

**WORLD FISH CENTRE
BOARD OF TRUSTEES
FULL BOARD
THIRTIETH MEETING
10-13 September 2006
Abbassa, Egypt**

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| Present: | - Dr. Trond Bjorndal | Chairman |
| | - Dr. Stella Williams | Vice-Chair |
| | - Dr S. Ayyappan | Member |
| | - 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 |
| Absent with Apology: | - Dato' Junaidi Che Ayub | Member, Ex-Officio |
| Board Secretary: | - Dr James K. Oliver | Director, Science Co-ordination |

Staff in Attendance: Dr Barry Tan, Dr Patrick Dugan, Mr Anthony Voon and Mr John Fitzsimon

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 30th meeting of the Board of Trustees. It is a pleasure to be in Egypt in general and Abbassa, in particular. For me, this is my second visit here and I am delighted to be back. Apart from Dr Serge Garcia, I believe it is the first time for the rest of the Board to visit Abbassa. Let me say thank you to Mr Tawfik Yanni and his staff for all their efforts on our behalf. You have received us with open and warm hearts, which is very much appreciated. We much look forward to interacting with you during our three days here.

As far as I understand, this is only the second time the Board meets at a location outside of headquarters. I believe that for the future we should consider meeting more frequently at our sites in Africa and Asia.

There are a couple of new faces around the table including Dr Malcolm Beveridge and Mr Anthony Voon. They will have an opportunity to introduce themselves later but let me welcome them to the Centre on behalf of the Board.

First, let us remind ourselves of The Board's Mission Statement, in particular,

- The Board's primary mission is the setting of policies to ensure achievement of the Centre's stated goals and objectives and
- The Board will act in trust for all the Centre's stakeholders.
Secondly, I draw your attention to the Code of Conduct for the Board, in particular.
- We conduct ourselves with integrity, are fair and honest in our dealings and treat others with dignity.

Being in Abbassa will put its mark on the programme. We will have a presentation on its history and an opportunity to discuss its future. I feel it is also a very appropriate location for a discussion of the Centre's aquaculture strategy. In addition, the Natural Resource Management's research strategy and the Centre's first campaign will be tabled.

Processes that were started at earlier meetings will continue here. In terms of the strategic alliance with IWMI, we will be presented with a Business Plan and a Joint Venture Agreement. With regard to the process of Board reform, we will decide on whether we should establish a Science Advisory and Review Committee, in addition to some further revisions of the Constitution and other matters.

The Board takes its fiduciary responsibilities very seriously. We look forward to updates on the financial position and a discussion of future prospects.

As mentioned in the Mission Statement, the setting of policies is an important function for the Board. Among the items on the agenda for this meeting, I will in particular mention approval of our Human Resources Policies, formulated jointly with IWMI.

For the first time, Board training is on the agenda. Two topics have been selected based on preferences expressed by Board members, namely, Intellectual Property and Risk Management.

Again, welcome to everybody. I look forward to spending time with the Board, Management and Staff. Together we will make a great centre even greater.

I hereby, declare open the 30th meeting of the Board of Trustees.

Agenda Item 1b: APOLOGIES

The Chairman reported that Dato' Junaidi Che Ayub sent his apology and was not able to attend the Board meeting due to his meeting with the Prime Minister. Dr Ayyappan has arrived this morning and will be joining the Board in approximately half an hour's time.

Agenda Item 2: REVIEW AND APPROVAL OF THE PROPOSED AGENDA

The agenda was approved as presented.

Agenda Item 3: REVIEW AND APPROVAL OF THE 29TH BOARD OF TRUSTEES MINUTES

The Board reviewed the minutes of the 29th Board meeting page by page and made the following minor amendments.

Board Decision:

The Board approved the minutes of the 29th Board meeting subject to the minor corrections: (Board Action 30-1)

Page 4: Agenda Item 5: 2nd last line of the 5th paragraph should read as "..... Board would meet in **December 2006**"

Page 4: Agenda Item 5: The Board Action 29-5 should read as "***The entire Board will meet in December 2006 to review and approve the 2007 Budget (Board Action 29-5).***"

Page 11: Agenda Item 12a: The last line of the 2nd paragraph should read as “..... **some of the Trustees after the presentation.**”

The Board noted that the various options presented during the last Board meeting in March 2006 concerning the IWMI and WorldFish Collaboration should be read out during the discussion of the business plan.

The Board noted that the Governance Committee does not require the Board's approval to add potential Board candidate information into the database unless they are for consideration.

Agenda Item 4: BUSINESS ARISING FROM THE MINUTES

No other business was identified.

Agenda Item 5a: RATIFICATION OF EXECUTIVE COMMITTEE AND OTHER BOARD ACTIONS (RATIFICATION OF MTP 2007-2009)

The Director General informed the Board that the Science Council is currently reviewing the MTP and have not provided any comments to the Centre. A Board member commented on the allocation of percentage for the East and South East Asia portfolio. The Director General replied that the allocation was based on the information provided by the Portfolio Director according to either restricted or unrestricted funding.

Board Decision:

The Board ratified the out of session decision made by the Board on 6 June 2006 that the Board approved the draft Medium Term Plan as presented to the Board and Executive Committee, subject to minor changes as discussed at the meeting or as raised by Board members during the following week. (Board Action 30-2)

Agenda Item 5b: RATIFICATION OF EXECUTIVE COMMITTEE AND OTHER BOARD ACTIONS (RATIFICATION OF EGYPT'S CONTRIBUTION IN 2004 & 2005)

The Director General informed the Board that the present Minister of Agriculture was newly appointed. The Chairman of the Board, Director General and Professor Yehia Hassan Khalil met with the Minister on Saturday, 9 September 2006 and they had a discussion pertaining to the pending Egypt's contribution to the Centre. The Minister gave his word that the Egyptian government will settle the outstanding contribution before the Director General returns to Penang in three weeks' time.

At this juncture, Dr Ayyappan entered the Conference Room and the Chairman welcomed him to the meeting.

Board Decision:

The Board ratified the out of session decision made by the Board via email dated 18 July 2006 that the Board postpone implementation of Board Action 29-13 and that implementation is reconsidered at Board of Trustees Meeting in September 2006, but in the interim instructed Management to plan for a US\$500,000 reduction in available investment funds in 2007. (Board Action 30-3)

Agenda Item 5c: RATIFICATION OF EXECUTIVE COMMITTEE AND OTHER BOARD ACTIONS (RATIFICATION OF NEW SIGNATORIES FOR PURCHASE ORDERS)

Board Decision:

The Board ratified the out of session decision made by the Board via email dated 19 July 2006 that the Board approve the new approving signatories for Purchase Orders in the Financial and Procurement Delegations Manual based on the current Corporate Services Division structure and new reporting structure. (Board Action 30-4)

Agenda Item 6: REVIEW BOARD ACTION PLAN TO 29TH BOARD MEETING

Item 17 of the Board Action Plan should read as follows:-

“Provide suggestion for one prospective new Board member through the Governance Committee.”

Item 26 and 27: To amend the dates of update.

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 the following activities undertaken by her since the last Board meeting in March 2006.

NEPAD Fish for All Summit: Workshop at IIFET Conference, July 2006: Drs Simone Heck, Ann Gordon, Sloans Chimatiro had planned, prepared and facilitated the workshop on 13 July 2006. About 35 participants attended the presentation. The comments, questions and queries were positive and useful. The participants were very appreciative of this side event of IIFET and it profiled the WorldFish Centre on a positive role. The team from the FAO/SFLP based in Cotonou, Benin Republic endorsed the future activities of the WorldFish Centre in Africa, in particular. There were some important requests as follows:

- Review the process of translation of publication from English to French. This is because the French version is not representative of the English version.
- Participants wanted a compilation of publications on fisheries and aquaculture researchers by others which were not reflected in the NEPAD Fish for All publications as presented. This was necessary according to a number of participants to enrich as well as strengthen the current information.
- Establish a Network Group. As a follow up on these requests, emails have been shared by all the participants from July to date. Secondly, efforts will be made to compile publications and the result will be shared with the team under the Deputy Director General for Africa and West Asia Region. Thirdly, the request to establish a Network Group was accepted. An email confirming the promise of Dr Amadou Tall, Director of INFOPECHE still holds true. The process and implementation will be undertaken as part of the on-going email Listserve established in July 2006.

Dr Williams also reported that the relationship between WorldFish Centre and The Forum for Agriculture Research in Africa (FARA) (a CGIAR organisation responsible for NEPAD’s Research and Budget facilitator) as well as the African Union (AU) has improved dramatically. This indeed is a positive development. Meetings have been held with members of FARA, AU and SFLP. There are plans for additional meetings and activities in the future. This too is a positive development.

Dr Williams informed the Board that she also received a personal phone call from the Honourable Minister of State for Agriculture in Nigeria. He is anxious that it has been a year since the summit and there is no information from The WorldFish Centre about future WorldFish presence in Nigeria.

She further reported that, in general, The WorldFish Centre's profile in Africa's Fisheries and Aquaculture Development is good. NEPAD Fish for All Summit launched the Centre positively in 2005. The follow up activities in terms of collaborating with FAO and other organization involved in Africa is encouraged and supported as shown by the report of the Deputy Director General and other team members. Dr Williams thanked the Board for giving her this opportunity to promote the WorldFish Centre's activities.

Dr Yehia Hassan Khalil: Dr Khalil reported that he continued to liaise with the Minister of Agriculture and briefed him on The WorldFish Centre's work in Egypt and the role of the Board of Trustees. He informed the Board that the Minister looked forward to meeting the Board during their meeting in Abbassa.

Dr Khalil added that he had also liaised with key officials in the Ministry of Agriculture pertaining to the outstanding Egyptian contributions for 2004 and 2005 and the next contribution for 2006. He had been given the assurance that this matter will be resolved soon.

Dr Anne Kapuscinski: Dr Kapuscinski reported the various activities that she undertook since the last Board meeting in March 2006. She had made initial contacts for the Director General to meet with Packard Foundation, CEO of Global Environment Facility, and a person connected to potential private donor in the ornamental fish trade area.

She also provided extensive comments on draft policy and code of conduct for policy on GIFT transfer to Africa.

She responded to the request for help from US leaders of a Millennium Challenge Corporation proposal on small-scale fisheries in Morocco; answered their basic questions about WorldFish Centre and facilitated their communication with the Centre.

Dr Kapuscinski facilitated the inclusion of WorldFish Centre as a primary partner in a proposal, led by the University of Minnesota, re-invited by the US National Science Foundation (NSF); this invitation results from NSF giving a high priority ranking to the pre-proposal submitted in March 2006. The full proposal is due on September 25, 2006 and a decision is expected by the 1st quarter of 2007.

Dr Kapuscinski led an extensive editing of peer-reviewed book resulting from workshop convened at WorldFish Centre in October 2005, in partnership with the Global Environment Facility's Scientific and Technical Advisory Panel. The book presents methodologies for environmental risk assessment of genetically modified fish, with much material relevant for assessing GIFT and other selectively bred fish lines; and three of the 40 co-authors are WorldFish staff.

Dr Ayyappan: Dr Ayyappan reported that since the last Board Meeting in March 2006, he facilitated the start-up and implementation of three collaborative research projects between the WorldFish Centre and Indian Fisheries Institutes, including the Challenge Programme on Water & Food.

Dr Ayyappan facilitated the visit of Dr Raul Ponzoni from Penang to the Central Institute of Freshwater Aquaculture (CIFA), Bhubaneswar with regard to a programme on selection in prawns.

He also enabled enhancement of annual Indian contribution from US\$60,000 to \$160,000 during the year.

Dr Ayyappan organised a workshop on "Water Management" in fisheries and aquaculture in June 2006 with the participation of WorldFish Centre and IWMI.

He looked for high potential WorldFish Centre collaboration in programme under the National Agricultural Innovation Project (NAIP) launched in India.

Dr Fukusho: Dr Fukusho reported that he participated in a meeting with the Japanese Board members for the CGIAR on 7 June 2006 in Tokyo which was organised by the Ministry of Agriculture, Forestry and Fisheries. He added that important officials from the Ministry of Foreign

Affairs who are in charge of the CGIAR also attended the meeting. During the meeting, he emphasised that financial support by Japanese Government is strongly required by The WorldFish Centre and Japanese scientists should intensively join the activities conducted by WorldFish Centre.

Dr Fukusho visited Malawi as the JICA advisor for the aquaculture project in May 2006 and visited the Malawi Office and had discussion with Dr Daniel Jamu. They discussed future collaboration between WorldFish Centre and the JICA project for the aquaculture development in Malawi.

Dr Fukusho added that he continued to communicate with the officials in charge of the CGIAR of the MAFF, Fisheries Agency and the MFA for support to the Centre by the Japanese Government. He visited the National Research Institute of Aquaculture and had discussion with Dr Yasuji Sakai, Director General and Dr Satoru Toda, Vice Director General on the possibility of collaboration with WorldFish Centre for the development of aquaculture in under developing countries. He also visited the Fisheries Agency in Tokyo and met with Mr Yoshiyuki Shige, Director of Aquaculture Research Division in June and had requested for their support to the WorldFish Centre.

Dr Serge Garcia: Dr Garcia reported that he had contributed to the collaboration between FAO and WorldFish Centre towards the development of a framework for integrated movement of small scale fisheries. He played the role as a mediator between FAO staff, the FAO Fish code project and the WorldFish Centre staff in the Natural Resources Management programme. A common concept note has been elaborated as well as a project idea. He also provided some input to a paper drafted by WorldFish Centre staff to publicise on the joint efforts.

Dr Garcia added that he was also involved in a close collaboration between FAO and WorldFish Centre in the field of developing a draft joint strategy on aquaculture in Africa. He interacted with both Dr. Hall and Dr. Beveridge on ways to successfully complete this collaboration. It was agreed that a meeting should be held to discuss this matter further during the CIFA Meeting in December 2006. A joint project proposal was also sent to the Bill Gates Foundation for a \$4 million funding.

Dr Garcia continued to play a role and had discussion on the alliance between FAO and WorldFish Centre. He had discussion with the Centre's staff with regards to the issues and opportunities that needs to be addressed concerning the alliance. He also had discussion with the Director General and tried to establish an understanding on how best the two organisations could collaborate closely and in parallel to develop an effective collaboration through joint projects.

Dr Wendy Craik: Dr Wendy Craik reported that she had a meeting with AUSAID regarding the Mekong AUSAID current strategy in the Mekong region that focuses on education, research, anti-corruption, infrastructure and rural growth. The environment underpins everything that they were doing in the Mekong region. Dr Craik highlighted that they are investing their funds in the Research and Development and also have an interest in governance and leadership.

While they are interested to work with the WorldFish Centre, they are not suggesting that WorldFish Centre make a special trip to discuss possible collaboration with them. During her discussion with them, they also referred to Dr Meryl Williams's effort on the WorldFish Centre's collaboration with ACIAR.

Dr Craik said that AUSAID is preparing a strategy paper on the works in the Mekong region and she will provide this information to Drs Helen Leitch and Blake Ratner as soon as they are available because AUSAID is very much interested in the work in the Mekong region.

Dr Asger Kej: Dr Kej informed the Board that he had no substantial report to make at this meeting.

Dr Ida Siason: Dr Siason reported the following activities since the last Board meeting. On several occasion, she had the opportunity to meet with WorldFish Centre's staff in the Philippines Office and the Department of Foreign Affairs (DFA) pertaining to the Philippines' WorldFish Office sub-regional agreement. Considerable progress is being made and the Centre is currently waiting for the final draft of the agreement from the DFA for eventual signature.

Dr Siason further reported that she also joined in Iloilo, Philippines, the consultation-meeting of Dr Kuperan who is the Team Leader of the Strategy for Sustainable Aquaculture Development for Poverty Reduction Project that is currently being undertaken by the WorldFish Centre in collaboration with ADB.

Dr Siason mentioned that she also informed the Director General with regards to the Oil Spill in the Philippines and has requested the Director General to look into the opportunity for WorldFish to work with local scientists in the Philippines to assist in this problem as this situation is quite similar to the Tsunami incident in terms of the natural resources environment and rebuilding the livelihoods of the people.

In addition, Dr Siason informed the Board that the WorldFish Centre has a long standing relationship with the Asian Fisheries Society (AFS) and she stressed that this mutual relationship and understanding can be further improved through further collaboration, such as in possibly reviving its past active support for the Asian Fisheries Social Science Research network. Further, at the Cage Aquaculture in Asia Conference in Hangzhou, China, Dr. Siason was asked to receive on behalf of WorldFish, the AFS Certificate of Appreciation for the support World Fish has given the AFS in undertaking said conference. She would submit this certificate later.

The Chairman noted the diversified activities undertaken by all Board members and stressed that this is very important. He thanked all Board members for their contribution 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. He further updated the Board that the Centre has hired several young scientists under the Natural Resources Management (NRM) Discipline and he hopes to see contributions by these Scientists that will bring positive impact to the Discipline and Centre.

The Board was also briefed on the project management and was informed that the Director of Science Coordination is preparing the Project Management Manual which would assist all project leaders and staff handling projects to be more equipped with the procedures of the administration of projects. He added that with the assistance from Miss Emily Khor, Management is seeing some improvement in handling the project administration including close monitoring of project deliverables and follow-up with project leaders.

The Director General informed the Board that the Centre is currently hosting the Office of the CGIAR Strategic Advisory Services (SAS) Director, Miss Unni Vennemoe in Penang. He mentioned that it is a privilege for the Centre to host Miss Vennemoe as this will give the Centre more opportunity to be involved in the human resources strategic matters.

In terms of Gender and Diversity, the Director General informed the Board that the Centre is still trying to fill senior position, in particular, the Director of Policy Economics and Social Science with a female candidate. He has requested for assistance from Miss Unni Vennemoe and Miss Vicky Wilde in this matter.

In conclusion, the Board of Trustees commented that they were very pleased with the Director General's weekly updates on the Centre as this is most helpful in keeping the Board abreast of the happenings and current situation in the Centre.

Agenda Item 9: UPDATE ON HALF YEARLY REVIEW

The Head of Corporate Finance and Administration distributed the August 31 2006 Financial Management Report to all Trustees prior to the discussion of this agenda item. The Director General informed the Board that the handouts of the August 2006 report have no significant changes and remain on track compared to the June 2006 review package that was sent to all Board members.

The Board indicated that the attachments of notes are not necessary and what is important is the summary of the financial statements. Two Board members strongly indicated that information in the financial statement as presented conventionally is preferred because this will provide more substantial information in terms of how well the Centre is doing financially.

The Director General explained to the Board that the information in the Dashboard is still valuable since it provides detailed information that is fundamental to the Centre, e.g. details of expenditure and cost recovery in the Centre.

Overall, the Board of Trustees commended Management on its ability to provide the Board with the August 31, 2006 Financial Report on 11 September 2006.

The Board reminded Management that they look forward to a budget in 2007 that would include expenditure predictions on a month by month basis, rather than assuming a uniform expenditure through the year. The Deputy Director General added that 2007 Budget will be tighter compared to 2006.

The Director General went through the 2006 Key Performance Goals and informed the Board that he was very pleased with the focus and progress made in meeting these Key Performance Goals at all levels. He also informed the Board that the individual staff's performance appraisal is linked to the Centre's Key Performance Goals and this is how staff is being measured on the targets achieved in the Key Performance Goals.

The Board of Trustees noted the reports and were pleased with the timely closing of the August 31, 2006 financial report.

Agenda Item 10: BUSINESS DEVELOPMENT REPORT

The Business Development report was taken as read by the Board of Trustees. The Director of Business Development gave a comprehensive presentation on the progress in terms of grants and core fund and the Centre's overall funding outlook from 2006-2010.

The Director of Business Development highlighted that WorldFish core funding could continue to decline and other CGIAR Centres are also affected. However, investors are looking forward to fund more Challenge Programme projects and it would be ideal for WorldFish Centre to be leading some of these Challenge Programme projects in order to attract more investors.

She highlighted to the Board of Trustees some of the proposals that the Centre had submitted. One of those is to the Gates Foundation. A Board member responded that Gates Foundation stressed nutrition and aquaculture works and this would provide WorldFish Centre with a significant opportunity.

Agenda Item 11: REVIEW AND APPROVAL OF 2007 INDICATIVE BUDGET

The Chairman welcomed Mr Anthony Voon, the Head of Corporate Finance & Administration again to the WorldFish Centre and also to the Board meeting. Mr Voon was requested by the Chairman to give a brief introduction about himself.

Mr Voon informed the Board of Trustees that the projected expenditure and revenue reported in the 2007 Indicative Budget were in line with the Medium Term Plan.

The Chairman informed the Board of Trustees that detailed discussion on the 2007 Budget will be discussed via teleconference and the date of the teleconference will be set later today.

Management was requested to defer the decision to derecognise the Egyptian contributions till end of this year during the discussion of 2007 Budget in December 2006, however, management was requested to derecognise the 2004 Egyptian contribution if the Centre did not receive the money in three weeks time as indicated by the Ministry of Agriculture.

The Chairman encouraged Management in the setting up of an office in Zambia (West Africa) and stressed that expenses incurred in the setting up of this and other new offices should be explicitly reflected in the 2007 Budget. During the year, any changes in place to open new offices should be brought to the Board for approval before proceeding.

Agenda Item 12: REVIEW AND APPROVAL ON INTERNATIONAL RESEARCH SUPPORT SERVICES (IRSS) BUSINESS PLAN

The discussion of this agenda item is deferred to 12 September 2006.

Agenda Item 13: UPDATE ON OCCUPATIONAL HEALTH AND SAFETY POLICY

The Occupational Health and Safety Report was taken as read by all Board of Trustees. The Director General stressed that Management was very mindful of staff's personal safety especially when they are on duty travel.

A Board member suggested Management to request input from other CGIAR Centres with regards to their Occupational Health and Safety issues as one could probably learn from other Centres in terms of their Occupational Health and Safety issues and opportunities.

Agenda Item 14: REVIEW AND APPROVAL OF POLICY ON GENETIC INTRODUCTIONS AND CODE OF PRACTICE

The Chairman welcomed Dr Malcolm Beveridge, the Discipline Director of Aquaculture and Genetics Improvement to the WorldFish Centre and also to the Board Meeting. The Chairman requested Dr Beveridge to give a brief introduction about himself.

Dr Beveridge presented to the Board the draft policy and requested that the Board approve this policy in principle and any modification to the draft policy can be improved further subject to the Board's approval.

The draft policy received positive comments from the Board and that Management has made significant progress in re-drafting this policy compared to the previous paper. A number of comments and suggestions were made by board members and these were noted by Management.

Board Decision:

The Board approved the Policy and Code of Practice, subject to some final minor editorial changes being completed to the satisfaction of Dr Anne Kapuscinski and the Director General (Board Action 30:5)

Agenda Item 15: PRESENTATION ON THE HISTORY AND FUTURE OF ABBASSA

The Deputy Director General gave a comprehensive presentation on the history and future of Abbassa facility. The Chairman commented that this presentation is very timely because it also

coincides with the 30th Board Meeting held in Egypt. The Abbassa facility has come a long way since 1997.

The Deputy Director General stressed that the presentation is not about the Aquaculture Campaign or African strategy but mainly to provide the Board with a general understanding of the facility and how it can be better utilised in the future. However, he noted that a full approval of the future role of Abbassa could not be made until this strategy has been completed and the role of Abbassa in implementing this strategy has been properly considered.

The Board agreed that the strategic role of the Abbassa facility should be linked to the policy development of the Aquaculture Campaign Strategy. The Chairman added that once the Aquaculture strategy has been identified, Management should look into how Abbassa could be utilised further to fit into these strategies. The Chairman also requested Management to provide the Board with a business plan on Abbassa either in March or September 2007 Board Meeting.

Board Decision:

Management will provide a business plan for the Abbassa facility either in March or September 2007 once all campaign strategies have been finalised. (Board Action 30-6)

Agenda Item 16: REVIEW AND APPROVAL OF THE REVISED INVESTMENT POLICY

The Board stressed that the approval of this policy is only applicable to WorldFish Centre.

The Board questioned the need to have an independent Investment Committee. The Board authorised the Director General and Board Secretary to revise and approve the policy in the light of the discussion.

Board Decision:

The Board authorises the Director General and Board Secretary to revise and approve the harmonised Treasury Policy in the light of the discussion. (Board Action 30-7)

Agenda Item 17: REVIEW THE ROLE OF WORLDFISH CENTRE WITH THE FISHBASE CONSORTIUM

The Director General introduced the paper and indicated that Management felt that it had already clearly specified the role of WorldFish in FishBase and the FishBase Consortium. However, in view of the EPMR request for clarification the Director General requested the Board's confirmation that the Centre's role has been adequately specified. The Board agreed with the Director General's assessment and approved the recommendation.

Board Decision:

The Board confirms that the existing arrangements and policy relating to the Centre's relationship with FishBase are clearly defined and that no further clarification in response to the EPMR recommendation is required. (Board Action 30-8)

Agenda Item 18: REVIEW AND APPROVAL OF THE HUMAN RESOURCES POLICIES

The Board provided the Director General with comments and suggestions on the revised Human Resources Policy. Subject to these comments, it approved the policy, in principle, and noted that the final policy would be presented to the Board for formal approval out of session after it had been reviewed by Human Resources experts, lawyers and from IWMI Board. It noted that the summary recommendation on the Agenda Information Sheet did not match the recommendation in the full paper.

Board Decision:

The Board approves, in principle, the revised Human Resources Policy Manual (version 1.0). The Board will consider and approve the final revised Personnel Policy Manual (version 1.1) out of session. (Board Action 30-9)

Agenda Item 19: REVIEW AND APPROVAL OF THE ROLLING PLAN FOR CENTRE COMMISSIONED EXTERNAL REVIEW (CCER)

The three year rolling plan for Centre Commissioned External Review was taken as read by all Trustees. The Deputy Director General emphasised that although other issues such as gender research in small-scale fisheries and aquaculture, impact assessment research in the Centre's programme, development and dissemination of genetically improved strains for aquaculture in Africa and environmentally sustainable aquaculture are not being reviewed through CCER, they will not be removed from the list but will be considered later.

The Deputy Director General added that bringing in external reviewers to review our science could be a positive approach as the Centre would be able to obtain new perspectives on its work and plans. However, this could only be achieved if Management appoint the right panel. A Board member commented if Management could do away with CCERs and incorporate them into the role of the SARC because the CCERs would normally incur additional costs and time. This matter was discussed further in Agenda item 26.

The Board indicated that the review in 2009 of the Centre's strategy including its research structure should explicitly state that this would include a review of the Matrix Structure.

The Board requested Management to incorporate the research policy interface under the 2008 CCER.

Board Decision:

The Board approved the schedule of CCERs proposed for 2007-2009 and the 2008 CCER as amended. (Board Action 30-10)

Agenda Item 20: REVIEW AND APPROVAL OF RESPONSE TO THE GREATER MEKONG PROGRAMME'S CCER

The Portfolio Director introduced each recommendation and response of the Greater Mekong Regional Programme CCER. The Board provided comments and the Portfolio Director was requested to reword the responses for Recommendations 1 and 5. The Portfolio Director was requested to present the revised responses to the Board of Trustees the following morning.

The Portfolio Director responded to a question raised by a Board member on his opinion of CCER. He responded that Management had benefited from the advice and views given by the CCER team even though the process took up a lot of time from staff and incurred additional costs,

Key recommendations of the external review and WorldFish responses

RESEARCH PRIORITISATION

(1) The regional strategy needs more focus and a clear identification of strategic research priorities and positioning of WorldFish with respect to partners. In order to become a useful strategic tool, it needs (additionally) to identify key areas where:

- WorldFish has particular strengths and a solid track record;
- National research partners are still weak;
- Development institutions in the region need strengthening;
- Funding is likely to be available;
- There are opportunities for higher level, high quality strategic research; and

- Constructive mutual partnerships can be developed with other regional and international players and advanced research institutes

Response:

We agree with the need to focus the research agenda further, and have already taken steps to do so in the 2007-09 medium term plan (MTP). We also agree that the criteria proposed are important ones in prioritizing opportunities for specific collaboration. Indeed, we have been applying similar criteria recently, along with an assessment of the degree to which a particular research topic addresses key national and regional development issues – another important aspect in judging the opportunity for influence.

However, we reaffirm the distinction between strategy (“the central integrated, externally oriented concept of how we will achieve our objectives”) and the selection of specific research priorities. In this thinking, a strategy should define the domain or arena in which we work sufficiently closely to distinguish how the research agenda we envision pursuing in the Mekong region differs from the emphasis that WorldFish is giving in other regions. It should answer how we go about setting research priorities and why. The definition of specific research priorities, however, we expect to be much more frequently adjusted as we develop further experience, deepen the dialogue with partners, and learn from the outcomes of the current work programme.

(2) Refinement of the research strategy should be a participatory process, involving both potential partners and clients in the region, to identify organizational strengths and weaknesses in terms of capacity to respond to development need in the realm of fish production and management of aquatic resources. This would be a useful process in itself, and would also be of interest to donors.

Response:

We agree that additional dialogue with potential partners and clients will be fruitful in refining the research priorities. To date, we have taken a primarily informal approach to consultations, with the view that the most useful insights often come from direct, frank discussions. The insights from these consultations have provided the main basis for the regional strategy. The feedback from the review panel confirms that another round of more explicit consultations – particularly with the key regional players in the sector – would now be fruitful, and we commit to completing these during 2006.

(8) We see small scale natural resource management, and to a lesser degree broader scale fisheries management, as the key entry points for WorldFish research and capacity building in the region. These areas are of crucial importance to the poor, and research and management capacity in the region remains relatively low. By comparison, we see aquaculture research and development as a low priority for WorldFish given that there is strong regional capacity outside WorldFish.

Response:

We agree that small scale fisheries management makes sense as the primary entry point for our research in the region, provided that this is set within a broader context that includes the ecological and institutional/governance environment influencing trends in small scale fisheries. Regarding aquaculture, we agree that there is strong regional capacity in technology development and extension, with most of the growth now being driven by private sector investment. For the current 3-year medium-term planning cycle, we are choosing to focus on the small-scale fisheries entry-point described above.

During this period, as the Centre’s overall strategic approach to aquaculture and rural livelihoods is reassessed and refocused, in tandem with partner dialogue in the region, there may be particular research topics that emerge as high priority, such as the interaction between aquaculture and small-scale fisheries (harvesting of the wild stock for feed and seed, shifts in property rights and tenure). In addition we will seek to better understand the future role of aquaculture in the region as demand for fish continues to rise and the barriers to market entry for poor households change. We will seek to link this to related research in other regions and contribute to strengthening the Centre’s body of international public goods (IPGs) in this field.

PARTNERSHIP

(3) The overall approach should be one of adding value and creating synergies, rather than competing with established or evolving competence. Greater account should be taken of growing capacity of many national research and development institutions and government departments in the region, as well research organisations outside the region.

Response:

AGREED. We acknowledge that moving from a history of WorldFish/ICLARM involvement in the region characterized by a set of narrowly-defined niches (e.g., sea-cucumber restocking, genetic improvement of tilapia) to a focus on research addressing broader, intersectoral challenges of small-scale fisheries heightens the demand for negotiating effective partnerships at multiple levels. Much of our current work (e.g., decision tools for managing Mekong fisheries) integrates and builds upon the best available technical expertise from a variety of domains (hydrology, fisheries ecology, socio-economic monitoring). This includes collaboration with domestic institutes and research centres from outside the region. We envision playing this broker and integrator role frequently, and are focusing on building the staff capacity to be consistently effective in doing so.

(4) Constructive collaboration with national, regional and international organizations is crucial to the Centre's synthesis and research role. It is vital that adequate credit is given to partners in all collaborative endeavours, and a relevant 'code of conduct' may be a useful element of the further development of the strategy.

Response:

AGREED. Integrity is a foundational value underlying all WorldFish endeavors, and this includes appropriate credit to partners. We are aware of no instance where this principle was breached. However, perceptions and expectations about what constitutes appropriate sharing of credit or acknowledgment vary, and it would be useful to be more explicit about these in advance with regards to outputs (publications, etc.) and joint activities (events, etc.). In this regard, a "code of conduct" will be helpful in clarifying expectations, not just in the Mekong region but for the Centre overall. Indeed, a "code of conduct" has been included as part of a new HR manual under preparation for all staff but needs to be revised further to provide robust guidance alongside a revamped policy on intellectual property. The Centre commits to preparing both for Board approval by March 2007.

STRATEGIC vs. RESPONSIVE RESEARCH

(5) The Centre should not shy away from longer-term, strategic research which is seen as a key element of the Centre's remit by partners and donors. It should be the Centre's task to make the case for strategic research initiatives to the donor community and work with ARIs [advanced research institutes] to secure funding and implement such ambitious projects.

Response:

AGREED. The Centre's focus on strategic research areas, embedded within cross-regional Campaigns, is a key element of the new approach outlined in the Centrewide strategy. The first of these campaigns, focused on small-scale fisheries, is being initiated in 2006, and the Mekong region features centrally as a site for developing and testing new approaches. Our strategic alliance with IWMI also increases our joint capacity to provide analytical tools to assess scenarios, evaluate trade-offs, and identify policy options that take an ecosystem perspective integrating watershed and river basin management with fisheries livelihoods. In pursuing this strategic approach the Centre will however continue to be driven by our Mission and consequently will focus on those issues that have the most direct impact on food security and poverty alleviation in the long term. In this regard we continue to believe that our strategic focus lies in the nexus between social and biophysical science issues and we do not *a priori* see that biological research should predominate as was intimated by the panel.

(6) The strategy should recognize a need for two types of research – responsive and strategic – which should be differentiated, since they require somewhat different approaches and funding strategies. Scientific capacity building is clearly important, but care should be taken to maintain and strengthen the link between science and development discourse and practice.

Response:

We agree that managing the tension between a longer-term research agenda and more immediate needs articulated by national partners and investors is critical, as is the need to focus on issues of broader regional and cross-regional significance. The panel report seems to conflate these issues. We find it important to distinguish these two criteria in setting research priorities:

- (1) Each research activity must *both* respond to local/national or regional needs *and* offer opportunities cross-regional exchange of lessons, methodologies or approaches. WorldFish's future effectiveness will largely rest on its ability to nest individual country and region-specific projects within larger, cross-regional campaigns that provide a vehicle for comparison, synthesis, and the generation of international public goods.
- (2) While the majority of our research focuses on today's problems, a significant portion (roughly one-third) should be devoted to clarifying or developing solutions to emerging future problems that may still not be well understood. This is part of the CGIAR's unique mandate.

From a funding perspective, this implies a coordinated approach that links projects financed through country-specific, regional, and global funding channels. The Centre's "core" financing will best be deployed to invest in certain elements of the Centrewide campaigns for which project grant funding is typically harder to obtain: building consensus among partners about new tools or approaches, addressing emerging threats or opportunities that are still poorly appreciated (and, therefore, that investors may not have identified as priorities), and publishing the lessons drawn from multiple cases in the scientific literature.

(7) In the course of strengthening its strategic research capacity, the Centre should seek to establish stronger partnerships with ARIs including developed country universities, and aim to publish research results in peer-reviewed academic journals as well as in more user-focused outlets.

Response:

AGREED. The Centre has identified strengthening partnerships with advanced research institutes (ARIs) as a key element of its updated strategy, and this applies to our work in all regions. In the Mekong region, we have scientific collaboration underway or planned with Helsinki University of Technology and Wageningen University, as well as with other CG Centres, IWMI, IRRI, and IFPRI. The new postdoc fellows programme, along with Senior Research Fellow, Adjunct Scientist, and visiting scientist appointments are all enabling mechanisms recently put in place that will deepen the engagement with leading research universities. Regarding peer-reviewed journal publication, the Centre is beginning to see in 2006 a rise in its publication rate as a result of clarity in establishing key performance goals and the support put in place through the new structure of the scientific disciplines. By 2007 we expect to place within the top third of CG Centres in this regard. More importantly, we anticipate that establishing the Centre's expertise in a set of scientific domains at the interface of fisheries, aquaculture, and poverty will strengthen our ability to convene the most able scientific partners in future collaboration.

Agenda Item 21: UPDATE BY DEPUTY DIRECTOR GENERAL

The Deputy Director General informed the Board that significant progress has been made in China and sub-saharan Africa. In response to the EPMR response, WorldFish Centre has established an

office in Zambia and the portfolio is developing well in this region. He further reported that Dr Simone Heck, will be relocating to Lusaka end of 2006 to pursue policy development with the African Union, which will further strengthen our impact pathways.

The Deputy Director General informed the Board that the Centre had facilitated workshops and meetings with our Donors and one of them is with the Forum for Agriculture Research in Africa (FARA). FARA has expressed its interest in having further meetings with WorldFish Centre.

The Swedish International Development Agency (SIDA) held a workshop on HIV/AIDS in Lusaka in February and further collaboration with SIDA and FAO on this matter will be pursued by the Centre. Currently, investment related to health and nutrition is very attractive to donors and the Centre would like to seize this opportunity to work closely with the donors in this aspect.

The WorldFish Centre will continue with its consultation with FAO in Ghana on aquaculture development in Africa and the Discipline Director of Aquaculture and Genetics Discipline and the Portfolio Director (Eastern and Southern Africa) will be taking a lead in this effort.

Agenda Item 22: UPDATE ON NATURAL RESOURCES MANAGEMENT (NRM) STRATEGY AND CAMPAIGN (SMALL SCALE FISHERIES)

The Discipline Director of Natural Resources Management gave a comprehensive overview of the core ideas in the Small Scale Fisheries (SSF) campaign. The Discipline Director summarised the development that had taken place in support of this campaign including the alignment of the Natural Resources Management's investment strategy, collaborative projects with FAO, concept notes and proposals that had incorporated these concepts, and further integration of regional and national initiatives. He added that he is also working to integrate this campaign with the Pro-Poor Aquaculture campaign because there were many opportunities for cross-fertilisation between them.

The Board of Trustees complimented the Discipline Director on his comprehensive presentation of the 'resilient small-scale fisheries' campaign and commented that the Centre is moving in the right direction. A Board member commented that there is a demand for this but not only for small scale fisheries but also for industrial fisheries. This is a very bold campaign to be driven by WorldFish Centre and the Centre needs to work with institutions and partners in order to realise the goal of this strategy and campaign. The Discipline Director emphasised that this is not a discipline campaign but was Centre-wide and he agreed that the Centre would require close collaboration with partners from various institutions, FAO, and government bodies to ensure success.

A Board member commented that with environmental pollution, the Centre needs to look into the issue of how this problem can be managed as well as to address the issue of sustainability and resilience of the Small Scale Fisheries. Management was cautioned that scientific knowledge alone is not sufficient and that new tools and management concepts would need to be translated into practical tools that national governments and other management agencies could use. A Board member commented that, although the campaign offered the chance to make a global impact on small scale fisheries, the time horizon for such change was longer than a few years.

A Board member commented that the small scale fisheries strategy paper should be linked more towards the natural resources management context rather than social science. The Discipline Director was requested to look into incorporating more of the ecological aspects in this research strategy paper.

The Chairman concluded that the Board noted the presentation of the research strategy and campaign and called the meeting to be adjourned at 5.50 pm.

The full Board Meeting resumed on 12 September 2006 at 8.30 am.

Agenda Item 23: UPDATE ON AQUACULTURE AND GENETICS IMPROVEMENT (AQ) STRATEGY AND CAMPAIGN

The Chairman welcomed all the research staff from Abbassa to participate in the morning's (12 September 2006) discussion on Aquaculture and Genetics Improvement Strategy and Campaign presentation by the Discipline Director.

The Discipline Director informed the Board of Trustees that his presentation was based on a first draft of the strategy and campaign paper and that he intends to revise it by incorporating the comments and inputs provided by the Board of Trustees. He stated that the goal of the campaign and strategy is to help increase global aquaculture output by 30% in a sustainable manner that delivers improved livelihoods and nutrition for 1 billion poor people by 2015, in order to make a difference to the global poor and to galvanise action, alignment and co-investment in aquaculture to help meet the Millennium Development Goals (MDGs).

The Board of Trustees commented that this is an ambitious campaign and a quantum leap in conceptual thinking. The Board members offered a number of comments and suggestions to the Discipline Director on the strategy and campaign.

The Discipline Director thanked the Board of Trustees for their comments. He responded that he will review the genetic breeding programme. He also agreed that this is an ambitious goal and he will need to work closely with NEPAD and others to ensure the success of this campaign.

The Discipline Director informed the Board that, similar to the Natural Resources Management's Strategy and Campaign, this is not a discipline campaign but a campaign owned by The WorldFish Centre and that the Centre requires the collaboration of Partners from ARIS, FAO and others to assist in realising this goal.

The Discipline Director agreed to look into the integration of social, economics and environmental sustainability as well as to evaluate the market supply and demand aspects from the outset of the campaign. He concurred that scenario planning exercise might have an important role to play. In terms of the impact of the campaign on human health, he informed the Board that WorldFish is currently developing projects in this area as well as increasingly engaging with the CGIAR Challenge Programme, which considers broader questions of water and human health.

Agenda Item 12: REVIEW AND APPROVAL ON INTERNATIONAL RESEARCH SUPPORT SERVICES (IRSS) BUSINESS PLAN

The Chairman informed the Board that it will only consider and not approve the business plan and joint venture agreement with IWMI at this meeting. The Corporate Services Director gave an overview presentation on the International Research Support Services Business Plan.

After hearing the presentation, the Board provided comments to Management for consideration before the implementation of the Business Plan.

The Head of Corporate Finance and Administration stated that in order to have successful shared services, the capability and efficiencies of the system are as important as cost savings. In terms of cost savings, Management is focusing on the cost per transaction and not on global cost.

The Corporate Services Director explained to the Board the need to have a different server for SAP system in IWMI because the current software version used by WorldFish Centre is no longer available in the market. Therefore, IWMI had to purchase a newer version and install it on a separate server. He also agreed that due to the current political situation in Colombo, moving the services to Colombo has to be reconsidered.

The Corporate Services Director informed the Board that the turnover in the Finance Unit in WorldFish Centre has stabilised now and Management has recruited more staff in the unit too. He also received feedback that the level of services in the Finance Unit has improved as well.

The Corporate Services Director informed the Board that CIFOR has shown interest to join IRSS and he will be discussing the IRSS with ICRAF and IRRI too.

The Director General informed the Board that it is evident that the implementation of SAP system in the financial management had increased efficiency in terms of management reporting compared to the past years. The Finance Unit was able to close the August 2006 accounts timely and able to produce the August financial report to the Board of Trustees on 11 September 2006.

The Board emphasised that Management should look very closely into the transferring of services to a specific location that could improve the level of efficiency in providing services because the Board would like to see a substantial continuity in this aspect.

The Chairman informed Management that in terms of relocation of offices, the Board's approval is required before a decision is being made on the implementation. However, the Board will not approve the Business Plan in this meeting but would like the Management to provide further update on the process of IRSS in the March 2007 Board meeting.

Joint Venture Agreement

The Chairman suggested that the Board should review the Joint Venture Agreement during this session and then ask Management to make appropriate changes to the Joint Venture Agreement. He suggested that he would check the revised draft and then circulate it to all Board members for an out of session approval in time for the IWMI Board to consider it at its Board Meeting.

The Board members made a number of comments and suggestions that were noted by the Corporate Services Director.

Board Decision:

- 1. The Board requests Management to revise the Joint Venture Agreement taking into account suggestions and the issues raised by Board members.**
- 2. The Board requests the Chairman to verify that these have been adequately covered in the revised draft.**
(Board Action: 30-11)

Agenda Item 28

Agenda Item 28b

COMMITTEE REPORTS

Report of the Governance Committee

Governance Committee Agenda Item 5: Review of Board Memberships and Actions to Be Taken

Recommendation:

1. That the Board reappoint Dr Asger Kej to a second term of 3 years on the WorldFish Board of Trustees.
2. That in future, decisions on the reappointment of a Board member for a second term should be made one meeting prior to the last meeting of the member.

Board Decision:

- 1. This recommendation will be dealt under Agenda Item 29.**
- 2. The Board decided that in future, decisions on the reappointment of a Board member for a second term should be made one meeting prior to the last meeting of the member.**
(Board Action 30-12)

Governance Committee Agenda Item 6: Board Visitation Programmes

Recommendation:

That the Board request the Governance Committee to review and revise the Terms of Reference for members' visits to WorldFish sites.

Board Decision:

The Board requests that the Governance Committee review and revise the Terms of Reference for members' visits to WorldFish sites. (Board Action 30-13)

Governance Committee Agenda Item 8: Evaluation of Board Performance

Recommendation:

1. That the Board agree to defer the self evaluation process until later in the year.
2. That a revised self evaluation form should be developed by the Governance Committee before December 2006, and circulated to all Board members for completion out of session before the end of 2006.
3. That the Board Secretary presents the consolidated results of the self evaluation forms to the Chair of the Governance Committee, who will then present these results together with his comments to the full Board before the end of 2006.

Board Decision:

1. **The Board agreed to defer the self evaluation process until later in the year.**
2. **A revised self evaluation form should be developed by the Governance Committee before December 2006, and circulated to all Board members for completion out of session before the end of 2006.**
3. **The Board requests the Board Secretary to present the consolidated results of the self evaluation forms to the Chair of the Governance Committee, who will then present these results together with his comments to the full Board before the end of 2006.**

(Board Action 30-14)

Agenda Item 32 EVALUATION OF BOARD PERFORMANCE

The Board has agreed to the three recommendations made by the Governance Committee.

It was suggested that the Board adopt a more quantitative analysis for the next Board performance evaluation including indicators. Dr Ida Siason would take this comment into consideration when designing the new evaluation form.

Agenda Item 25 REVIEW AND APPROVAL OF THE BOARD RULES & PROCEDURES

This agenda item is deferred to the next meeting in March 2007.

Agenda Item 29 ELECTIONS OF BOARD MEMBERS

At this juncture, Dr Asker Kej left the Conference Room while the Board discussed the reappointment of Dr Kej as a Board member.

The Chairman informed the Board that he sought the advice of Mr Rajasekharan pertaining to the competency and skills of Dr Asker Kej in relation to the Board Competency Profile prior to the Board meeting. The advice received was that the competencies of Dr Kej were vital to the Board

and that if he was not reappointed, then someone else with similar competencies would need to be appointed. It was proposed that Dr Kej be reappointed for one more full term as a Board member.

Board Decision:

The Board approved the reappointment of Dr Asger Kej as a Board member for another term of three years. (Board Action 30-15)

The Chairman informed the Board that during the December 2006 teleconference, the Board would consider the reappointment of Drs Ida Siason, Anne Kapuscinski and Kunihiko Fukusho, whose terms will be expiring in 2007. As both Drs Ida Siason and Anne Kapuscinski are the Governance Committee members, the Vice Chair, Dr Stella Williams will be an acting Governance Committee member. The Chairman informed the Board the process of determining the reappointment will be similar and he will obtain feedback from Mr Rajasekharan on the Board's competency profile.

During the December 2007 teleconference, the Board will also consider the issue of possible replacement of the FAO representative, Dr Serge Garcia.

Agenda Item 24: REVIEW AND APPROVAL OF THE REVISED CONSTITUTION

The Board Secretary read out the minor changes made to the Constitution. It was agreed that the Board Secretary will send the revised Constitution to all Board members to ensure that all changes made during the meeting have been included in the Constitution.

Board Decision:

The Board approved the revised Constitution based on the minor amendments made. (Board Action 30-16)

Agenda Item 27: REVIEW AND APPROVAL OF THE GUIDELINES FOR BOARD AWARDS

The guidelines for the Board Awards were presented for consideration by the Board. The Board suggested that the awards should be divided into team and individual awards because the criteria may differ.

One Board member suggested that the Research Support Award should be reworded so that Corporate Services staff and other non-research staff are explicitly eligible for this award.

The Board Awards should be based on nomination and not application. The Board requested Management to provide criteria for the Board Awards guidelines.

Board Decision:

The Board requests Management to draw up criteria for the Board Awards guidelines. (Board Action 30-17)

Agenda Item 28a Report of the Audit Committee

Audit Committee Agenda Item 5: Approval of Audit Plan for 2006 Audit

Recommendation:

The Committee recommends to the Board that the External Audit Plan for 2006 Audit be approved.

Board Decision:

The Board approved the External Audit Plan for 2006. (Board Action 30-18)

Audit Committee Agenda Item 7: Approval to write off doubtful debt – European Union (FishBase Project)

The Audit Committee Chair reported that it is evident from the previous correspondence between the WorldFish Centre and the European Commission that the balance amount could not be recovered from the European Commission and, therefore, this amount is now considered as bad debt and need to be written off. This will not have a financial impact on the Centre because the bad debt has been long overdue.

Recommendation:

The Committee recommends reluctantly to the Board that the doubtful debt from the European Commission (FishBase Project) amounting to Euro 378,498.80 be written off.

Board Decision:

The doubtful debt from the European Commission (FishBase project) amounting to Euro 378,498.80 should be written off. (Board Action 30-19)

Audit Committee Agenda Item 10a: Review and approval of revised External Auditor's Fees

The Audit Committee Chair informed the Board that Ernst & Young has requested an increase of RM5,000.00 in the Audit Fee from RM65,000.00 and a further RM10,000.00 for the audit of the SAP implementation. The Audit Committee Chair informed the Board that the RM10,000.00 for the SAP audit should be a one time charge only and Management is to inform Ernst & Young on this matter.

Recommendation:

The Committee recommends to the Board that the Audit Fee for 2006 Audit proposed by Ernst & Young be accepted but that Ernst & Young be advised that the charge of the SAP audit be a one off.

Board Decision:

The Audit Fee for 2006 Audit proposed by Ernst & Young is accepted but Ernst & Young should be advised that the charge of the SAP audit is considered a one time charge. (Board Action 30-20)

Audit Committee Agenda Item 10b: Review and approval of the Revenue Recognition Policy

Recommendation:

That the Board approves the amended Revenue Recognition Policy.

Board Decision:

The Board approved the amended Revenue Recognition Policy. (Board Action 30-21)

Audit Committee Agenda Item 10c: Review and approval of the harmonised Fixed Asset Policy

Recommendation:

That the Board approve the amended Harmonised Fixed Asset Policy.

Board Decision:

The Board approved the amended Harmonised Fixed Asset Policy. (Board Action 30-22)

Audit Committee Agenda Item 10: Other Audit Committee Matters

• **Reappointment of External Auditors**

According to the CGIAR guidelines, the appointment of External Auditor needs to be reviewed every 7 years. Ernst & Young are entering into their fifth year of auditing the WorldFish Centre. Therefore, the Audit Committee requested Management to call for tenders to source for potential candidates, and this will be evaluated by the Audit Committee in the March 2007 Board meeting.

Recommendation:

That the Board request Management to call for tenders for its External Auditor for 2007 and to present a recommendation to the Audit Committee and Board in the next Board meeting.

Board Decision:

The Board requests Management to call for tenders for its External Auditor for 2007 and to present a recommendation to the Audit Committee and Board in the next Board meeting. (Board Action 30-23)

Agenda Item 20: REVIEW AND APPROVAL OF RESPONSE TO THE GREATER MEKONG PROGRAMME'S CCER

The Deputy Director General presented the revised responses No. 1 and 5 on behalf of the Portfolio Director (Mekong). The revised wordings are highlighted in italics bold.

RESEARCH PRIORITISATION

(1) The regional strategy needs more focus and a clear identification of strategic research priorities and positioning of WorldFish with respect to partners. In order to become a useful strategic tool, it needs (additionally) to identify key areas where:

- WorldFish has particular strengths and a solid track record;
- National research partners are still weak;
- Development institutions in the region need strengthening;
- Funding is likely to be available;
- There are opportunities for higher level, high quality strategic research; and
- Constructive mutual partnerships can be developed with other regional and international players and advanced research institutes

Response:

We agree with the need to focus the research agenda further, and have already taken steps to do so in the 2007-09 medium term plan (MTP). We also agree that the criteria proposed are important ones in prioritizing opportunities for specific collaboration. Indeed, we have been applying similar criteria recently, along with an assessment of the degree to which a particular research topic addresses key national and regional development issues – another important aspect in judging the opportunity for influence.

However, we find the review panel's recommendations of specific research topics too prescriptive for inclusion in the regional strategy. We expect specific research priorities to be adjusted as we develop further experience, deepen the dialogue with partners, and learn from the outcomes of the current work programme.

STRATEGIC vs. RESPONSIVE RESEARCH

(5) The Centre should not shy away from longer-term, strategic research which is seen as a key element of the Centre's remit by partners and donors. It should be the Centre's task to make the case for strategic research initiatives to the donor community and work with ARIs [advanced research institutes] to secure funding and implement such ambitious projects.

Response:

AGREED. The Centre's focus on strategic research areas, embedded within cross-regional campaigns, is a key element of the new approach outlined in the centrewide strategy. The first of these campaigns, focused on small-scale fisheries, is being initiated in 2006, and the Mekong region features centrally as a site for developing and testing new approaches. Our strategic alliance with IWMI also increases our joint capacity to provide analytical tools to assess scenarios, evaluate trade-offs, and identify policy options that take an ecosystem perspective integrating watershed and river basin management with fisheries livelihoods. In pursuing this strategic approach the Centre will however continue to be driven by our Mission and consequently will focus on those issues that have the most direct impact on food security and poverty alleviation in the long term. In this regard we continue to believe that our strategic focus lies in the nexus between social and biophysical science issues (***and linking these to policy and decision-making***); we do not *a priori* see that biological research should predominate as was intimated by the panel.

Board Decision:

The Board approved the formal response of the Centre to the Centre Commissioned External Review (CCER) report based on the revised wording. (Board Action 30-24)

Agenda Item 26: REVIEW AND APPROVAL OF THE PROPOSED TERMS OF REFERENCE FOR THE SCIENTIFIC ADVISORY AND REVIEW COMMITTEE (SARC)

- The Board of Trustees reviewed the proposed Terms of Reference for the Scientific Advisory and Review Committee perspective. There was a substantial discussion regarding the appropriate role and mode of operation of the SARC. Key questions addressed included:
 - What role should the SARC play in the planning, implementation and review of CCERs?
 - Would the SARC primarily report to the Board of Trustees or advise Management? Can it do both?
 - What should be the roles and responsibilities of the Director General, the Board of Trustees and the Chairman of the SARC in the operation of the SARC?

It was generally agreed that the Terms of Reference should not be too prescriptive on these matters and that the proposed Terms of Reference provided good flexibility in most cases. In relation to the CCERs it would be better to delete the 4th role indicated in the Attachment 3 (To oversee the organisation of an annual or biennial Science Forum that would review of research progress and outputs and develop the rolling research program for the Centre), in order to further enhance flexibility.

It was also unanimously agreed that the name of the Committee should be changed to the "Science Advisory Committee".

Agenda Item 31: REVIEW OF CHARGING PROCEDURE FOR RENTAL TO GRANT PROJECTS

The Board discussed the paper on rental charges at some length. There was strong agreement that the Centre should continue to operate as a non-profit organisation and that recovery of full project costs from donors is compatible with this status. It was also confirmed that a cost-plus approach whereby, a charges for a project exceed actual project costs, is appropriate in some special circumstances and would not affect non-profit status. There was some debate regarding the use of rental charges as a means of recovering costs especially if the charge rate exceeded actual costs for building rent and maintenance. It was pointed out that in the commercial sector, rent is not directly linked to the actual costs of the owner but is set at a rate which the market will bear and it often covers a wide variety of costs borne by the owner. It was agreed that provided it was made clear to donors that rental charges can include indirect costs additional to actual cost for building rent and maintenance, then Management could set rental charges according to current market rates and the willingness of the donor to pay such rates.

Board Decision:

The Board approved the following principles regarding charging of rent and maintenance.

- 1. Maintenance costs will be charged to all projects based on calculations of actual costs incurred (for 2006 this should be RM3.30 (USD0.9) per sq. ft.)**
- 2. A rental charge may also be charged to all projects as a contribution to the indirect costs of the project. The total charge for indirect costs should not exceed the indirect costs estimate for the project except where a cost-plus approach has been approved. Management may decide on the rental rate based on current commercial rates and on its judgement of the willingness of the donor to pay.**
- 3. Proposals to donors should clearly indicate that rental charges are not necessarily linked to any specific costs but are determined using current market rates and can be used to cover a variety of indirect costs borne by the Centre.**
- 4. Rental charges that result in the total indirect costs for the project being exceeded will be allowed only for projects where a cost-plus approach has been approved by senior management.**
- 5. A cost-plus approach would normally be applied to bids to commercial organisations, or to cases where the donor regularly funds commercial organisations to do the work which is being proposed. (Board Action: 30-26)**

Agenda Item 37: REVIEW AND APPROVAL OF OVERHEAD COST RECOVERY MONITORING

The Board noted that the indirect costs presented in this paper are higher than the costs presented in the IRSS Business Plan. The Corporate Services Director explained that the indirect costs presented in this paper are the latest figures compared to the IRSS Business Plan which was prepared a few weeks earlier. The Director of Science Co-ordination agreed that the figures shown in this paper are the most recent costs.

It was suggested that, if possible, the Centre could have some benchmarks from the other CGIAR Centres for comparison.

The Board noted Management's recommendation and requested Management to include the 5th recommendation which reads as follows:

5. The Board notes that the methods used to calculate indirect costs differ from other Centres and this has resulted in a higher profit of indirect costs compared to other Centres.

Board Decision:

The Board adopted the following Management's recommendation:

- 1. The Board notes the current rates of indirect and direct costs for its research activities.**

2. Management annually updates the Centre-wide estimates of direct and indirect costs.
3. Management strives to maximise the proportion of funds from restricted grants that support all of its projects and wherever possible reserves unrestricted funding for research which is of strategic importance but cannot be funded wholly through restricted grants.
4. Management carefully monitors, documents and reviews the level of unrestricted funding invested in all of its research projects on a quarterly basis and reports to the Board on how it has used its unrestricted funds in a manner that maximised its effectiveness and strategic impact.
5. The Board notes that the methods used to calculate indirect costs differ from other Centres and this has resulted in a higher profit of indirect costs compared to other Centres.

(Board Action: 30-27)

Agenda Item 33: BOARD MEMBERS REPORT ON SITE VISIT

The Chairman requested Dr Anne Kapuscinski to submit a written site visit report after her visit to Malawi and this report will be presented in the next Board meeting in March 2007.

Agenda Item 34: OTHER BOARD MATTERS

- The Chairman informed that the Board of Trustees had a Closed Session meeting yesterday.
- Dr Stella Williams requested assistance to have a discussion with the Minister of State for Agriculture to follow up with him on the discussion that they had during the NEPAD Fish for All Summit in Nigeria pertaining to WorldFish Centre's presence in Nigeria. Dr Williams suggested that Management send a delegation to Nigeria in early 2007 to have a discussion with the government with regards to funding.

The Deputy Director General responded that Management would definitely like to pursue this matter with the government of Nigeria. He added that Drs Malcolm Beveridge and Ann Gordon will be visiting Nigeria in early 2007 and probably a meeting could be set up with the Minister during that time. However, Management would appreciate if Dr Williams could provide a guiding process in this matter before the upcoming election.

The Chairman requested Dr Williams to have further discussion with the Deputy Director General in terms of the project development and planning in Nigeria. The Chairman added that it is part of The WorldFish Centre's strategy to develop its activities in Nigeria and assistance on the funding would be very much appreciated.

Agenda Item 35: CORPORATE SERVICES REPORT

The Corporate Services Director reported that there had been significant progress made in the Finance Unit since March 2006. Positive feedback about the improvement in services in the Finance Unit had been received from staff, however, there is still room for improvement.

The Corporate Services Director informed the Board that the implementation of the new HR System (hSenid) will be completed by October 2006 and the system will be fully operational by end of this year.

The Information, Communication and Technology (ICT) Unit continued to function well and its support services. The Enterprise Security and Business Continuity will also be completed by end of this month.

A Board member raised the issue that she noticed that the pond workers did not wear any safety boots during the fish harvest. As part of the Occupational Health Safety and Security, all pond workers should wear protected gears during fish harvest to protect them from contracting "bilharzia" as they would be vulnerable to this disease.

The Deputy Director General responded that Management had provided them with safety gears, however, the pond workers were reluctant to wear them because they felt that they were not able to carry out their tasks effectively when wearing these gears. However, Management has provided medical care for all workers and the doctors visit the site 3 days per week.

The Board noted the Corporate Services Report and the Chairman added that he is pleased that Corporate Services Division is moving towards the right direction.

Agenda Item 36: REPORT FROM HUMAN RESOURCES

The Corporate Services Director reported the Human Resources Report. The Director General added that the report could be further improved to provide more information.

It was suggested by a Board member to include another graph to show which staff are from developing or non-developing countries.

A Board member noticed that most resignations were female and asked if there were any specific reasons why more females were leaving the Centre. The Corporate Services Director responded that generally, there was more female support staff than male. It was also suggested that Management consider external exit interviews. Normally, exit interviews were conducted by the Human Resources Manager.

Agenda Item 38: REVIEW AND APPROVAL OF REVISED FINANCIAL AND PROCUREMENT DELEGATION MANUAL

The Board agreed that the cheque signatory column to be removed from the Financial Delegation Policy and remain in the Treasury Policy.

The reduction of the Discipline Director's authorisation limit from \$250K to \$50K was part of risk management.

Management is to revise the wordings under Clause 1.3.6 Assignment of Delegation. The Head of Corporate Finance & Administration is to work with Dr Wendy Craik on the revised wordings.

Board Decision:

The Board approved the harmonised Financial Delegation Policy as amended at the meeting. (Board Action 30-28)

Agenda Item 39: UPDATE ON INFORMATION & KNOWLEDGE GROUP (IKG)

The report was taken as read by the Board of Trustees. The Director General informed that the Board will receive a more detailed report in the March 2007 Board meeting because IKG would have more activities to report by then. Currently, the group from IKG just came on board and the group is still planning and developing some of the new activities that are yet to be introduced in the Centre.

Agenda Item 40: STATUS OF INTERNATIONAL AND REGIONAL AGREEMENTS

The Director General thanked Dr Ida Siason for her assistance provided in pursuing the Philippines Sub-Regional Agreement with the Philippines government and he is very pleased with the progress made. Currently, the Centre is waiting for the final draft agreement for signature.

The Director General informed the Board that he will continue to pursue with the various governments to normalise the host country agreement.

The Board noted the report and progress made on the international and regional agreements.

Agenda Item 41: TIME AND PLACE OF NEXT MEETING

The Chairman informed the Board that a full Board teleconference meeting will be held on 6 December 2006 (Wednesday). The Board Secretary will inform the Board of the time of the teleconference via email. The Chairman informed the Board of Trustees that if there is a requirement for Committee Meetings to be held, it will be done during the out of session and not on the same day of the teleconference.

The WorldFish Centre's Board of Trustees were invited by the IWMI Board of Governors to attend a joint Board meeting in Colombo in February 2007 (with one-day overlap for joint sessions), however, due to the political situation in Colombo, this does not seem possible. Dr Asger Kej was requested to convey the message to the IWMI Board of Governors when he attends the IWMI Board meeting in October 2006 and will request the IWMI Board of Governors to propose another suitable date for the joint Board meeting.

Due to few factors that need to be considered, the Chairman requested the Board of Trustees to check their availabilities during March 2007 when the Board meeting will be held at Headquarters in Penang. The Board of Trustees concluded that the week of March 11-14, 2007 to be the best dates for most Board of Trustees.

The Board of Trustees agreed that it would be good to hold Board Meetings at Regional Offices at least once a year because this would provide a good opportunity for the Board to have closer interaction with the Regional Office staff and also to visit the regional site.

Board Decision:

The 1st annual Board meeting will be held in Headquarters, Penang from March 11-14, 2007. (Board Action 30- 29)

Agenda Item 42: STATEMENT OF OBSERVERS

There is no observer attending this meeting.

Agenda Item 43: OTHER BUSINESS

The Vice Chair raised a point that some students from her university applied as post doctoral fellow in the WorldFish Centre. The Director General responded that the students are welcomed to submit their applications and these will be reviewed by Management accordingly.

The Vice Chair also requested if Management could sponsor her trip to attend the CGIAR Annual General Meeting 2006 in Washington DC so that she could continue with her collaboration work with some of the donors who will be attending the meeting. The Chairman responded that this request will be considered and she will be notified on the decision soon.

A Board member thanked the Deputy Director General and the Finance & Administration Manager for their kind hospitality during the 30th Board of Trustees Meeting in Abbassa. He added that the

Finance & Administration Manager had been very accommodating and helpful to ensure that the Board of Trustees' stay in Abbassa was a pleasant one.

Agenda Item 44: CLOSING REMARKS

The Chairman thanked the Management for all the arrangements made to ensure that the 30th Board of Trustees meeting held in Abbassa was carried out smoothly and the Board also commented on the high quality of the Board documents.

On behalf of the Board of Trustees, the Chairman said that he is very pleased with the hospitality rendered by the Finance & Administration Manager, Mr Tawfik Yanni, and all the staff. He said that the Board of Trustees were received by all the staff with open hearts. He requested Mr Yanni to convey the Board's thanks and gratitude to the staff in Abbassa.

The Chairman also recorded his thanks to Miss Emily Khor for her support and assistance rendered to the Board of Trustees. He added that as always, she would go out of her ways to ensure that all arrangements were in good hands and whenever he sent her emails, he would receive immediate responses from her even when it was late in the evening. The Board complimented on her responsiveness and efficiencies.

There being no other matters, the Chairman declared the 30th Board of Trustees meeting to be closed at 11.10 am.