

MINUTES OF THE FIFTEENTH MEETING OF THE BOARD OF TRUSTEES OF CIFOR

Bogor , Indonesia
December 10 to 14, 2001

Members Present:

Dr. Jag Maini (Chair)	Dr. Yumiko Tanaka
Dr. David Kaimowitz	Ms. Lael Bethlehem
Dr. Pekka Patosaari	Professor Bo Larsen
Dr. Don Koo Lee	Dr. Christina Amoako-Nuama
Ms. Angela Cropper	Dr. Gill Shepherd
Dr. Jacques Valeix	Dr. Christine Padoch
Ir. Abdul Fattah (Host country representative)	

Regrets:

Dr. Walter Falcon
Dr. Lucie Edwards (ICRAF)

Observers:

Dr. Patrick Durst (FAO, Bangkok)
Mr. Dominique Freslon (Embassy of France)
Professor Nigel Stork (Australia)
Dr. Scott Bode (USAID, Washington)
Dr. Helmut Dotzauer (GTZ, Samarinda)
Dr. Filippo Saracco (EC, Libreville)
Mr. Klaus Michael Rottman (German Embassy, Jakarta)
Dr. Hans de Jong (Tropenbos)
Ir. Ginting (FORDA Bogor)
Dr. Tim Nolan (EC, Jakarta)

These minutes should be read in conjunction with the documentation provided to Trustees before and during the BOT meeting.

1) Introduction (Open)

The Chair welcomed the BOT members, especially the new members, observers, donors and staff to the first Board meeting after the DG transition.

The activities of the Chair since March 2001 were:

- Meetings with the new DG in Durban and New York which resulted in a Terms of Reference (see BOT agenda item 5b).
- Travel to Yaounde to attend an ITTO meeting which provided the opportunity to visit CIFOR's regional office.
- Attendance at the Annual General Meeting of the CGIAR where the DG made an excellent presentation that was well received by the donors.
- Ongoing UNFF activities where CIFOR remains prominent.

He also noted some excellent CIFOR publications and articles that had appeared since the last BOT meeting.

2) Adoption of agenda

The agenda was approved as follows.

- 1) Introduction
 - 2) Adoption of agenda
 - 3) Confirmation of minutes of the previous meeting
 - 4) Matters arising from the previous meeting
 - 5) Report by the Director General
 - 6) Financial Overview
 - 7) Statement of past impacts
 - 8) Report by the Chair of ICRAF
 - 9) BOT brainstorming session
 - 10) Country updates
 - 11) ICER
 - 12) CIFOR + 10
 - 13) Report by the Chair of the Executive Committee
 - 14) Report by the Chair of the Finance and Audit Committee
 - 15) Report by the Chair of the Programme Committee
 - 16) Reactions by donors and observers
 - 17) Other business
 - a) WSSD Johannesburg
 - b) Changing global context
 - c) Hear and soul
 - d) World Forestry Congress 2003
 - e) IUFRO
 - 18) Time and venue of next meeting
- Closed session*
- 19) Report by the Chair of the Nominations Committee
 - 20) Performance appraisal of the Board Chair
 - 22) Other business
- BOT members only*
- 23) Other business

3) Confirmation of minutes of the previous meeting

The minutes of the fourteenth meeting were approved with some minor changes noted by the Secretary. Copies were subsequently distributed to all members.

4) Matters arising from the previous meeting

re 13) Finance and Audit Committee – In response to a query, the Nominations Committee Chair agreed to clarify if there is an expectation that all new BOT members serve on this committee.

5) Report by the Director General

a) Status report - The DG reviewed the key points in his written report which covered the period since his appointment in August. During that time, the CGIAR has seen some major changes in funding prospects and the events of September 11 have changed the world in which CIFOR operates. He then touched upon some key points including:

- i. Poverty, communication and impact – CIFOR has laid the foundations for a more effective approach to poverty by taking a strategic perspective (e.g.. Puncak poverty workshop). More attention is being devoted to improving the communication of research outputs (results are improved web page, articles in influential media) and the impact our work, which will be discussed later in this meeting.
- ii. Programme highlights – The Director of Research will cover this in more detail during his report to the Programme Committee but the DG wanted to take this opportunity to thank the scientific staff for their hard work. Some notable achievements include the book on Human Well Being and Community Management, the China workshop on forest policy reform, work on forest sector debt in Indonesia, the Vietnam forestry research seminar, the volume on forest rehabilitation, and the prominent role in the FLEG conference in Bali.
- iii. Finances - Resource mobilisation systems and attitudes have been reinvigorated and steps initiated to reduce costs. The DG has met many donors with some positive results. However, the prospects for increased unrestricted funding are minimal. There is also the ironic effect that increased restricted funding puts additional pressure on unrestricted funds since most restricted donors expect a counterpart contribution and thus do not cover the full cost of the restricted activity. While the focus will be on revenue growth going forward, some cost reduction measures are in process (see HR policy changes later in the agenda, more excursion-class travel, the proposal to reduce BOT meeting frequency, and reduced unrestricted collaborative funding).
- iv. Host country relations – A persistent effort has been made to improve relations through meetings with Ministers and senior officials and other events. The Minister of Forestry has articulated a 5-point priority plan that meshes well with CIFOR's.

- v. CGIAR – Efforts are ongoing to more closely collaborate with other CG centres in both scientific and administrative initiatives. Plans are in place for a joint ICRAF/CIFOR forward-looking ICER on biodiversity.
- vi. CPF – The Chair has facilitated efforts to encourage closer links to CPF members.
- vii. Team building within CIFOR – The DG transition and upcoming staff changes mean that team building is more important than ever. In particular, there is a set of issues related to enhancing and recognising the contribution that national staff can make.

The DG concluded by reiterating that CIFOR will continue to demonstrate that research can greatly contribute to the condition of the world's tropical forests and the well-being of people that depend upon them.

The BOT members and observers commended the DG for the presentation and the accomplishments to date. In their comments, the BOT members supported the :

- Poverty focus
- Increased emphasis on NRS issues
- Efforts to place pieces in mass media publications
- Importance of non-CGIAR partners.

They also queried:

- The implications of the staff changes
- CIFOR's funding pattern compared to other CG centres (which now has an equal division between unrestricted and restricted funds).

b) DG's terms of reference

The BOT approved the DG's terms of reference and noted the ongoing importance of POLEX.

6) Financial Overview

The Finance Manager and the Budget Officer gave a joint presentation about the financial results for the 10 months ended October 31, 2001, the projections to year end, and the PWB proposed for 2002.

The main points related to 2001 included:

- CIFOR continues to enjoy healthy liquidity measures
- The large year-to-date deficit will be considerably reduced by year-end as revenues will exceed expenses.
- Investments meet BOT guidelines

- CIFOR is taking larger Rupiah positions to profit from higher interest rates and locking in favourable exchange rates (versus the budget).
- The ratio of restricted funding continues to increase.
- The World Bank will be the largest donor in 2001.
- Actual personnel costs may exceed the PWB 2001 assumptions.

They also gave an overview of the proposed PWB for 2002. Key issues reported were:

- Primary focus on revenue generation opportunities and systems in face of declining unrestricted revenue but cost reduction measures are still important.
- Deficits in 2001 and 2002 leading to a balanced budget in 2003.
- Liquidity indicators will decline but remain at adequate levels.
- Full cost recovery elusive.
- Achieving a balanced budget in 2003 will be difficult in the face of further expected revenue declines and other factors.

Subsequent questions were primarily directed towards clarifying the BOT members' understanding of the presentations. The trend to more restricted funding and its implications received the most attention (e.g. implications on strategy, less flexibility and stability, need for enhanced fundraising efforts, etc.).

7) Statement of past impacts

The objective of the discussion was to introduce the impact theme by reviewing past impacts. The Think Session and the ProComm will look further at impact issues. The DG had prepared a draft of a statement summarising CIFOR's impacts since establishment which he presented to the BOT to stimulate discussion and to invite feedback to help develop further development of the paper.

The core message was that CIFOR has achieved a lot since 1993. Reference was made to CIFOR's retail (national institutions, forest managers) and wholesale (e.g. international policy for a) strategies. A central challenge for sustainable forest management is the need to develop a new generation of well-trained developing country scientists who can make a major contribution to the management of their countries' forests.

The BOT members agreed that much had been accomplished and supported the continued efforts to improve impact/influence. Specific points related to:

- Some examples of impact in Indonesia such as C&I and upcoming RIL guidelines were given.
- An annual high level exclusive seminar might be one option to reach high level policy makers.
- The choice of partners is key to achieving impact.

- CIFOR is more likely to achieve impact if it remains “grounded” to some degree (i.e. research on in-forest issues part of programme).
- CIFOR has research and service components with research not being a short term activity.
- Outcomes are most important but outputs provide credibility.
- Many impacts are indirect and thus hard to measure or attribute to CIFOR.

8) Report by the Chair of ICRAF

There was no report.

9) BOT Brainstorming Session

The BOT held a brainstorming session to foster the development of, and shared vision about, CIFOR’s approach and position on emerging and existing key challenges. The notes from this session are in Annex 1.

10) Country updates

a) Indonesia – The Secretary advised the Board that there had not been any significant developments since the written report had been prepared. Subsequent discussions occurred about:

- The settlement to be provided to the families of the missing Aceh research team - The BOT was advised that the settlement was based upon prevailing Indonesian practise. CIFOR can not assure, nor wishes to install the systems required to assure, that the requested donations for the education fund would be used for the intended purpose. However, our extended dealings with the family provide sufficient confidence that the funds will be well used.
- The Consultative Group for Indonesia and CIFOR’s relations with them - The DG provided a brief history of the importance of forests on the CGI agenda. He noted that the priorities of the new Minister of Forestry are supported by CGI members and provide opportunities for a substantive CIFOR role.

b) Zimbabwe – Dr. Kowero reviewed the main points in his written report. He also reviewed the programme in general terms and highlighted the links to the main CIFOR programmes. Subsequent discussion related to the deteriorating situation in Zimbabwe including the personal safety of staff based there and the continued ability to operate from Harare.

c) Cameroon – Dr. Ndoye reviewed the highlights of his report which included personal security and relations with IITA, and then explained the programme. The USAID representative reported that CARPE is moving to Yaounde which is an excellent opportunity for CIFOR and its partners.

Other points raised included HIV/Aids in the context of immediate and enormous impact on forestry in Africa and the research needs that may exist. BOT members inquired about CIFOR's role in the Congo basin but further engagement would be difficult due to instability in the region.

d) Brazil – Dr. Sabogal's report considered three main points:

- Focus of the programmes – He felt that CIFOR needs to carefully consider the focus of the programmes of the Belem office and other CIFOR work in this region, and the resulting capacity to deliver them. There are concerns that the office is over committed which leads to a lack of time to exploit synergies among the various programmes in Belem and elsewhere, and to ensure adequate dissemination of research findings.
- The need for a regional strategy including the role and expectations of the regional offices.
- In the short term, the situation can be improved through more interactions with Bogor based staff and more recognition of the achievements in Belem.

The DG noted that the plea from Belem is representative of the overall situation facing CIFOR. The expectations are large as are the outputs. However, it must always be remembered that CIFOR has, in fact, a small number of scientific staff to discharge a global mandate.

The BOT concluded this discussion by asking that more information on the regional office programmes be presented as part of the Programme Committee.

11) ICER

There was a presentation which summarised the plans for a joint CIFOR-ICRAF ICER on biodiversity. The review is conceived of as a forward looking project employing a three person team for about one month. The ICER should provide information about the major challenges and the relative priorities, identify partners and potential funding windows, and create an ICRAF-CIFOR synergy.

The BOT members and observers welcomed the initiative. Suggestions were made about possible partners (e.g. CPF, IPGRI) and methodologies to achieve the objectives.

12) CIFOR + 10

The Director ISG reviewed the two proposals presented to the BOT and also noted the recently expressed interest of GTZ/BMZ in possibly supporting a large conference in Europe. BOT members noted the possibilities of linking with other global events such as the follow on to the WSSD (Johannesburg 2002) and the World Forestry Congress which will fall in 2003 (Quebec).

The DG supported suggestions that special efforts are needed to attract key forest decision makers but that a large event must find an important niche that does not duplicate other events. Professional public relations and conference organising skills will be retained for any large event.

The BOT provided advice on establishing clear objectives and audiences, useful international precedents (e.g. Davos type meetings) and other activities that could be undertaken (recognition of young scientists, regionally focussed events, tree planting at the local level, etc.).

The BOT requested that a costed proposal be presented to the next ExComm in Yaounde.

13) Report by the Chairman of the Executive Committee

Due to scheduling difficulties, the full ExCo agenda was not addressed. The draft ExCo minutes (see Annex 2) were distributed and **the BOT endorsed them**. The BOT then considered each of the changes proposed to the Human Resource policies. The Manager Human Resources made a short presentation on each topic.

The BOT generally supported the initiatives and felt that the spirit of the changes was appropriate. They also commended the open approach taken to reach the policy changes.

- a) Ten year rule – **The BOT requested a revised policy proposal for Yaounde which would retain the 10 year rule and would be focussed on the institutional needs.** Impact and outcomes were seen as key criteria and the idea of external consultation was mooted. The BOT appreciated the need to strike a balance between organisational renewal and stability.
- b) Home leave – **Approved new policy which includes introduction of cash option and elimination of the family travel option.**
- c) Relocation – **Approved addition of cash option.**
- d) Alternate work arrangements - Supported management's proposal to offer alternate work arrangements and requested a revised policy once staff consultations are complete
- e) Annual leave accumulation – **Approved reduction in maximum accumulation to 30 days by December 31, 2003.**
- f) Diversity update – The BOT noted CIFOR's continued commitment to creating an environment which fosters diversity. Most of the relevant discussion occurred in the context of developing country scientists in the Programme Committee which requested:

- **Clarity on the definition of consultants.**
 - **Additional information be provided on gender breakdown by staff categories.**
 - **Regular updates on diversity issues be provided.**
- g) **Common human resource policies in Zimbabwe - Endorsed the initiative to negotiate common human resource policies for CGIAR national staff located in Zimbabwe.**
- h) **Staff Association – The BOT expressed support for the open and consultative initiative to ensure that there are adequate mechanisms for staff to be heard and looked forward to an update in Yaounde.**

The discussions touched upon a number of points that are related to the “One staff concept”. The BOT recognised the inevitability of compensation differences given the developing country location but suggested that management explore other aspects of a “one staff model” to assess where CIFOR is at the moment and the opportunities that may exist for cost effective modifications.

14) Report by the Chair of the Finance and Audit Committee

The Chair reported that he had chaired the Finance and Audit Committee (FAC) meeting in the absence of the committee chair. (see committee report at Annex 3). **The Board accepted the FAC recommendations and specifically:**

- **Approved the October 2001 financial reports and endorsed the variance analysis.**
- **Approved the investment report.**
- **Accepted the donor summary report.**
- **Accepted the collaborative report.**
- **Accepted the consulting contracts report.**
- **Endorsed the amendments to the 2001 internal audit plan.**
- **Noted the satisfactory action on previously issued internal audit reports.**
- **Accepted the new internal audit reports.**
- **Approved the internal audit charter.**
- **Endorsed the plans to move the primary banking relationship to Singapore.**

15) Report by the Chair of the Programme Committee

The ProComm Chair reviewed the major items in the draft minutes (see Annex 4) of the meeting which was attended by all BOT members present. The BOT approved the ProComm report with some minor modification and thus:

- **Requested that the Africa strategy be re-worked, by region, with a greater focus on poverty and set in the context of CIFOR’s capacity to implement it.**

- **Approved the draft Medium Term Plan.**
- **Noting the constraints of funding and human resources, encouraged CIFOR to engage further with China noting that involvement should be on topics that reinforce the existing focus of our programme and build on progress previously made by other initiatives / institutions where possible.**
- **Approved the 2002 Programme of Work and Budget.**
- **Recommended a greater allocation of resources to the plantation programme as and when finances become available.**
- **Requested that trend tables be prepared for programmes showing percentages of restricted and unrestricted funds.**
- **Approved the Sustainable Forest Management Programme Strategy.**
- **Encouraged the development of the various initiatives to support developing country scientists. It supported the DG's emphasis on building 'one staff', and acknowledged the dangers of 'affirmative action' in gender and diversity issues. In particular the ProComm is interested in: monitoring opportunities for training and other professional development activities, and in ensuring that researchers are exposed to a sufficient variety of challenges - including posting to other countries - to prepare them for senior posts in their later careers.**
- **Approved the revised ProComm TOR subject to minor modifications.**
- **Will continue to monitor progress in achieving uptake and impact on an annual basis.**
- **Management and the ProComm will jointly consider some ideas to further improve future ProComm meetings.**

Subsequent discussion related to CIFOR having a larger role in the Congo basin.

16) Reactions by observers

All speakers thanked CIFOR for the chance to participate and commented favourably upon the openness of the discussions. Further specific comments were as follows:

- a) Patrick Durst – The importance of effective partnerships was emphasised. The tone and direction of the new DG was supported.
- b) Scott Bode – He noted that there are likely options for further USAID/CIFOR collaboration in West Africa.
- c) Nigel Stork – CIFOR has grown enormously since its inception in 1993 and still has tremendous opportunities. The new directions of the DG were supported. Given the tasks facing CIFOR, he felt that the BOT should be enriched in terms of revenue generation capacity.

d) Pak Ginting – He noted that CIFOR's results are directed primarily at policy makers and wondered if there was an opportunity to do more at the community level. CIFOR continues to be important to Indonesia given that deforestation is proceeding at about 1.6 million hectares per year. The Chair responded by welcoming Indonesia's support to CIFOR and recognising the host country's special needs.

e) Tim Nolan – He too reinforced the importance of partnerships and suggested that CIFOR could have a larger role with the Indonesian projects of the various international donors including the EU. He offered the SMART model for selecting where to get involved (Simple, Manageable, Achievable, Realistic, Time).

f) Helmut Dotzauer – He expressed his support for the new directions of CIFOR (i.e. poverty) and welcomed the chance to participate in the meeting. The style of the documents is appreciated. He suggested that better cross referencing of the programmes to each other would be beneficial in making clear the linkages.

17) Other business

a) WSSD – There was a wide ranging discussion about how CIFOR could influence the WSSD to include forests on the agenda which is far from assured. Specific suggestions included:

- A paper could be developed that will connect environmental and development issues. The paper could be the centrepiece for a WSSD side event and generate a sense of urgency among WSSD participants. Some subject matter might be an overview of the world's forests since UNCED, a diagnosis of the issues and challenges, and mechanisms to advance sustainable development through forests. The paper could adopt a wider perspective than UNCED.
- It will be necessary to generate some support before WSSD through mini summits, a prominent presence at COP 6, interaction with foreign ministries and CPF partners.

The BOT decided that the main challenge is to reposition forests on the international agenda. Specifically;

- **CIFOR should seek opportunities to influence the direction of the WSSD.**
- **The DG and Angela Cropper would prepare an outline of the paper noted above.**
- **Solicit partners from within the CGIAR, UNFF, etc.**

b) Changing global context – The objective of this discussion was to reflect on the changes in the context in which CIFOR operates as a result of the events of September 11, 2001. It was noted that there are more conflicts in the world resulting from poverty and other forms of inequity caused by inappropriate income distribution and population growth. These conflicts are often played out in forests but these ethical dimensions are not on the forest agenda. Therefore, organisations such as CIFOR should provide leadership to ensure that equity and humanistic principles are prominent.

c) Heart and Soul – The DG had circulated a copy of this email message that had been developed with input from many staff and BOT members, and previously made available to all. The Chair indicated that the BOT supported the key messages in this document.

d) World Forestry Congress – The Chair noted that this will be held in Quebec in September 2003. This provides an interesting opportunity for CIFOR regarding the tenth anniversary as noted previously (see item 12).

e) Don Lee as Vice-President (Policy) of the IUFRO introduced the IUFRO (mission, goals, structure including scientific divisions, task forces and special programmes and projects, meetings and conferences) and its other activities with a power point presentation to CIFOR Board members and observers including CIFOR staff.

18) Time and venue of the next BOT meeting

The BOT reviewed the multi-year schedule proposed by management and agreed to the dates through 2003. The BOT decided to further consider the proposal to reduce the frequency of BOT meetings but accepted that the next meeting should be an ExCo as a cost cutting measure. The approved meeting schedule is:

<u>Dates</u>	<u>Place</u>	<u>Meeting</u>
April 15 to 19, 2002	Yaounde	ExCo
November 18 to 22, 2002	Bogor	Full BOT
April 7 to 11, 2003	to be determined	to be determined
December 8 to 12, 2003	Bogor	Full BOT



Dr. Jag Maini
Chair of the Board

18 Nov. '02

Date



Norman Macdonald
Secretary to the Board

18/11/02

Date

(Closed session minutes deleted)