



**Global Crop Diversity Trust
Executive Board Meeting (EB/2018/1)
20-21 March 2018, St. Petersburg, Russia**

Summary Report

Attending Members of the Executive Board

Tim Fischer (Chair)
Peter Crane (Vice Chair)
Alexander Müller
Mary-Ann Sayoc
Marcio de Miranda Santos
Marie Haga (Executive Director of the Crop Trust)

Apologies

Gebisa Ejeta
Prem Lal Gautam
Knut Storberget

Attending Observers

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| René Castro | FAO representative |
| Kent Nnadozie | International Treaty on Plant Genetic Resources |
| Ann Tutwiler | CGIAR representative |

Attending Crop Trust Staff

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| Luigi Guarino | Director of Science and Programs |
| Janet Muir | Director of Finance |
| Sebastian Winkler | Head of Partnerships |
| Dagny Poser | Travel and Meetings Officer |



The status of decisions and actions arising from **EB 2018/1** is provided in the table below:

| No. | Decisions |
|-----|---|
| 1 | Members adopted the Agenda for EB/2018/1. |
| 2 | Members adopted the Minutes from EB/2017/3 |
| 3 | Members will have the final decision on whether full funding for IRRI will be approved. |
| 4 | Members approved the revised Investment Policy Statement. |
| 5 | Members approved the revised Institutional Risk Matrix for 2018. |
| 6 | Members requested that the Executive Director inform the Donors' Council that the Crop Trust Executive Board has expressed their intention to re-nominate Tim Fischer as Chairperson for 2019 and 2020 should the Donors' Council extend his term as permitted by the Constitution, in accordance with Article 5(4) referenced above. |
| 7 | Members reconfirmed the fall 2018 meeting to be held at the Crop Trust in Bonn, Germany, on the 23rd and 24th of October. A FIC meeting will be held on 22nd of October. |
| 8 | Members approved the 2019 meetings to be held on the 23rd and 24th of April at the Oak Spring Garden Foundation in Upperville, Virginia, and on the 23rd and 24th of October in Bonn. A FIC meeting will be held at the Crop Trust on the 22nd of October 2019. |
| 9 | Members noted the policy guidance given by the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture, and asked the Executive Director to follow up as appropriate. |

| No. | Actions Arising | Follow Up |
|-----|--|-----------|
| 1 | The funding of the Genebank Platform from the endowment fund going forward is to be discussed at the next Executive Board meeting. | EB/2018/4 |
| 2 | The Genebank Platform Policy Module's document on digital sequence information is to be circulated to the Board. | EB/2018/4 |
| 3 | The Vavilov Century project is to be discussed at the next Executive Board meeting. | EB/2018/4 |
| 4 | Once available, the Director of Finance is to circulate the draft 2017 Financial Statements, the Letter of Representation to PWC, and the draft audit opinion to the Members for approval by email confirmation. | Done |
| 5 | The Executive Board will receive a recommendation from the Finance & Investment Committee on the strategic asset allocation following its review of Mercer's asset liability modeling exercise. | EB/2018/4 |
| 6 | The Institution Risk Matrix for 2019 is to be presented to the Executive Board at its next meeting for a further review. | EB/2018/4 |
| 7 | The Crop Trust is to continue discussions on the US Farm Bill with the CG System. | Done |
| 8 | Management is to discuss the CGIAR funding mechanism - specifically with Windows 1 and 2 netting - with the CGIAR System | Done |



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|----|--|-----------|
| | Council donors, and to further consider pathways for future contributions to best benefit the Genebank Platform. | |
| 9 | The 2-page document on the Investment Sharing Facility is to be updated and shared with the Board. | EB/2018/4 |
| 10 | Management is to provide the Executive Board with an overview of upcoming Crop Trust communications activities and events at the next meeting. | EB/2018/4 |
| 11 | Management is to provide Executive Board members with Crop Trust greeting cards. | Done |
| 12 | Management is to provide separate financial reporting on the Food Forever Initiative. | EB/2019/1 |
| 13 | Management is to send a letter to the Norwegian Government expressing the Board's appreciation for the decision to upgrade the Svalbard Global Seed Vault. | Done |
| 14 | Paper copies of Board documents will no longer be provided at meetings, however an exception will be made for the Board Chair and on specific request. | Done |

EB/2018/1-1

Welcome, Introduction and Adoption of the Agenda (EB/2018/1-1)

The Chair of the Executive Board, Mr. Tim Fischer, opened the meeting. Mr. Fischer welcomed all participants and thanked the former Chair, Mr. Walter Fust, for his significant contribution to the work of the Crop Trust.

1. Decision: The Executive Board adopted the Agenda for EB/2018/1.

EB/2018/1-2

Minutes and Actions Arising from EB/2017/3

Ms. Haga outlined that work on closing the funding gap for the Genebank Platform from the endowment fund is ongoing. This topic will be an item for discussion at the Fall meeting.

Management confirmed that Executive Board members have been signed up to the Food Forever Initiative newsletter, and that an official letter of appointment to the Executive Board was sent to Ms. Simmons.

2. Decision: Members adopted the Minutes from EB/2017/3.

1. Action: The funding of the Genebank Platform from the endowment fund going forward is to be discussed at the next Executive Board meeting.



EB/2018/1-3

The Vavilov Institute

Mr. Nikolay Dzubenko, the outgoing Director of the Vavilov Institute (VIR), gave a comprehensive account of the institute's history and present status. VIR is currently embarking on a historic program that will significantly expand the collection through collecting and exchange. Mr. Guarino presented a summary of past and present collaborations between VIR and the Crop Trust, including global crop conservation strategy development, the Global System Project, Svalbard and Food Forever. VIR and the Crop Trust are both interested in exploring the possibility of future long-term funding of VIR via the endowment mechanism.

Mr. Nnadozie informed the Board that the Plant Treaty will be hosting a VIR staff member in its Rome office this summer, and that their dialogue with Russia on potential ratification of the Plant Treaty is ongoing.

EB/2018/1-4

Tour of the Vavilov Institute and the Vavilov Museum

Executive Board members enjoyed a tour of the Vavilov Museum, the long-term seed store, the tissue culture and cryo labs, and the library.

EB/2018/1-5

Oral update by the Executive Director: Taking the Crop Trust to the next level

Ms. Marie Haga provided the Executive Board with a high-level update on the status and activities of the Global Crop Diversity Trust since the last meeting of the Executive Board. Ms. Haga reflected on the current status of the Crop Trust and how to take it to the next level. She highlighted that the Crop Trust has a small but effective and dedicated staff. The organization is recognized as having sound financial management and the proven ability to deliver 100% on its programs and projects. Current institutional priorities include securing additional donor funding, submitting a proposal to the Green Climate Fund, and to broaden the Crop Trust's outreach activities.

Ms. Haga outlined the significant outreach activities that had taken place so far in 2018, including: a lunchtime reception hosted by His Royal Highness The Prince of Wales and four other events held in conjunction with the lunch; a trip to Svalbard with a collection of influential individuals, including Martha Stewart; and the celebrations for the Svalbard Global Seed Vault's tenth anniversary. A particular highlight of the Vault's tenth anniversary was the awarding of the inaugural "Crop Trust Legacy Awards" to the retiring CGIAR genebank managers and Cary Fowler as a thank you for their significant contributions to safeguarding crop diversity.



Ms. Haga also noted with appreciation that the Crop Trust Chair, Mr. Fischer, visited in January, and that the Chair joined for meetings in The Hague. Mr. Fischer commented on the excellent morale he experienced during his visit to the Crop Trust.

Remark: all topics in the Executive Director's report were discussed in further detail under various agenda items during the meeting.

EB/2018/1-6

Science Report

Mr. Guarino presented a report on the Crop Trust's technical work on: long-term genebank funding (Genebank Platform), CWR collecting and pre-breeding, information systems and emergency interventions (Nepal and Kenya). There was a separate discussion of the diversity tree methodology, as being applied by the Genebank Platform for gap analysis. On the Genebank Platform, Ms. Tutwiler particularly welcomed the work of the Policy Module.

Mr. Muller and Mr. Castro brought up digital sequence information as a potentially fraught topic for the future. Asked about the Crop Trust's position, Mr. Guarino pointed out that the paper prepared by Michael Halewood of the Policy Module for the CBD was a good starting point. Mr. Crane asked for more information on the costing study and hoped that lessons would be learned from the previous one; he was assured that they would be, and that new ones would probably also arise. Mr. Castro welcomed the impact fellowships and hoped that environmental economists would be involved. Mr. Muller said that full funding of IRRI was a momentous step that was being considered and Ms. Haga reassured him that the Executive Board would have a final decision on that issue.

3. Decision: The Executive Board will have the final decision on whether full funding for IRRI will be approved.

2. Action: The Genebank Platform Policy Module's document on digital sequence information is to be circulated to the Board.

EB/2018/1-7

Project Development Report

Four project proposals in the pipeline were presented by Mr. Guarino: Green Climate Fund, Vavilov Century, Diversity for Resilience, and Tea Strategy Development. There was concern from Mr. Muller, Mr. Nnadozie and Ms. Tutwiler about the use of the term "repatriation" in the context of the Vavilov Century Project, the Executive Board generally preferring "restoration" or "exchange." Ms. Tutwiler asked for the CGIAR to be kept informed. Ms. Haga said management will take the views expressed into account in the future development of the project. Ms. Tutwiler made an additional presentation on the cryo vault proposal.



3. Action: The Vavilov Century project is to be discussed at the next Executive Board meeting.

EB/2018/1-8

Human Resources Report

Ms. Muir presented the HR highlights for 2017 and the Executive Board noted the HR report that had been circulated. In response to a request at the meeting in October 2017 for more information, the HR report included details on past interns and fellows, background information on current Crop Trust staff and details with respect to consultants contracted in 2017.

EB/2018/1-9

Finance and Investment Report

Ms. Muir presented the Finance and Investment report, which provided the Executive Board members with an overview of the activities of the Finance & Investment Committee (FIC) since its last report to the Board in October 2017. This report outlined the following:

- Status of Financial Statements for the year ended 31 December 2017 and Letter of Representation to PriceWaterhouseCoopers (PWC)
- High level summary of financial highlights and an analysis of key performance indicators for the period 2014-2017
- Investment Management
- Revised Investment Policy Statement
- UN Principles of Responsible Investment (UNPRI) Report 2017/18

Ms. Muir highlighted to the Executive Board that the external auditors, PWC, commenced the audit of the Financial Statements for the year ended 31 December 2017 on 19 February 2018. In addition to conducting the regular audit procedures, PWC were engaged by the Crop Trust in Summer 2017 to provide advice and to audit the International Financial Reporting Standards (IFRS) conversion exercise. This process is expected to be completed shortly and at that time the draft Financial Statement for the year ended 31 December 2017, the draft Letter of Representation to PWC and the PWC draft Audit Opinion will be circulated to the FIC and Executive Board for their consideration and approval by written email procedure. PWC indicated that they are not expecting to issue a qualified audit opinion.

In advance of the circulation of the financial statements Ms. Muir provided a high-level summary of the financial highlights and an analysis of key performance indicators for the period 2014-2017. The Executive Board noted that the withdrawal from the endowment fund for 2017 was USD 6.5 million (or 3.6% of the average market value of the fund over the previous quarters) and that 96% of this withdrawal was allocated to the CGIAR genebanks. As discussed earlier in the meeting the funding for the genebank platform is being discussed with donors and will be included as an agenda item at the Fall meeting.



Ms. Muir updated the Executive Board on the status of the KfW loan proceeds and outlined that no commitment has been made against the income generated from the funds as the priority is to ensure the interest payments are met.

Ms. Muir provided an update on investment management and the performance of the endowment fund to 31 December 2017 and post year end. Ms. Muir outlined that Mercer is currently conducting an asset liability modeling exercise to stress test the portfolio and to identify an overarching strategic asset allocation for the endowment fund and the outcome of this review will be considered by the Finance & Investment Committee with a recommendation to come to the Executive Board shortly.

It was agreed at the October 2017 Executive Board meeting that the Director of Finance would revise the Investment Policy Statement to reflect that the investment objective of the Fund should be over a rolling ten-year period rather than five-year, and to reflect in the Responsible Investment Policy the term “sustainable investment” as well as responsible investment. An action item arising from the Executive Board meeting in October 2017 asked for clarification as to how the conflict of interest clause in the IPS ties back to the “Standards of Performance and Indemnity Agreement” statements that are signed by both Board and FIC (non-Board) members. In response to this management can confirm that the former relates specifically to conflicts of interest associated with investment managers (i.e., direct or indirect financial interest of members or their immediate families) whereas the latter is an agreement which includes broader articles covering expected standards of performance, insurance, indemnity, applicable law and dispute settlement. The Executive Board approved the revised Investment Policy Statement that was circulated.

The Executive Board noted that the UNPRI report 2017/18 was considered and approved by the Finance & Investment Committee and also reviewed by Mercer and will now be submitted ahead of the 3 April deadline. Management will continue to consider further opportunities with respect to responsible investment collaboration and promotion.

4. Decision: The Executive Board approved the revised Investment Policy Statement
4. Action: Once available, the Director of Finance is to circulate the draft 2017 Financial Statements, the Letter of Representation to PWC, and the draft audit opinion to the Members for approval by email confirmation.
5. Action: The Executive Board will receive a recommendation from the Finance & Investment Committee on the strategic asset allocation following its review of Mercer’s asset liability modeling exercise.



EB/2018/1-10

Risk Matrix

At its meeting on 24 October 2017 the Executive Board considered the institutional risk matrix for 2018 in detail and discussed and agreed on a number of amendments that have now been included in the revised institutional risk matrix. The Executive Board approved the revised Institutional Risk Matrix for 2018.

In advance of the fall meeting, management will circulate a further revised matrix for 2019 for the Executive Board's consideration and approval.

5. Decision: The Executive Board approved the revised Institutional Risk Matrix for 2018.

6. Action: The Institution Risk Matrix for 2019 is to be presented to the Executive Board at its next meeting for a further review.

EB/2018/1-11

Partnerships Report

Mr. Winkler presented the Partnership report and his vision for fundraising after his first 7 weeks on the job. He noted that, at the last Executive Board meeting, it was decided to lift the fundraising challenge from moderate to significant within the risk matrix discussed above.

As outlined in the Partnership report and to address this challenge, the Crop Trust Secretariat continues its fundraising approach in moving towards a more diversified and sustainable funding base. This also includes advancing with the development of innovative finance mechanisms, such as the Food Security Bond and Investment Sharing Facility. With regard to the Food Security Bond, the Secretariat has had initial discussions with Germany and Norway to seek their political support in leading this effort by bringing together a number of governments to commit to covering the financial risks and guarantees of the Bond. Deutsche Asset Management continues to support the efforts in establishing an Investment Sharing Facility. The latter is discussed in more detail in the Finance and Investment Report.

Raising the endowment fund from its current USD 285 million to USD 850 million remains the main focus and the Secretariat is piloting a new approach by taking a crop-focused approach. For instance, with the World Coffee Research Institute, the Crop Trust intends to raise USD 20 million for the endowment, with which 4% interest would generate the USD 5 million annually required to conserve and maintain coffee genetic diversity. Funding has been secured from Unilever to develop a conservation and use strategy for tea.

The Secretariat is actively pursuing expanded investment from public and private sector donors to the endowment. Discussions are ongoing in US Congress to increase the current 25% cap on US Contributions to the Endowment (from the US Farm Bill) to 33%.



Regarding the European Commission, discussions are well advanced in relation to the Crop Trust's pillar assessment.

Finally, 2018 will also provide an opportunity to pilot test the new format for the Donors' Council. As approved by the Donor Council and the Executive Board in 2017, the intent is to hold at least one of the annual meetings of the Donors' Council outside of Rome, while maintaining existing relations and encouraging greater participation from capitals. For 2018, the Donors' Council is scheduled for 14-15 June hosted by Germany in Bonn. Mr. Stefan Schmitz from German Federal Ministry of Economic Cooperation and Development (BMZ) and Vice Chair of the Donors' Council has offered to organize a preparatory session to discuss the format of the June Donors' Council at the outskirts of the CGIAR System Council meeting from 16-17 May in Berlin.

The Chair commented that Board Members might have contacts that are interested in the Investment Sharing Facility and requested that the 2-page document on the Facility be circulated. Ms. Tutwiler provided a presentation covering recent developments at CGIAR. The System Office in Montpellier is working closely with CGIAR Centers on developing a renewed strategic plan along with a business plan and outcome focused reporting. In addition, streamlining is also explored among the certain Centers.

Mr. Nnadozie provided the Executive Board with an update from the International Treaty on Plant Genetic Resources for Food and Agriculture. He noted that the Treaty was among the few international agreements without an established financial mechanism and that Crop Trust is partially filling the gap as an essential element of the Treaty's Funding Strategy. He welcomed the close and ongoing collaboration and referred to a meeting held in January 2018 in Bonn.

7. Action: The Crop Trust is to continue discussions on the US Farm Bill with the CG System.

8. Action: Management is to discuss the CGIAR funding mechanism – specifically with Windows 1 and 2 netting – with the CGIAR System Council donors, and to further consider pathways for future contributions to best benefit the Genebank Platform.

9. Action: The 2-page document on the Investment Sharing Facility is to be updated and shared with the Board.

EB/2018/1-12

Communications Report

Mr. Winkler presented the report prepared by Mr. Neil Palmer who joined the Secretariat as Head of Communications from 1 January 2018. Since the last Executive Board meeting, the Communication team has actively supported and partly led the organization through the events in London in mid-January 2018 and the 10th Anniversary of the Global Seed Vault in



late February 2018. These provided great opportunities for outreach and for further positioning the Crop Trust. The owner and developers of the well-known Catan family game EB/2018/4-2 11 have developed a Crop Trust version, which will go on the market in late 2018. A percentage of the proceeds from sales will go to the Crop Trust.

The Communications team also leads the Food Forever Initiative (FFI) jointly with the Kingdom of the Netherlands. The governance structure for FFI is near finalization and FAO is currently considering a revised document that establishes their role as part of the Board of Overseers, along with a number of governments and organizations. Following the announcement of the resignation of the President of Mauritius, a new Chair of Food Forever is required. The Board suggested separate financial reporting on the Food Forever Initiative.

Mr. Fischer requested the Secretariat send 20 of each of the two-sided Seed Vault Greeting Cards to each Board Member. He also suggested that a letter be sent to the Norwegian Government expressing appreciation for the decision to upgrade the Svalbard Global Seed Vault.

10. Action: Management is to provide the Executive Board with an overview of upcoming Crop Trust communications activities and events at the next meeting.

11. Action: Management is to provide the Executive Board members with Crop Trust greeting cards.

12. Action: Management is to provide separate financial reporting on the Food Forever Initiative.

13. Action: Management is to send a letter to the Norwegian Government expressing the Board's appreciation for the decision to upgrade the Svalbard Global Seed Vault.

EB/2018/1-13

Board Business

Ms. Haga invited the Members to discuss the Chairmanship of the Crop Trust for the period 2018- 2019; to review dates and locations for the Executive Board meetings in 2018 and 2019; and to review the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture's Resolution 10/2017 – policy guidance to the Global Crop Diversity Trust.

6. Decision: Members requested that the Executive Director inform the Donors' Council that the Crop Trust Executive Board has expressed their intention to re-nominate Tim Fischer as Chairperson for 2019 and 2020 should the Donors' Council extend his term as permitted by the Constitution, in accordance with Article 5(4) referenced above.



7. Decision: Members reconfirmed the fall 2018 meeting to be held at the Crop Trust in Bonn, Germany, on the 23rd and 24th of October. A FIC meeting will be held on the 22nd of October.

8. Decision: Members approved the 2019 meetings to be held on the 23rd and 24th of April at the Oak Spring Garden Foundation in Upperville, Virginia, and on the 23rd and 24th of October in Bonn. A FIC meeting will be held at the Crop Trust on the 22nd of October 2019. EB/2018/4-2 12

The 7th Governing Body meeting of the of the International Treaty on Plant Genetic Resources for Food and Agriculture was held in Kigali, Rwanda from the 31st October until the 4th November 2017. The Crop Trust was represented by the Executive Board Chair, Mr. Fischer, and Mr. Guarino.

In line with the resolution from the 6th Governing body meeting, the Governing body gave policy guidance to the Crop Trust in the following areas:

- Resource mobilization
- Scientific and technical matters
- Global Information System
- Communication and Outreach

9. Decision: Members noted the policy guidance given by the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture, and asked the Executive Director to follow up as appropriate.

The Board Chair asked whether Board Members in the future required printed Board documents in folders. It was agreed that there was no need – an exception would be made for the Board Chair.

14. Action: Paper copies of Board documents will no longer be provided at meetings, however an exception will be made for the Board Chair and on specific request.