

**WORLD FISH CENTRE
BOARD OF TRUSTEES
FULL BOARD
THIRTY-SIXTH MEETING
6 April 2008
Penang, Malaysia**

- Present:**
- | | |
|----------------------------|--------------------------------------|
| - Dr. Trond Bjorndal | Chairman |
| - Dr. Stella Williams | Vice-Chair |
| - Dr S. Ayyappan | Member |
| - Dato' Junaidi Che Ayub | Member, Ex-Officio |
| - Dr Wendy Craik | Member |
| - Ambassador Remo Gautschi | Member |
| - Dr Stephen Hall | Member, Ex-Officio, Director General |
| - Dr Asger Kej | Member |
- Board Secretary:**
- | | |
|----------------------|---------------------------------|
| - Dr James K. Oliver | Director, Science Co-Ordination |
|----------------------|---------------------------------|
- Absent With Apology:**
- | | |
|--------------------------|--------------------|
| - Dr Ezzat Awwad Ibrahim | Member, Ex-Officio |
|--------------------------|--------------------|
- Observer:**
- | | |
|-------------------|--|
| - Ms Vimala Menon | |
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Staff in Attendance: Mr Wayne Rogers, Dr Patrick Dugan, Ms Fok Siew Choy, Ms Susheela Sabaratnam

DRAFT MINUTES

The Board commenced the meeting with Closed Session without the presence of Management from 8.30 am – 8.50 am.

Agenda Item 1a: OPENING REMARKS

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

“I welcome you to the 36th meeting of the Board of Trustees. It is a pleasure to be back in Penang. I am pleased to welcome our new Board member, Ambassador Remo Gautschi as well as Miss Vimala Menon, who I have invited as an observer at this meeting. They will have an opportunity to introduce themselves a little later. I note with regret that, at the last moment, our new Egyptian ex-officio member, Professor Ezzat, is unable to attend the meeting.

As always, let us remind ourselves of the Board's Mission Statement, in particular, ‘*The Board will act in trust for all the Centre's stakeholders.*’ Allow me to quote from the Board of Trustee's Code of Conduct as well:

‘We conduct ourselves with integrity...’ and ‘We use WorldFish Centre assets in the best interest of the....Centre.’

Let me highlight some of the topics that will be discussed at this meeting:

- In addition to approving the financial statements for last year, we will have financial updates and discussions of the medium term outlook. Based on the fact that we have a 5 million dollar funding gap for 2009, I have informed management that we would like a separate discussion of the potential risk this involves for the Centre. This will also fit in with the session the Board will have on risk management.
- We are three years into the first term of the Director General. As agreed upon in the Board meeting in December 2007, a thorough evaluation of the Director General has been undertaken.
- The Board will approve the Centre's Medium Term Plan, for the first time based on advice from and a meeting with the Science Advisory Committee.

In a sense, the Board is in a period of transition. This is the last meeting for myself, Dr Williams and Dato' Junaidi while Dr Ayyappan will retire after the September meeting. New Board Officers will therefore need to be elected and one or two new Board members will need to be appointed.

Again, a warm welcome to everybody. I hereby declare open the 36th Meeting of the Board of Trustees."

Agenda Item 1b: APOLOGIES

Dr Ezzat, our new Egyptian ex-officio Board member was not able to attend the meeting.

Agenda Item 1c: DECLARATION OF CONFLICT OF INTEREST

All Board members declared that there is no conflict of interest.

At this juncture, the Chairman welcomed Ambassador Gautschi and Miss Menon once again and requested them to introduce themselves to the Board.

Ambassador Remo Gautschi: Ambassador Gautschi informed the Board that he is the Deputy Director General of Swiss Agency for Development and Corporation (SDC). The Agency has been dealing with the South and Eastern European Commission. Ambassador Gautschi graduated from the Swiss University of Technology in Civil Engineering.

Ms Vimala Menon: Ms Menon informed the Board that she is a Chartered Accountant by profession and her background is mainly in corporate finance, corporate information and technology. She had served as board member in several organisations prior to WorldFish Centre and this is her first time being a Board member in a non-profit organisation. Ms Menon will be joining a Malaysian automotive company as the Director of Finance and Corporate Affairs effective 8th April 2008.

Agenda Item 2: REVIEW AND APPROVAL OF THE PROPOSED AGENDA

The agenda was approved with the following modifications. Agenda item 13 has been withdrawn and will be considered at a later date. A new item (12b) on the financial outlook for 2009 was added as a closed session.

Agenda Item 3: REVIEW AND APPROVAL OF THE 34TH AND 35TH BOARD OF TRUSTEES MEETING MINUTES

The Board reviewed the 34th and 35th Board of Trustees Meeting minutes page by page and made the following amendments.

Board Decision:

The Board approved the minutes of the 34th Board of Trustees Meeting subject to the following amendments. (Board Action 36-1)

Page 3: Under the report of Dr Ayyappan, line 6, it should read as: “..... I recall my *stay* with him....”

Page 14: Agenda Item 9, the second line should read as: “.....standard costing *in order to simplify proposal development and facilitate the establishment of “full cost” project accounting.*”

Page 20: Agenda Item 7, the Board Decision should read as: “The Board *noted* the Committee’s recommendation.....”

Page 21: Agenda Item 11, the Board Decision should read as: “The *Board decided* that the annual”

Page 22: Agenda Item 12, the Board Decision should read as:

- i) *“The Board decided* that there”
- ii) *“The Board decided* that organisational updates”

Page 23: Agenda Item 26, to delete the last sentence of the 3rd line.

Page 24: To delete the word “minor” under the Board Decision.

Board Decision:

The Board approved the minutes of the 35th Board of Trustees Meeting subject to the following corrections. (Board Action 36-2)

Page 2: The Board Decision should read as: *“The Board appointed Ambassador Remo Gautschi to the Board as a member at large, commencing January 1, 2008 for a 3 years term until the end of December 2010.”*

Agenda Item 4: BUSINESS ARISING FROM THE MINUTES

The Board requested Management to provide further updates on the case of Mr Anthony Voon which will be reported by the Director General under Agenda Item 7 and concerning the opening of the office in Mozambique which will be reported by the Deputy Director General under Agenda Item 16.

The Board also requested for updates on the memorial event for the late Professor Yehia Hassan Khalil and on the operation plan in Abbassa. The Director General responded that the memorial ceremony will be held in June 2008 and the operation plan in Abbassa will be updated in 2009 funding outlook in a closed session.

In response to a question about the CGIAR performance indicators, Management indicated that it had decided not to write to the CGIAR since several changes had been made to the performance indicators and their explanations which reduced the value of submitting a written critique.

Agenda Item 5: REVIEW BOARD ACTION PLAN TO 34TH AND 35TH BOARD MEETING

It was highlighted that the terminology of 1st and 2nd meeting need to be changed since the frequency of Board meetings has been changed to three face to face meeting. Item 13 should be changed to “Conduct annual Board self evaluation...”

Once again, the Chairman reiterated the importance for all Board members to provide suggestions for prospective new Board members through the Governance Committee.

It was also suggested that Item 27 – Review changes in WorldFish Corporate identity should be deleted. Item 31 should be changed to “Annual Review of Board honoraria/expense policy.”

Board Decision:

The Board Action Plan has been adopted subject to the following slight modification:

- **To change the terminology of 1st and 2nd meeting due to the current three face to face annual Board meeting.**
- **To delete item 27 from the Board Action Plan.**
- **Change Item 13 to “Conduct annual Board self evaluation...”**
- **Change Item 31 to “Annual Review of Board honoraria/expense policy.”**

(Board Action: 36-3)

Agenda Item 6: REPORT OF THE CHAIRMAN AND UPDATE ON THE CGIAR AND ALLIANCE BOARD, REPORT BY OTHER TRUSTEES ON ACTIVITIES AND EARNINGS RELATING TO BOARD ACTIVITIES

Professor Trond Bjørndal: Professor Bjørndal informed the Board that his report was circulated earlier and the report was taken as read by all Board of Trustees. The Chairman informed the Board that he met with The Norwegian Agency for Development Cooperation (NORAD) and Ministry of Foreign Affairs in Oslo in November 2007 and also attended the CGIAR AGM in Beijing in December 2007.

Professor Bjørndal informed the Board that he visited the Centre in Penang from February 2-6, 2008. During this visit he had discussions with senior management on a range of issues and reviewed the Centre's financial position. He also interviewed the two potential candidates for Board membership.

Professor Stella Williams: Professor Williams reported that there was a plan to hold a workshop – “Genetics and Aquaculture” in Nigeria in March. However, Dr Raul Ponzoni was unable to progress with this plan because of personal medical problem. Dr Williams hoped that this workshop will still be held at a later date in the near future.

Dr Asger Kej: Dr Kej reported that he had been in contact with DANIDA about the climate funding and other funding opportunities. However, DANIDA is still persistent to channel the funds through a central body for projects in the African region. Dr Kej suggested to Management to seize this funding opportunity by getting involved in a system wide initiative on Climate Change or through the Challenge Programme in order to receive the funding support by DANIDA.

Dato' Junaidi: Dato' Junaidi reported that he had spoken to the Officer-in-charge on CGIAR funding in Malaysia Agriculture Research and Development Institute (MARDI) to fund more collaborative research between WorldFish and local institutions. Dato' Junaidi also informed the Board that WorldFish Centre participated in an international seminar on Malaysian Freshwater Giant Prawns on 28-29 March 2008 where a paper on collaborative research on selective breeding freshwater prawns between WorldFish and the Department of Fisheries Malaysia was presented.

Dato' Junaidi also reported that since the election in March 2008, Malaysia has a new Minister in the Ministry of Agriculture and Agro-based Industry. Dato' Junaidi informed the Board that if the Director General would like to call on the new Minister, he is happy to make the necessary arrangement for the meeting.

Dr Ayyappan: Dr Ayyappan reported that he facilitated the meeting between the Director General of WorldFish Centre and Dr Mangala Rai, Director General of Indian Council of Agricultural Research during the visit of Dr Stephen Hall to India when he attended the Eighth Asian Fisheries Forum in November 2007. Areas of mutual interests were discussed and it was indicated that higher funding would depend on identification of specific areas of mutual interest.

Dr Ayyappan reported that he participated in a discussion between WorldFish Centre and Central Institute of Freshwater Aquaculture, India with regard to the

on-going collaborative project in selective breeding of giant freshwater prawn and made specific suggestions for movement of prawn germplasm under the project for selection process.

Dr Ayyappan informed the Board that he also participated in a discussion between WorldFish Centre and Central Inland Fisheries Research Institute, India with regard to the on-going collaborative project on tropical reservoir fisheries under the Challenge Programme on "Water & Food" and reviewed the progress of the project.

Ambassador Gautschi: Ambassador Gautschi informed the Board that although he was appointed as Board member since January 2008, he did not have any specific activity to report.

Dr Wendy Craik: Dr Craik reported that she was still waiting for a respond from AUSAID regarding possible funding for a project in the Mekong region. Dr Craik also mentioned interactions with a potential donor who had given money to OXFAM but wished it to be directed to WorldFish.

The Chairman thanked the Board of Trustees for their efforts and contributions in the activities that they have undertaken since the last Board meeting.

Agenda Item 7: SUMMARY REPORT OF THE DIRECTOR GENERAL

The report of the Director General was taken as read by all Board of Trustees. The Director General reported that he had written to the Hilton Foundation pertaining to potential funding to our research projects in the African region and he had received positive comments from the foundation. He added that he continued to follow up with a potential donor, the Wood Foundation in Aberdeen when he paid a courtesy call while he was working from home in the UK in March 2008. The Director General informed the Board that with these positive responses by the two foundations, he anticipated future funding opportunities.

The Director General was confident that with the involvement of the Science Advisory Committee (SAC), WorldFish Centre will be very well positioned in the science direction and this was evident from the discussions between staff and SAC members during the 1st and 2nd SAC meeting. This could be further substantiated by the reports by SAC and during the joint Board and SAC meeting held prior to the 36th Board of Trustees meeting.

The Director General gave a brief update on the CGIAR change management process and informed the Board that he has to remain vigilant and engaged in the CGIAR change management matters in order to play a role that will be beneficial to WorldFish Centre. He is confident that with his appointment as the Alliance Executive Chair, he will be able to influence the change process.

With regards to projects in the pipeline, the Director General said that he is very much aware that there is no room for complacency at this point of time and it is a crucial moment for the Centre to continue to grow its projects in the pipeline and to manage the Centre's finances prudently.

The Director General responded to the earlier request by the Board pertaining to an update on the dismissal case of Mr Anthony Voon. At the moment, this case has been referred to the Industrial Court by the Minister of Human Resources. However, the Centre is in the process of appealing the decision of the Ministry of Human Resources in the High Court that the case should not be heard in any court because the Centre has immunity from prosecution. The Director General informed the Board that Management will continue to provide an update to the Board on any new development pertaining to this case.

On the same note, a Dato' Junaidi suggested that Management of WorldFish Centre pay a courtesy call on the Minister of Human Resources, who is now a new Minister holding office after the March 2008 election. He informed the Director General that he will be able to assist in arranging a meeting. The Director General noted this suggestion and will liaise with the Board member to arrange for a meeting

A Board member complimented the Director General on the report and the quality of the draft MTP 2009-2011 that was presented during the joint meeting with the Science Advisory Committee on 4th April 2008.

The Director General responded to a question by a Board member on how he was able to manage his time between his duty travel and time spent working in the Centre. He responded that most of his duty travel was visiting other regional offices, for example, in Malawi, Zambia and Cairo. Thus, he was able to work effectively from regional offices and other locations. He also thanked the Board for providing him with the flexibility of working from home in the UK and this had given him an opportunity to have a work life balance as well.

Agenda Item 8: UPDATE ON THE PERFORMANCE OF 2007 KEY PERFORMANCE GOALS

The Director General reported that the targets of the 2007 KPGs were slightly different compared to the 2006. While several KPGs had not been met completely he was generally satisfied with the performance in 2007. The Board noted the lack of achievement of some goals and asked Management to set realistic targets in the future KPGs. It was also highlighted that Management should look into developing KPGs for the medium term plan.

The Board Secretary responded that Management is confident that WorldFish Centre will improve its governance output targets with reference to the performances against World Bank indicators as Management had taken measures to rectify its performances. The total impact of World Bank funding towards the Centre was a loss of \$400K due to our poor performance based on the World Bank performance indicators last year.

Agenda Item 9: UPDATE OF STAFF SURVEY

The Board noted the result of the staff survey that was conducted in the Centre in January 2008. The Board suggested that Management includes information such as the gender information in terms of the respondents in the future survey. It was highlighted that it is best for staff survey to be carried out every two years and not on a yearly basis.

Agenda Item 10: UPDATE ON 2007 FINANCIAL PERFORMANCE

The Director Corporate Services introduced the Centre's financial position and performance report and informed the Board that Management had taken an active measure on project under-spending since November 2007. He informed the Board that Management is currently working on the full cost recovery on overheads and true cost recovery by developing a full cost template. Full cost recovery exercise was not carried out in the past due to lack of information and the right tools to incorporate these charges. The Director of Corporate Services informed the Board that once the full cost template is completed, it will be introduced to all project leaders allowing them to incorporate all direct and indirect costs into the projects at the proposal stage. This will be introduced in 2008 but will not be fully functional until 2009.

A Board member reiterated that the project under-spending is still high and stressed that Management should continue to look into reducing this figure. The Board requested Management for further analysis of the under-spending in future reports. However, the Board complimented on the quality of the report compared to previous years.

The Board noted the financial position and performance of the Centre. At the same time, Management noted the comments made by the Board.

Agenda Item 11: FORECAST PERFORMANCE FOR 2008

The Director of Corporate Services introduced this report to the Board and the Board noted that the revenue pipeline for 2008 is stronger than the forecast. The Director of Corporate Services highlighted to the Board that performance was not equal across all regions and that Management was looking at this closely.

The Board noted the financial forecast for 2008 and also the working days capital of 104 days will give Management a constraint in the Centre's operations.

A detailed discussion on the funding outlook for 2009 will be discussed in a closed session later.

Agenda Item 12: MEDIUM TERM FUNDING OUTLOOK

The Director of Business Development and Communications gave a comprehensive overview of the Centre's current and projected funding outlook. She highlighted that Norway and Canada remain the highest core funding investors in 2008. She informed the Board that UK DFID had indicated an increase in its core funding to CGIAR Centres but there is no information on the proportion of the funding to the various centres. She also highlighted that there is a decrease in funding by USAID.

The Board complemented the Director on the quality of the report and noted overall medium term funding outlook.

Agenda Item 14: REVIEW AND APPROVAL OF EMERGENCY MEDICAL RELOCATION POLICY

The Corporate Services Director introduced this agenda item. This agenda item was presented to the Board in the last Board meeting in November 2007 and has been revised to give additional details and to provide the Director General with discretion to determine eligibility on a case by case basis.

The Board expressed support for the policy and agreed that the Director General should be given a high level of discretion considering each case.

The Board requested Management to provide a definition of the age of the children under the point of “Eligible Dependent” and suggested that Management should exercise its discretion in terms of the payment of emergency allowance to the key personnel.

Under point 4 – Responsibilities and Decision: The word “consensus” should be replaced with “*in consultation*”.

The Board suggested to Management that this should not be part of the published Human Resources Policy in the Centre but should serve as a guideline to the Director General on a case to case basis. The heading of this policy should be amended to “Emergency Medical Relocation Guideline”.

Board Decision:

The Board approved the Emergency Medical Relocation Guideline as a guideline to the Director General under these circumstances rather than part of the Human Resources Policy. (Board Action: 36-4)

Agenda Item 15: REVIEW OF POLICY ON BOARD INFORMATION & APPROVALS

It was agreed that the current format of the financial and other research reports as submitted during this year, and as modified by the Board during the meetings, will form the standard reporting format for all future reports. The format of these reports can be changed by management by submitting the standard format together with any changes and requesting approval from the Board for these changes to be incorporated into future standard reports.

The quarterly management report referred to under the reporting obligations refer to financial report but also other reports such as updates on the Key Performance Goals.

The Board recommended that this agenda item should be included as a standing item in the Board Action Plan and should be reviewed from time to time.

Board Decision:

The Board approved the revised Policy on Board Information and Approvals. Reports accepted by the Board of Trustees (including revisions agreed by the Board) during 2008 should constitute the standard format.

Any subsequent changes should be presented to the Board for its approval together with the standard format. (Board Action: 36-5)

At this juncture, the Board adjourned for lunch at 12.30 pm. The meeting resumed at 1.30 pm with a presentation on Risk Management – Financial risks session by Mr Gordon MacNeil.

STRATEGIC ORGANISATIONAL ISSUES

Risk Management – Financial Risks

Mr Gordon MacNeil, who is also the Corporate Services CCER Panel Team Leader, gave the Board a comprehensive power point overview on the fiduciary oversight of the Board of Trustees, pitfalls and financial risks involved in WorldFish Centre. He also quoted a few examples that the Centre could learn from other Centres such as ISNAR, CIMMYT AND CIAT who practised lack of financial risk management which led to their financial difficulties.

Appended below is a list of responsibilities recommended by Mr MacNeil that an Audit Committee should have:

- Ensure an adequate accounting system and control environment exists at the centre;
- Evaluate the effectiveness of the centre's risk management framework;
- Endorse to the full Board the overall financial guidelines for the centre including accounting and reporting developments and changes;
- Recommend budgets for approval to full Board;
- Ensure treasury activities are in conformity with Board policy;
- Review external and internal auditors' reports and recommend to Board for approval as appropriate;
- Ensure financing for operations is based on appropriate estimates and assumptions.

During Mr MacNeil's presentation, he recommended the following oversights that are needed by the Board of Trustees:

- Understanding financial best practices, e.g.
 - Balanced budgets
 - Income risks and determinants
 - Expenditure risks and influences
 - Staffing issues impacting on performance
 - Adequate reserves, cash management policies
 - Capital planning, sustainability
 - Compliance with donor requirements
 - Financial staff performance
 - Regional office management
 - Performance indicators important to CGIAR
- Reviewing/overseeing implementation of centre risk assessment and management policies;
- Knowing how to interpret essential centre financial reports and statements;

- Approving centre financial policies and goals (e.g. treasury policy, spending authority, financial operating targets, salary envelopes, project management policies, annual budget);
- Appointing external auditors;
- Approving annual financial statements.

Mr MacNeil also highlighted to the Board some of the financial risks that are involved and need the attention of the Board of Trustees. Appended below are some of the financial risks identified:

- Less unrestricted funding – a long-term trend. Why is this a problem if you can raise more project funding?
- Unexpected / sudden donor withdrawal at either the centre or the CGIAR system level (e.g. EC in 2006);
- Currency fluctuations (positive and negative results);
- Increased demand for development activity – quid pro quo (\$\$\$) hard to resist but opportunity cost is real;
- New donors, additional Science Council/Alliance demands, less funding flexibility/more transaction costs;
- For some centres a shift from being a farm-based enterprise with large and costly infrastructure to a new outreach model but with an inadequate reduction in some major fixed costs. Not an issue for WorldFish Centre;
- Rapid decentralization – Regional Offices' growth. An issue for WorldFish Centre.

Mr MacNeil highlighted some of the areas that WorldFish Centre should look into it as a matter of priority. Below are the focal areas he had indicated:

- Deal with the obvious resource risk – sustainability of the business model;
- Assume core funding at only 20% in 5 years, and now act accordingly;
- This means designing new tools and methodologies for cost allocation to project grant budgets;
- Ensures WorldFish ability to grow to \$30 million or more & remain healthy.

In summary, Mr MacNeil advised Management to focus on direct costs as much as possible as most donors are willing to fund direct costs. Management should incorporate some of the costs and factor them into direct costs. He strongly advised Management to plan for a reduction of core funding to zero. Using the right tool or mechanisms for full costing will enable Management to direct it to full costs recovery. This will be essential if core funding disappears.

Overall, he indicated that the WorldFish Centre remains in a stable position but he recommended that 2008 must be the last year for operating deficits.

Mr MacNeil thanked the Management and staff for their assistance and cooperation rendered to the CCER team during the past two weeks.

The Chairman thanked Mr MacNeil for his comprehensive assessment of the Centre and also for a fine presentation. The Chairman informed Mr MacNeil that the Board is looking forward to see the CCER report by the panel team.

The meeting was adjourned for coffee break at 3.30 pm and resumed at 4.00 pm to review the 2009 funding outlook in a closed session.

Agenda Item 12b: 2009 FUNDING OUTLOOK – Closed Session

Minutes of this section is restricted to Board members only.

Agenda Item 29: TIME AND PLACE OF NEXT MEETING

The Board discussed and confirmed the following dates for the next Board meetings. It was confirmed that there will be a teleconference to discuss and approve the Medium Term Plan (finance plan) on 3rd July 2008. The Board Secretariat will set a time that is suitable to all Board members and will communicate this to all Board members.

The Board confirmed that the 2nd annual Board meeting will be held from September 19-20, 2008 in Cambodia and that September 18, 2008 will be the reading day.

The final dates of the 3rd Board meeting are subject to the CGIAR AGM08 meeting schedule. However, the meeting is tentatively scheduled during the week of December 1-7, 2008 in Mozambique. The Board Secretariat will communicate to all Board members once the final dates have been confirmed.

At this juncture, the Chairman excused all Management staff and Ms Vimala Menon from the meeting room except the Board Secretary as the Board discussed the various subjects under the Governance Issues in the closed session.

**Agenda Item 20: COMMITTEE REPORTS
REPORT OF THE GOVERNANCE COMMITTEE**

The Chair of the Governance Committee communicated the key points of discussion and read out the specific recommendations from the 7th Governance Committee meeting.

Agenda Item 7: Review of Scientific Advisory committee (SAC) Membership

Governance Committee Recommendation:

The Committee recommends that Dr Jurgenne Primavera and Dr Serge Garcia not be reappointed to the SAC. A letter of thanks to both members should be sent from the Board Chair.

The Board discussed these recommendations in relation to the need for turnover of SAC members and the regular injection of new ideas.

Board Decision:

The Board approved the Committee's recommendation that Dr Jurgenne Primavera and Dr Serge Garcia not be reappointed to the

SAC. A letter of thanks to both members should be sent from the Board Chair. (Board Action: 36-7)

The Chair of the SAC was appointed by the Chairman of the Board. The Board Chairman informed the Board at this time that he had decided to appoint Dr Diane Dupont as the Chairman of the SAC for the remainder of her term.

Agenda Item 9: Evaluation of Board Performance

The Board noted the results of the Board self evaluation, and agreed with the comments and conclusions of the Governance Committee.

Agenda Item 5: Review of memberships and actions to be taken. (Closed session)

a. Appointment of New Board Members

Governance Committee Recommendation:

The Committee recommends that:

- i. Dr Wendy Craik be reappointed to the Board of Trustees for a further 3 year term.
- ii. The draft process for evaluation of Board members at the end of their first term should be adopted.

At this point, Dr Wendy Craik left the room.

Board Decision:

The Board approved the Committee's recommendation that

- i. **Dr Wendy Craik be reappointed to the Board of Trustees for a further 3 year term.**
- ii. **The draft process for evaluation of Board members at the end of their first term is adopted.**

(Board Action 36-8)

b. Consideration of unfilled Board positions

Ambassador Remo Gautschi and Dr Craik left the meeting room during the discussion on this matter and later returned to the meeting room after the decision had been made.

Governance Committee Recommendation:

The Committee recommends that the position on the Board Chair be filled by Ambassador Remo Gautschi.

Board Decision:

The Board approved the Committee's recommendation that the position on the Board Chair be filled by Ambassador

Remo Gautschi until the end of June 2010. (Board Action: 36-9)

Agenda Item 19: REVIEW THE RESULTS OF BOARD SELF-EVALUATION ASSESSMENT

Under Agenda item 20, the Board noted the results of the Board self evaluation, and agreed with the comments and conclusions of the Governance Committee

Agenda Item 23: REVIEW AND APPROVAL OF BOARD AWARDS TO STAFF

The Chair of the Board Awards Committee, Dr. Ayyappan, indicated that there had been 4 nominations each for the Research and the Research Support awards. He stated that some of the nominations had not properly followed the guidelines for awards and that in future non-conforming nominations should not be considered.

The Committee recommended the following staff members be given awards:

Research Award: Dr Neil Andrew
Research Support Award: Ms Emily Khor

The Board agreed with these recommendations.

Board Decision:

The Board approved the award of the Research Award to Dr Neil Andrew and the Research Support Award to Ms Emily Khor. (Board Action: 36-10)

The meeting adjourned at 5.15 pm and the Chairman reminded all Board members of the Board dinner which will be held at the E & O Hotel later in the evening. The van will depart from Hotel Equatorial to the E & O Hotel at 6.15 pm.

**WORLD FISH CENTRE
BOARD OF TRUSTEES
FULL BOARD
THIRTY-SIXTH MEETING
7 April 2008
Penang, Malaysia**

Present:	- Dr. Trond Bjorndal	Chairman
	- Dr. Stella Williams	Vice-Chair
	- Dr S. Ayyappan	Member
	- Dato' Junaidi Che Ayub	Member, Ex-Officio
	- Dr Wendy Craik	Member
	- Dr Stephen Hall	Member, Ex-Officio, Director General
	- Dr Asger Kej	Member
Board Secretary:	- Dr James K. Oliver	Director, Science Co-Ordination
Absent	- Dr Ezzat Awwad Ibrahim	Member, Ex-Officio
With Apology:	- Ambassador Remo Gautschi	Member (departed from Penang on 6 th April late evening)
Observer:	- Ms Vimala Menon	

Staff in Attendance: Mr Wayne Rogers and Dr Patrick Dugan

Agenda Item 22: DIRECTOR GENERAL'S PERFORMANCE EVALUATION (Closed Session)

The Board resumed the meeting at 9.30 am on 7th April 2008 in a closed session discussing the performance evaluation of the Director General without the presence of Management.

The Board resumed the second day Board meeting with the presence of Management staff at 10.25 am.

Agenda Item 16: UPDATE BY DEPUTY DIRECTOR GENERAL

The report by the Deputy Director General was taken as read by all Board of Trustees. The Deputy Director General highlighted to the Board that the Discipline Director from PESS, Dr Eddie Allison, is actively involved in the challenge programme project proposal on food security and climate change.

He also reported that the new East & South East Asia (ESEA) Regional Director, Dr Maripaz Perez will officially join WorldFish Centre in May. The Deputy Director General thanked the Director Science Coordination, Dr Jamie Oliver, in providing an oversight role in the ESEA region and during the transition period. He anticipated a slowing down in the activities being carried out in this region until the new Regional Director is brought up to speed to manage this region.

With regards to the Board's earlier request for him to provide an update on the opening of the Mozambique's office, the Deputy Director General responded that the office has not yet been opened, but that Management will continue to pursue the interest of opening the office in mid year of 2008 as the funding situation in this area has not changed in this area.

The Deputy Director indicated that the Congo office is currently operating and that project activities in this area are currently in progress. Management will continue to monitor the political risk situation in Congo.

The Director of Science Coordination responded to the Board's query regarding the Pacific region's review. He informed the Board that the review is currently underway and he together with the Director of Corporate Services will visit the Pacific in May 2008 to review the logistical and administrative operating costs in Fiji and New Caledonia. After the completion of the review, a report will be compiled.

The Deputy Director General informed the Board that World Bank/WorldFish partnership training held in Nha Trang, Vietnam in January 2008 was a fruitful one. He will continue to follow up with World Bank pertaining to the funding by World Bank.

Agenda Item 17: REVIEW OF THE SCIENCE ADVISORY COMMITTEE (SAC) REPORT

The Deputy Director General hoped that the SAC report which was circulated early in the morning was taken as read by all Board of Trustees.

The Board noted the SAC comments and Management's responses. The Chairman requested the Deputy Director General to provide a respond to the Science Advisory Committee members pertaining to the Management's responses.

Board Decision:

The Board accepted the SAC report as recommended by the SAC and accepted Management's comments and responses as provided in the SAC report as the official responses of the Board of Trustees. (Board Action: 36-11)

Agenda Item 18: REVIEW AND APPROVAL OF DRAFT MTP AND SCHEDULE FOR FINALISATION

The Deputy Director General introduced this agenda item. The Board and the Science Advisory Committee members had the opportunity to review the draft medium term plan 2009-2011 on 5th April during the joint session. The Deputy Director General informed the Board that staff were given the opportunity to participate and contribute their input to the draft medium term plan during the three regional science fora (Pacific, Asia and Africa) which were held in February/March 2008.

Management will proceed with the development of the finance plan of the medium term plan after the Board has approved the science sections. The

Board requested Management to the summary financial tables via email for approval by the end of May.

Board Decision:

The Board approved the draft MTP 2009-2011 and the schedule for finalisation. Management will send the summary financial tables to the Board by email for comments and approval by the end of May 2008. (Board Action: 36-12)

The Board adjourned for coffee break at 11.00 am. The Governance Committee members met during the coffee break until 11.25 am. Then, the Board meeting resumed as closed session until 12.00 pm.

Agenda Item 20: REPORT FROM THE GOVERNANCE COMMITTEE - CONTINUATION (CLOSED SESSION).

The Chairman of the Governance Committee presented the recommendations of the Governance Committee on the appointment of a new member.

Agenda Item 5a: Appointment of new Board member

Governance Committee Recommendation:

The Committee recommends that Ms Vimala Menon be appointed as a member of the Board of Trustees to serve from 1 July 2008 until 30 June 2011.

The Board noted that Ms Vimala had made a substantial contribution to the current meeting as an observer and agreed with the recommendation.

Board Decision:

The Board appointed Ms Vimala Menon to the Board of Trustees to serve from 1 July 2008 until 30 June 2011. (Board Action: 36-13)

Agenda Item 5b: Consideration of Unfilled Board position for 2008-2009

Governance Committee Recommendation:

The Committee recommends the following members to serve on Board Committees:

Governance Committee:

Dr. Asger Kej (Chair)
Ambassador Remo Gautschi (ex officio)
Prof. Ezzat Awwad Ibrahim
Dr. S. Ayyappan

Audit Committee

Dr. Wendy Craik (Chair)
Ambassador Remo Gautschi (ex officio)
Ms Vimala Menon
Dr Asger Kej

Board Decision:

The Board appointed the following members to serve on Board Committees.

Governance Committee:

Dr. Asger Kej (Chair)
Ambassador Remo Gautschi (ex officio)
Prof. Ezzat Awwad Ibrahim
Dr. S. Ayyappan

Audit Committee

Dr. Wendy Craik (Chair)
Ambassador Remo Gautschi (ex officio)
Ms Vimala Menon
Dr Asger Kej

(Board Action: 36-14)

Governance Committee Recommendation:

The Committee recommends that Dr Wendy Craik be appointed as Vice Chairman of the Board, and Dr Jamie Oliver as Secretary of the Board.

Board Decision:

The Board appointed Dr Wendy Craik as Vice Chair of the Board, and Dr Jamie Oliver as Secretary of the Board.

(Board Action: 36-15)

The Board noted that it was not clear exactly when the term of the new Board Chair should commence. It was agreed that the current Board Chair should continue to serve for a short period in order to finalise the contract of the Director General.

Board Decision:

Professor Bjorndal will serve as Board Chair until April 30, 2008. Ambassador Gautschi will serve a Board Chair commencing May 1st 2008.

(Board Action: 36-16)

Agenda Item 24: REVIEW OF BOARD HONORARIA (Closed Session)

Minutes of this section is restricted to Board members only.

**Agenda Item 20: COMMITTEE REPORTS
REPORT OF THE AUDIT COMMITTEE**

Agenda Item 5a: Approval of 2007 Audit Report of WorldFish Centre

The Audit Committee Chair reported to the Board the various management points as indicated in the Centre's Management Letter. The Audit Committee requested Management to take more control of the Regional Offices system deficiencies and Management has noted these management points as well.

The Financial Statements were sent for Peer Review and the amendments proposed by the Peer Review were attached as a supplementary Board paper.

Recommendation:

The Audit Committee recommends to the Board to approve the 2007 Financial Statements of the Centre as amended.

Board Decision:

The Board noted the Audit Committee's recommendation to approve the 2007 Financial Statements of the Centre as amended. (Board Action: 36-18)

Agenda Item 6: Internal Audit Report

Recommendation:

The Committee recommends to the Board that the internal audit report is noted with the proposed update to the 2008 internal audit work plan.

Board Decision:

The Board noted the proposed update to the 2008 internal audit work plan. (Board Action: 36-19)

Agenda Item 7: Confidential Meeting with External and Internal Auditors

The Audit Committee Chair informed the Board that there was a joint confidential meeting with the External and Internal Auditors without the presence of Management.

Recommendation:

The Audit Committee proposed that a formal process is put in place to advise the Chair of the Audit Committee of any items of potential fraud or malpractice that management is aware of or investigating.

Board Decision:

The Board approved the Audit Committee's recommendation that a formal process is put in place to advise the Chair of the Audit Committee of any items of potential fraud or malpractice. Management is requested to take appropriate action. (Board Action: 36-20)

Agenda Item 8: Review and Approval of the revised Treasury Policy

The Audit Committee Chair informed the Board that Management presented the revised Treasury Policy. The Audit Committee reviewed the policy and recommended the following amendments to the Treasury Policy:

- Under Operating Currency, to add the phrase "following appropriate reviews";
- Under dealing procedures, the words "should" will be replaced with "must".

Recommendation:

The Audit Committee recommends to the Board to approve the Treasury Policy subject to the following amendments:

- Under Operating Currency, to add the phrase "following appropriate reviews";
- Under dealing procedures, the words "should" will be replaced with "must".

Board Decision:

The Board approved the Treasury Policy subject to the following amendments.

- Under Operating Currency add this phrase "following appropriate reviews";
- Under dealing procedures, the words "should" will be replaced with "must".

(Board Action: 36-21)

Agenda Item 9: Update on Risk Management Activities

The Audit Committee informed the Board that Management will present to the Board the full report on the Centre's Risk Management activities on a yearly basis and to the Audit Committee at every Audit Committee Meeting.

Recommendation:

The Audit Committee recommends to the Board to take note of the report and the process for consideration of risk management reports.

Board Decision:

The Board noted the report and the process for consideration of risk management reports. (Board Action: 36-22)

Agenda Item 10: Update on major focus items on Corporate Finance

The Audit Committee Chair informed the Board that Management brought to the Audit Committee's attention with regards to the Philippines Pension fund which now resides in the Centre's Balance Sheet has to be reviewed and the process to move the fund out to an external provider will have to be considered.

Recommendation:

The Audit Committee recommends to the Board to note the update on major focus items on Corporate Finance and the item proposed on the Philippines pension fund.

Board Decision:

The Board noted this update on major focus items on Corporate Finance and the Audit Committee's recommendation on the item proposed on the Philippines pension fund. (Board Action: 36-23)

Agenda Item 21: REVIEW AND APPROVAL OF 2007 AUDITED REPORT

Board Decision:

The Board approved the 2007 Audited Report as presented in the Audit Committee Meeting. (Board Action: 36-24)

Agenda Item 27: REVIEW AND APPROVAL OF SALARY INCREASES FOR 2008

The Director of Corporate Services introduced the paper on salary increases for 2008. The Director of Corporate Services informed the Board that global staff increment is based on the declaration of home and host country percentage. The inflation rates vary between 0% and 15% in the countries where employees are based. The Board was satisfied with the presentation of this paper without any further query.

Board Decision:

1. The Board approved the following percentage increases in base salary for employees who are rated as “met expectations” or higher;
 - Globally Recruited 3.9%
 - Malaysia 3.5%
 - Cambodia 10.8%
 - Philippines 5.4%
 - Bangladesh 11.4%
 - Malawi 7.7%
 - Solomon Island 6.7%
 - Egypt 10.5%
 - Zambia 8.9%
2. The Board noted the Centre’s personnel policy provides for a further 3% increase in base salary (one pay spine point) for employees who have been rated as “exceeded expectations”;
3. The Board approved a further one-time bonus of 10% of salary for employees who have been rated as “far exceeded expectations”.

(Board Action: 36-25)

Agenda Item 28: OTHER BOARD MATTERS

The Board requested Management to revise the Key Performance Goals (KPG) for indirect cost recovery so that the Centre will be able to recover US\$1 million in 2008. The Board stressed that they would like the full cost recovery mechanism in placed by the end of 2008.

Board Decision:

- I. The Board requested Management to amend the Key Performance Goals for indirect cost recovery in the 2008 KPG to US\$ 1 million. **(Board Action: 36-26)**
- II. The Board requested Management to have the full cost recovery mechanism in placed by end of 2008. **(Board Action: 36-27)**

Agenda Item 30: STATEMENT BY OBSERVER

Ms Vimala Menon thanked the Chairman and the other Board of Trustees for inviting her to attend the 36th Board of Trustees meeting as an observer. Prior to her trip to Penang, she was not sure if she would be able to contribute to the Board as she had no science background or knowledge of fisheries. However, after attending the Audit Committee meeting and the two days full Board meeting, Ms Menon said that she was confident that she will be able to contribute in the finance area and she will try to understand the other part of the business in WorldFish Centre.

Agenda Item 31: OTHER BUSINESS

The Director General informed the Board that the Deputy Director General's contract will be due for renewal soon and the process of renewing the Deputy Director General's contract is to engage the Hay Group to carry out the 360

degrees feedback from the Deputy Director General's direct reports and external parties.

The Director General informed the Board that he looked forward to receiving feedbacks from the Board of Trustees with regards to the Deputy Director General performance.

The Board noted the process that the Director General will undertake with regards to the renewal of contract of the Deputy Director General for another five years.

Agenda Item 32: CLOSING REMARKS

At this point, the Chairman invited the two leaving board members to give some closing remarks.

Dr Stella Williams: Dr Williams said that she was very pleased with her tenure as a Board of Trustee during these six years and she enjoyed being the Centre's Board member. Although she will no longer be a Board member of the Centre, she will render any assistance required of her and she will be just an email away.

Dato' Junaidi: Dato' Junaidi expressed his appreciation to the Board and the Centre and look forward to a continued friendship.

As Dr Ayappan will be leaving the Board in September 2008, the Chairman invited him to give some remarks as well.

Dr Ayyappan: Dr Ayyappan thanked the Director General, Board Secretary and the Board of Trustees and said that this will be his last meeting in Penang as the next meeting will be his last meeting and it will be held in Cambodia. Dr Ayyappan said that the Chairman had been a mentor, a moderator and mediator as he played several roles in the Board and he look forward to meet with him again in the near future.

Dr Trond Bjorndal: The Chairman of the Board made the following closing remarks. "Let me take this opportunity to thank Emily Khor for her assistance during this Board meeting. It has been first rate, as we have come to expect.

The Centre is today a very different animal from what it was when I joined six years ago. This is a joint product of good effort from the Board, management and all members of staff. Let me acknowledge the contribution of all of you. I thank my colleagues on the Board - Professor Stella Williams, Dr Ayappan, Dr Asger Kej, Dato' Junaidi and Dr Wendy Craik for fruitful cooperation. I know the Centre is in good hands.

As mentioned, the Centre is very different today from what it was when I joined. Most of the changes have, however, taken place in the last three years under the leadership of Dr Stephen Hall. I will take this opportunity to pay tribute to him and an excellent team at all levels of the organisation.

At one of the first Board meetings, Dr Hall said to me that the Board would not be doing its job if it did not make the Director General fall off his chair at least three times during a Board meeting. At the first meeting I think we achieved this, but it has not happened more recently. I wonder if the implication is that we do

not do our job or, perhaps, is it because the quality of what management does has improved?

Let me point out some of the achievements:

- The Centre has developed a very coherent strategy based on participation from all levels of the organisation.
- Over the past few days, we have discussed the MTP where the strategy is manifested through a coherent set of projects.
- The Centre has been reorganised into a structure consisting of disciplines and portfolios, and new policies have been implemented covering important areas of the Centre's work.

Finally, some reflections from an outgoing Chairman:

First, with regards to the financial health of the Centre: I believe it is critical that for 2009, the Centre must achieve a surplus or, as a minimum, a balanced budget. This means not only increased revenues. It also means greater attention to costs and cost cutting, an aspect of financial analysis that perhaps requires more attention.

- Over time, I hope and believe the role of the WorldFish Centre as a global commentator must be strengthened. This is happening, but it needs to be expanded and the scope widened.
- Subject to budget constraints, I hope that the Centre will soon be able to establish a presence in West Africa.

With these words, I declare the 36th meeting of the WorldFish Board of Trustees closed." The meeting adjourned at 12.45 pm.

Draft 5th May 2008