

**Africa Rice Center
(WARDA)**

28th Meeting of the Board of Trustees
March 9 – 14, 2008
Cotonou, Benin

Draft Minutes of 38th Meeting of the Executive and Finance Committee
Monday – Wednesday, 24 – 26 September 2007

Present: Gaston Grenier, Board Chair
Clementine Dabire, Vice-Chair & Nominating Committee Chair
Remi Pochat, Audit Committee Chair
Emmanuel Owusu-Bennoah, Program Committee Chair
Papa Abdoulaye Seck, Director General, Ex-Officio member

Secretary: Samuel Bruce-Oliver

Invited: Mrs Amma I. Pepple, Permanent Secretary, Nigerian Ministry of
Agriculture and Water Resources
Shelleemiah Keya, Asst. Director General, Research & Development
Koen Geerts, Asst. Director General, Corporate Services

Summary and Recommendations of the 38th Meeting of the Executive and Finance Committee (EFC)

Monday – Wednesday, 24 – 26 September 2007

The 38th meeting of the Executive and Finance Committee (EFC) was held at the Transcorp Hilton Hotel in Abuja, Nigeria, from Monday, 24th to Wednesday, 26th September 2007. It was presided over by the Board Chair and all EFC members were in attendance. Welcome remarks were pronounced by the Permanent Secretary of the Nigerian Ministry of Agriculture, Mrs. Amma Pepple, on behalf of Honorable Minister of Agriculture and Water Resource of the Federal Republic of Nigeria. She expressed her appreciation for the support provided by the Africa Rice Center (WARDA) to the Presidential Initiative on Increased Rice Production, Processing and Export through the production of NERICA breeder and foundation seed and confirmed the commitment to and the importance Nigeria accords to the Africa Rice Center

In opening the meeting the Chair thanked all EFC members for making the trip to Abuja, and WARDA management and staff for making very satisfactory arrangements to host an EFC meeting away from WARDA's temporary headquarters in Cotonou. The minutes of the previous EFC meeting were reviewed and unanimously adopted. It was noted that a majority of the recommendations from the previous EFC meeting were implemented.

Recommendation 1

On the establishment of a rice seed production, distribution and marketing company, EFC decided that it was premature to establish such a company and that WARDA should limit itself to the production of breeder and founder seed, training and assist countries to develop seed policies and strategies, which are in line with its core mission.

In discussing the CCER on ARI previously approved by the Board, EFC was informed that the CCER was in the process of implementation and the Terms of Reference have been prepared. A report will be provided to the Board in due course.

Recommendation 2

EFC was informed about the involvement of WARDA in the new Challenge Programs (Climate Change, vegetables and OASIS) and worries expressed about the

availability of critical mass at WARDA to participate in all these Challenge Programs. Despite the reservations, EFC exhorted WARDA to continue to be associated with the development of the new Challenge Programs while at the same time being mindful of its mission.

The creation of a Marketing and Communications Unit was the subject of much discussion. EFC was provided with convincing arguments about the necessity of such a unit and how it would support the Director General in his fund raising and lobbying functions.

In reviewing the recommendations of the Audit Committee, EFC was pleased that the submission of intermediate financial reports had improved remarkably and noted that in addition to submitting a workplan, the Internal Auditor had done a better job of covering outstations than in previous years.

The issue of foreign exchange risks was discussed in depth and references were made to the situation of CIAT and the necessity for the Board to look at financial risks much more closely. EFC was reassured of the existence of a document on risk management, which details how all possible risks faced by WARDA could be managed and the management was doing its homework to ensure that what happened at CIAT does not occur at WARDA.

In reviewing the conclusions of the program Committee, the issue of collaboration with NARS was highlighted. WARDA has always worked with NARS and management reiterated its disposition to work even more closely with its NARS partners.

Nomination of new Board members

The presence of the host country, Cote d'Ivoire, on the WARDA Board was clarified as being one of practice and not a right. EFC agreed to maintain a seat for Cote d'Ivoire on the Board and requested the Director General to use diplomatic means to ensure that the best candidate from Cote d'Ivoire would be selected to join the WARDA Board. The DG was urged to rely on his relationship with Benin to get things done in this temporary host country.

Recommendation 3

Momodou A. Ceesay, a private sector entrepreneur from The Gambia was proposed to replace Mary Mokwunye of Nigeria on the Board and the Chair was requested to invite him to join the WARDA Board.

Recommendation 4

EFC agreed that for the replacement of Clementine Dabire of Burkina Faso that a lady from Niger would be retained. However, since nobody on the Board knows much about the proposed candidate, Mme Mariama Yaye Gamatie, several individual should be contacted for more information. In addition, more CVs from Niger should be submitted for consideration.

EFC noted that there was a possible massive departure of Board members from non-member countries between 2010 and 2013 and recommended that this be followed closely and a succession plan proposed to avoid a repetition of the recent situation experienced on the Board where the tenure of four Board members came to an end at the same time.

Recommendation 5

EFC expressed its pleasure with the positive outcome of the 5th WARDA EPMR and urged management to i) undertake the implementation of all the EPMR recommendations and ii) produce a implementation plan that will be updated at every meeting of the Board.

EFC appreciated the recommendation of a Scientific Advisory Committee composed of distinguished scientists to assist the Program Committee and proposed the names of Greg Ruggle, Brigitte Courtois and Takeshi Horie for consideration.

2007 Outlook and Cashflow

In discussing the 2007 financial outlook and cashflow, EFC noted that management projected a breakeven situation at year's end. It is expected that at the time of preparing the 2007 accounts, management will propose some designation of WARDA's reserves such as a capital fund and a reserve for the relocation to M'be. A final proposal will be made appropriately at the time of closing of the accounts.

A suggestion to produce individual reports on the results and impact of WARDA activities for member countries that have paid their contributions as a means of convincing Finance Ministers of member countries to continue to support WARDA was debated. There was contrary opinion to the extent that such reports could prompt member countries to use the submission of reports as a reason for paying or not paying their contribution. The Director General expressed his conviction that there were no difficulties in verbally convincing political leaders of member countries to meet their obligations to WARDA. However, the consensus reached was that it

would be useful to have documentation to convince member states and not to limit advocacy to a verbal level.

2008 Draft Working Budget

EFC noted the projections of revenues and expenditures in the 2008 draft working budget, which would be finalized after the 2007 Annual General Meeting of the CG (AGM07). WARDA will be aiming at a surplus of US\$2 Million at the end of 2008.

Recommendation 6

EFC requested that WARDA management produce a ratio (critical level) of unrestricted vs restricted funds that could be recommended for the endorsement of the Board.

The exceptional success by WARDA in securing the payment of contributions by member states was noted and EFC extended its congratulations to the Director General, management, staff and all those who have contributed to this success.

Recommendation 7

On the subject of the selection of External Auditors, EFC concluded that WARDA should proceed with a) extension of the contract of the audit firm Ernst and Young-Abidjan for a sixth year for the 2007 external audit and b) the appointment of Ernst and Young-Lagos as WARDA's external auditors for the period 2008 – 2012, provided that the IITA Board decides to appoint the same auditors.

Mitigation of Foreign Exchange Risks

EFC noted the presentation made by management on managing risks due to foreign currency exposure, which mainly identified what the risks were and described the current management of such risks.

Recommendation 8

EFC found the actual situation in managing foreign exchange risks satisfactory and proposed

- i) No further actions would be necessary and there was no need to hire a consultant to do a study on the issue;
- ii) Management should furnish the Board with an earlier study on the subject commissioned by the CGIAR;
- iii) Management should inquire if any guidance on best practices could be provided by the CGIAR Internal Audit Unit.

IITAWARDA Corporate Services Alignment

EFC expressed its satisfaction with the progress made in the alignment of IITA and WARDA Corporate Services in Cotonou and encouraged management to proceed and derive maximum benefit from this alignment. It noted that the alignment was reaching the crucial phase of implementation during October – December 2007 and that a joint IITA/WARDA status report would be due for submission to ExCo 15 – 16 October 2007.

EFC discussed the establishment of a research platform at the Cotonou station regrouping all agricultural research institutions present in Benin (e.g., IRD, CIRAD, Bioversity International, IITA) to allow WARDA to have a foothold in Cotonou even after returning to Cote d'Ivoire. EFC urged the DG to discuss this with his IITA homologue to make this a reality.

IRRI-WARDA-CIAT Alignment

EFC considered the alignment between IRRI, WARDA and CIAT a marvelous initiative which responds to a worldwide coordination of research on rice and commended management on this initiative.

WCA Regional Program for Collective Action

EFC was encouraged by the progress achieved with respect to WCA REPCA and in seeing CG entities and partners in the region working together. It however, questioned if there were any instruments or mechanisms put in place to secure funding for the plan and suggested linking to the SSA CP to explore funding opportunities.

Results of 2006 Performance Measurement Indicators

EFC noted that WARDA received a superior rating for its 2006 performance measurement indicators. It is also noted the difficulty of responding to the indicators and questioned how the indicators were determined as important criteria such as partnership seemed to receive little consideration. It therefore requested management to provide the Board with background documents containing details of the performance indicators.

EFC agreed on several issues that could constitute major decisions taken by the Board in 2007 that could be included in the report on Performance Management Indicators.

Joint IITA/WARDA Executive Committee Meetings

EFC recognized the difficulty of face to face meetings of the joint IITA/WARDA Executive Committee and suggested that instead a face to face meeting of the

Directors General and Board Chairs of IITA and WARDA was more realistic. Such meetings could take place at Alliance or AGM meetings and each delegation would then report back to the Executive Committees of their respective Boards.

EFC recommended the documentation of all the initiatives and steps taken by WARDA with respect to the IITA/WARDA alignment, the reaction by IITA to these initiatives and the results obtained.

EFC proposed that a joint IITA/WARDA Board meeting be convened in Dakar, Senegal, in 2008 and tasked the Board Chair to seek the concurrence of the IITA Board Chair with respect to the holding of such a meeting.

ATTACHMENT II

Africa Rice Center (WARDA) Board of Trustees

38th Meeting of the Executive and Finance Committee

23 – 26 September 2007

Abuja, Nigeria

Provisional Agenda and Work Schedule

1. Provisional Agenda

Sunday, 23 August 2007

Reading Day

Monday, 24 September 2007

1. Chairman's Remarks
2. Adoption of Provisional Agenda and Work Schedule
3. Review of Minutes of the 37th Executive and Finance Committee Meeting
4. Action Items and Matters Arising
5. Summary & Conclusions, Matters Arising from the Audit Committee
6. Summary & Conclusions, Matters Arising from the Program Committee
7. Summary & Conclusions, Matters Arising from the Nominating Committee
8. Nomination of New Board members
9. Update report on events at WARDA:
10. Staff Movements & Recruitments
11. Report of 5th WARDA EPMR

Tuesday, 25 September 2007

12. Cash flow and 2007 financial outlook
13. 2008 Draft Budget and Financing plan
14. Proposal for Selection of External Auditors for 2007 and 2008-2012
15. Study on mitigation of risks due to foreign currency exposure
16. Status Report on Alignments

- i) WARDA-IITA Corporate Services Alignment
- ii) IRRI-WARDA-CIAT Programmatic Alignment
- 17. Update on WCA Regional Plan for Collective Action
- 18. Results of 2006 Performance Measurement Indicators & Preparing for 2007 Submission

Wednesday, 26 September 2007

- 19. Report on Joint IITA/WARDA Executive Committee meeting, April 2007, Rome
- 20. Other Matters
- 21. Closed session and summary of discussions in closed session
- 22. Summary and Conclusions

2. Provisional Schedule of Work

Time	Mon., Sept. 24, 2007	Tue., Sept. 25, 2007	Wed., Sept. 26, 2007
08:30-10:30	<ul style="list-style-type: none"> - Chairman's remarks - Adoption of agenda & work schedule - Review minutes of 37th EFC meeting, Action items & Matters Arising 	<ul style="list-style-type: none"> - Cash flow and 2007 financial outlook - 2008 Draft Budget and financing plan - Proposal of External Auditors 2007, 2008 - 2012 	<ul style="list-style-type: none"> - Report on Joint IITA/WARDA ExCo meeting, April 2007, Rome - Other Matters
10:30-11:00	Coffee Break		
11:00-12:30	<ul style="list-style-type: none"> - Review of Summary and Conclusions & Matters Arising from minutes of - Audit Committee - Nominating Committee - Program Committee 	<ul style="list-style-type: none"> - Mitigation of foreign currency exposure risks - Status of Alignments: IITA – WARDA corporate services alignment 	<ul style="list-style-type: none"> - Closed Session - Summary and Conclusions
12:30-14:00	Lunch		
14:00-15:30	<ul style="list-style-type: none"> - Nomination of new Board members - Update on events at WARDA - Staff Movements & Recruitments 	<ul style="list-style-type: none"> - Status of Alignments: IRRI-WARDA-CIAT programmatic alignment - Update on WCA REPCA 	
15:30-16:00	Coffee Break		
16:00-17:30	<ul style="list-style-type: none"> - Report of 5th WARDA EPMR 	<ul style="list-style-type: none"> - Results of 2006 Performance Measurement Indicators - Preparing for 2007 PMI Submission 	
Evening	Free/Private Dinners	Dinner for EFC/EMC	