strategy. In doing so the elements recommended by the Panel will be addressed including clarifying the position of the Centre and partners on the R&D continuum, and building capacity of staff and partners as required. We note also that WorldFish uses the Value Chain diagram as a device to guide discussion and thinking about these issues. This heuristic device should not be interpreted literally as a linear chain of events or skills from the creation of knowledge to improved lives. The stages 'along this chain' can be viewed as encompassing a bundle of attributes that differentiate sets of skills. We have used this device, along with an analysis of our strengths and weaknesses to work out how we might best place ourselves in partnership with others to achieve our mission. From this analysis we believe our comparative advantage lies at neither end of the spectrum, but in a balance in the middle.

Recommendation 12:

The Board agreed to the proposed Management's response.

13. The Panel recommends that the Centre's Board and Board Committees be restructured as follows:

- reduce the Board size to not more than nine Trustees, including the ex officio Director General, Host Country representatives and the FAO nominee;
- modify Board Committee Structure to retain the Audit Committee, the Nominating Committee, and the Executive Committee, and eliminate the Programme Committee;
- include in the Centre's Annual Reports a Report of the Trustees, discussed and approved by, and signed on behalf of, the Board, and Audited Financials, duly certified by the Director General and the Chief Financial Officer, along with the Independent Auditors' Report;
- constitute a Science Advisory Committee of an appropriate number of members with suitable qualifications and experience/expertise, with a member of the Board as the Committee Chair. The Committee will report to the Board, and the Committee Chair (or any other member other than the Director General) should brief the Board at every meeting on its deliberations and advice; and,
- plan for CCERs on a three-year rolling time frame, to be updated each year, to obtain the best panelists with adequate advance notice, and spreading the workload evenly over the period. The CCER Panel Chairs should be requested to make the presentations to the Board on their Reports and Recommendations.

WorldFish Response. The Centre initiated a process of Board reform in September 2005 and we are pleased that the Panel Recommendations reflect the direction that is being taken. Specifically at its 29th meeting (5-9 March 2006) the Board of Trustees agreed to:

- reduce the Board size to eight Trustees, including the Director General and Host Country representatives;
- modify the Board Committee structure to retain the Audit Committee, replace the Nominating Committee with a Governance Committee, and eliminate the Programme Committee;
- pursue establishment of a Science Advisory Committee, with the Terms of Reference and operating procedures for this Committee to be reviewed at the 30th meeting of the Board of Trustees in September 2006.

We also agree that the Centre should produce an Annual Report of the Trustees that is discussed, approved and signed on behalf of the Board, as well as Audited accounts.

As noted under Recommendation 1, the Board of Trustees has requested management to plan for CCERs on a 3-year rolling time frame and this plan will be considered by the Board of Trustees at its meeting in September 2006.

Recommendation 13:

The Board asked the Deputy Director General to revise this response in light of the final decision on the changes to the Constitution.

14. The Panel recommends that the Centre continue to accord this matter [maintaining reserves at prudent and yet not unduly excessive levels] very high priority and importance so that necessary and appropriate allocations are expeditiously approved and utilized.

WorldFish Response. AGREED. WFC has developed a plan to draw on the Centre's reserves to allow investment in science development. The Investment Plan for 2006 of USD1.2m provides for additional scientists and support costs in several regions for project development, implementation and delivery that lay a solid foundation for long term growth in our science, and funding base for this, consistent with the Centre's updated strategy. The Centre's Board and Management are committed to giving this matter very high priority on an on-going basis.

Recommendation 14:

The Board agreed to the proposed Management's response.

- 15. The Panel recommends that the Centre should revisit and comprehensively review this recovery methodology [rental charges as a component of overhead] in all its aspects, seek directions from the Audit Committee and Board urgently, and adopt an appropriate policy that would be consistent with the its Constitution mandating it as not-for-profit organisation, and in full compliance with the Host Country and Land Lease Agreements with the Malaysian Government, and transparent disclosure to, and concurrence of, the projects where such recoveries are proposed to be applied.**

WorldFish Response. AGREED. The Centre will conduct a comprehensive review of its overhead recovery concept and methodology which address these important issues. This review and a proposed policy will be presented to the Centre's Audit Committee and the Board at its next meeting.

Recommendation 15:

The Board agreed to the proposed Management's response.

Agenda Item 25: ELECTION OF BOARD MEMBERS

The Report of the Nominating Committee was presented under agenda item 24c.

Board Decision:

The Board approved the Nominating Committee's recommendation:

- a) to appoint Dr Stella Williams as Vice Chair of the Board;
- b) to appoint Dr Wendy Craik as Chair of the Audit Committee;
- c) to relieve Dr Stella Williams of her responsibilities as Chair of the Nominating Committee;
- d) to relieve Dr Stella Williams of her responsibilities as a member of the Board Awards Committee;
- e) to appoint (on the recommendation of the Chair of the Board) Dr Asger Kej as Chair of the Nominating Committee (or the Governance Committee if the constitutional change is accepted);
- f) to relieve Dr Kej of his responsibilities and membership of the Executive Committee;
- g) to appoint Dr Fukusho as a member of the Board Awards Committee;
- h) to consider a change to the proposed constitution which would allow for a "minimum of 3 members" of the Governance Committee;
- i) to add Dr Ida Siason to the Governance Committee if the changes to the constitution allowing for this are accepted;
- j) to invite Dr Serge Garcia to remain as an observer on the Board until the date of his retirement from FAO.

(Board Action 29-30)

Dr Stella Williams and Dr Wendy Craik left the Board room during the time of voting for the posts of Board Vice-Chair and Chair of the Audit Committee, respectively. Dr Asger Kej was attending the IWMI Board meeting during that time.

Agenda Item 27: BOARD MEMBER'S REPORT ON SITE VISIT

Due to time constraint, Dr Ida Siason was not able to present to the Board the PowerPoint presentation on her site visit to Bangladesh from November 29 – December 1, 2005. However, a hardcopy of the presentation was circulated to all Board members for information. The Chairman

apologised for this and also reminded Management to provide a full costing for the September 2006 Board meeting in Egypt and also site visits to Malawi as proposed by the two Board members.

Agenda Item 29: CORPORATE SERVICES REPORT

The Corporate Services Report was taken as read by all Board members. The Chairman drew the Board's attention to page 5, 4th bullet point under "Main Accomplishments for 2005" and commented that the Board had not received quarterly financial reports on time. He also highlighted the 3rd bullet point on page 7 under "Major Activities Planned for 2006" that Financial Planning and Budget Unit (FPBU) should explore external parties that can provide such services in terms of monitoring exchange rate loss, as developing in-house capacity in this field would not be a good use of resources. He also highlighted the 6th bullet point under the same heading and asked what performance standards and indicators it was referring to. The Chairman emphasised that Management must submit the quarterly financial report to the Board on a timely basis.

The Chairman apologised to the Corporate Services Director for not being able to review this report in detail due to time constraint.

Board Decision:

That Management to submit a quarterly financial report to the Board of Trustees within a month after each quarter end closing. (Board Action 29-31)

Agenda Item 30: REVIEW AND APPROVAL OF THE REVISED FINANCIAL DELEGATION MANUAL

The Director of Science Co-ordination highlighted to the Board on the changes in the designation in the financial delegation authority. He also mentioned that at the time of preparing the revised delegation, Management inadvertently omitted the Deputy Director General and proposed to include the Deputy Director General in the financial delegation under the 2nd level of delegation.

Board Decision:

The Board approved the revised Financial Delegation Manual under Section 3.0, Section 3.1 – Levels of Authority and to include the Deputy Director General under the 2nd level of delegation. (Board Action 29-32)

Agenda Item 31: UPDATE ON OVERHEAD COST RECOVERY MONITORING

The Chairman expressed his concern on the overhead cost recovery issue and would like Management to take action on this matter soonest possible as this has been delayed for quite some time due to the changes in personnel handling this matter. The Board would like to see some actions taken on this matter and would like to receive positive report and not just an update in the September 2006 Board meeting.

The Director General said that he takes full responsibility on the delay of the implementation of the overhead cost recovery system and for not focusing on this matter previously.

Board Decision:

Management to report to the Board on the actions taken with regards to the overhead cost recovery monitoring system in September 2006 Board meeting. (Board Action 29-33)

Agenda Item 33: UPDATE ON INFORMATION AND COMMUNICATIONS PROGRAMME

The Information and Communications Programme report was taken as read by all Board members. Two Board members complimented on the report of the activities that were carried out by the Information and Communications Programme.

The Chairman apologised to the Head of Information and Communications Programme for not being able to review this report in detail due to time constraint.

Agenda Item 34: STATUS OF INTERNATIONAL & REGIONAL AGREEMENTS

The Director General gave an update to the Board on the International and Regional Agreements, in particular, the Philippines Sub-Regional Agreement. He informed the Board that he would like to seek Dr Ida Siason's assistance. Dr Siason replied that she will try, to the best of her ability, to assist the Management to pursue this matter. She also mentioned that it will be more effective if there is a senior staff with authority in the Philippines office who can also constantly follow up with the Philippines government in order to expedite this matter.

On a different note, Dr S. Ayyappan highlighted that Management could also review the agreement with the Indian Council for Agricultural Research (ICAR) as it is now quite old.

Agenda Item 28: OTHER BOARD MATTERS

Dr S. Ayyappan thanked the Board Chair and the Director General for the change of hotel. However, a Board member commented that the rates at E & O Hotel are higher than at Hotel Equatorial. The Chairman responded that although the rates are higher, they are still within the recommended rate set by the World Bank. It was agreed to continue to use the E & O Hotel for the time being.

Agenda Item 35: TIME AND PLACE OF NEXT MEETING

The Board confirmed that the second annual Board meeting will be held in Egypt from September 10-13, 2006 and all Board members must plan to arrive in Cairo on September 9, 2006.

There will be a full Board teleconference meeting on the week of December 4 – 9, 2006 during the CGIAR AGM06 which will be held in Washington DC. The suggested date for the teleconference is on 4 December 2006.

The proposed date for the 2007 first annual meeting is February 19-24, 2007 which will be held in Penang. The Chairman requested all Board members to check their schedules when they return and confirm with the Board Secretary on their availabilities on the following week.

Board Decision:

The 2nd annual Board meeting will be held in Egypt from September 10-13, 2006. (Board Action 29-34)

Agenda Item 36: STATEMENT OF OBSERVERS

There is no observer attending this meeting.

Agenda Item 37: OTHER BUSINESS

The Board expressed their concerns with regards to the balance of gender and diversity in the Centre. The Director General agreed that Management need to look into the recruitment process

and the advertisements in order to attract more women applicants. The Board proposed that Management to include in the 2006 Key Performance Goals the target number of women working in the Centre.

Board Decision:

The Board requests the Director General to develop specific targets for improving gender and diversity within the Center, and to include these in the previously approved Key Performance Goals for 2006. (Board Action 29-35)

Dr Serge Garcia will communicate with the Governance Committee and provide some names to replace him as an observer from FAO.

Agenda Item 38: CLOSING REMARKS

Dr LinXiu thanked the Board for their friendships and assistance rendered to her during her term as a Board member. She requested that the Board and Management not to exclude her from any activity of the WorldFish Centre as she still feels like a part of the WorldFish Centre family. She added that she can be contacted anytime for any assistance that the Board or Management required.

The Chairman thanked Dr LinXiu for her contribution as the Vice Chairman to the Board. The Chairman also thanked the Management and the Board Secretary for their good works. He also thanked Emily Khor for her usual kind assistance provided to all Board members and the good co-ordination to ensure the success of the Board meeting.

The Chairman concluded that this is the first step that we are taking in terms of the collaboration with IWMI and looked forward to working with Board members to further develop the collaboration.

There being no other matters, the Chairman declared the 29th Board of Trustees meeting to be closed at 1.10 pm.

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