



**Global Crop Diversity Trust
Executive Board Meeting (EB/2020/1)
23-24 March 2020, Videoconference**

Summary Report

Attending Members of the Executive Board

Peter Crane (Chair)
Hanne Blåfjelldal
Mercedes Aráoz Fernandez
Masa Iwanaga
Alexander Müller
Marcio de Miranda Santos
Emmy Bartz Simmons
Eliane Ubalijoro
Stefan Schmitz (Executive Director of the Crop Trust)

Apologies

Knut Storberget

Attending Non-voting Members and Observers

Kent Nnadozie ITPGRFA
John Gandolfo Finance & Investment Committee Chair

Attending Crop Trust Staff

Luigi Guarino Director of Science
Charlotte Lusty Head of Programs, Genebank Platform Coordinator
Janet Muir Director of Finance
Rodrigo Barrios Food Forever Initiative – Campaign Manager
Manuel Rosini Head of Partnerships
Hannah Bisset Head of Communications
Christoph Beck Director of Human Resources and Corporate Operations
Erin Gleeson Partnerships Assistant, Minute Taker



The status of decisions and actions arising from **EB/2020/1** is provided in the table below:

No.	Decisions
1	The Executive Board adopted the Agenda for the EB/2020/1.
2	Members adopted the Minutes and Actions arising from EB/2019/4 and EB/2019/5.
3	The Executive Board approved the draft Financial Statements for the year ended 2019.
4	The Executive Board approved the draft PwC Letter of Representation for the year ended 2019.
5	The Executive Board approved the reappointment of PwC for the 2020 audit and noted the change in Audit Partner.
6	The Executive Board approved submission of the UNPRI Report for 2019/20, and the Secretariat will notify the Executive Board on the outcomes of this assessment in the Fall.
7	The Executive Board approved for the Crop Trust Secretariat to move forward with the FSB and to begin some more specific discussions with both potential donors and investors. Any firm proposal for an FSB will come back to the Executive Board for further discussion.
8	The Executive Board approved the content and structure of the Member Country Loan Brochure.
9	The Executive Board agreed to postpone the EU Pillar Assessment process until after the ICT Roadmap.
10	The Executive Board approved the proposed measures related to sustainable travel in the Crop Trust's statement of environmental responsibilities.
11	The Executive Board gave a soft green light on the Long-Term Partnership Agreement process.
12	The Executive Board approved a soft "green light" approval for the outline of FFI phase II.

No.	Actions Arising	Status
1	The Executive Board requested an update on the financing of the Genebank Platform at its next meeting.	Janet Muir
2	The Executive Board agreed that the CGIAR Statement of Assurance can be signed by the Executive Board chair once all assurances have been received from the centers.	Janet Muir
3	The Crop Trust will create a "worst case" scenario to outline a contingency plan that would highlight what would happen if the asset value of the Endowment Fund decreased significantly over time.	Charlotte Lusty and Luigi Guarino
4	The Executive Board recommended that the Crop Trust explore opportunities for funding arising from COVID-19.	Charlotte Lusty and Luigi Guarino
5	The Crop Trust Communications Team will present an update on the progress of the Communications and Outreach Strategy at the fall meeting of the Executive Board.	Hannah Bisset
6	The FFI Campaign Manager will present an updated work plan to the Executive Board at the next meeting in November 2020.	Rodrigo Barrios



EB/2020/1-1

Welcome, Introduction, and Adoption of the Agenda

The Chair of the Executive Board, Sir Peter Crane, opened the meeting. Sir Peter welcomed all participants and conveyed the apologies of Knut Storberget. Sir Peter thanked the four new board members for joining the meeting. Sir Peter also welcomed Stefan Schmitz to his first Executive Board meeting as Executive Director of the Crop Trust.

1. Decision: The Executive Board adopted the Agenda for EB/2020/1.

EB/2020/1-2

Minutes and Actions Arising from EB/2019/4 and EB/2019/5

Minutes from EB/2019/4 and EB/2019/5 were introduced.

2. Decision: Members adopted the Minutes and Actions arising from EB/2019/4 and EB/2019/5

EB/2020/1-3

Looking Back and Ahead: Oral Update from the Executive Director

The Executive Director of the Crop Trust, Stefan Schmitz, welcomed the Executive Board to the meeting, and conveyed his regrets that he could not address them in person during his first meeting as Executive Director. Mr. Schmitz addressed the present concern of COVID-19 and agreed to take some time to discuss the implications of the current crisis at the end of the meeting.

Mr. Schmitz presented his perspective and vision for the Crop Trust in the coming years. He emphasized the importance of further strengthening the position of the Crop Trust in the post-2020 global biodiversity agenda. Mr. Schmitz informed the Executive Board that the Crop Trust will be revising institutional strategies in the next six months and the Executive Board will be asked to approve them at the next meeting in November.

In response to COVID-19, all CGIAR genebanks have developed contingency plans and are now implementing them. These plans prioritize public health considerations while maintaining genebank essential operations as much as possible. Ongoing Crop trust project work will continue, however, with possibly delays. The development of some new projects will be delayed or put on hold due to changes in the funding landscape, so project development and fundraising efforts will be adjusted accordingly. Finally, the Crop Trust is fully equipped to fulfil all present legal obligations.

Mr. Schmitz agreed that the Crop Trust will observe the current situation carefully and stay in close contact with the Executive Board.



EB/2020/1-4 & 1-5

Finance and Investment Report, Draft Financial Statements, and Draft Letter of Representation 2019 to PWC

Ms. Janet Muir, Director of Finance, 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 2019. This report outlined the following:

1. Draft Financial Statements for the year ended – 31 December 2019
2. Appointment of PWC for a further audit engagement
3. Summary of financial highlights and key performance indicators for the period 2016-2019
4. Financing the CGIAR Genebank Platform in 2020 and 2021
5. CGIAR statements of assurance in 2019
6. UN Principles of Investment Report (UNPRI). The Director of Finance announced that her presentation would finish with an investment management update.
7. Investment Management Update – COVID-19

Draft Financial Statements for the year ended – 31 December 2019

Ms. Muir presented the draft financial statements and the draft letter of representation to PricewaterhouseCoopers (PwC). A separate document (EB/2020/1-5) was circulated to the Executive Board on 13 March 2020 in addition to the Finance and Investment Report. Highlights included a clean audit opinion for 2019 with no letter to management, and additional wording related to the corona virus risk assessment which will be shared with the Executive Board once finalized. The Executive Board was also asked to review and approve the “Statement from the Executive Board Chair” that would be added to the front of the accounts on an annual basis to provide some context and perspective to the numbers in the financial statements.

Ms. Muir informed the Board that a placeholder has been left in the circulated accounts for a new “COVID-19” risk under Section 17 Risk Management. Although this is a non-adjusting event that does not affect the financial statements for 2019 it was agreed with PwC that the following wording be now added to highlight that the COVID-19 crisis has an impact on the financial statements:

“Due to the structure of the Crop Trust, the endowment fund is subject to fluctuations in the global financial markets. Since January 2020 the Corona virus has had a significant impact on the financial markets which are currently subject to strong volatility. However, the endowment fund is highly diversified and structured for the long-term so that it can withstand short-term market dislocations in order to achieve its objectives and these dislocations should not trigger structural changes to the strategic asset allocation of the portfolio. The Crop Trust is fortunate to have strong liquidity and a very long-term perspective”.

Appointment of PWC for a further audit engagement

Previously, the Executive Board agreed that best practice was to rotate the audit partner after the seventh year, and the audit firm after the tenth year. This year was PwC’s seventh audit, and they have already identified a partner to take over the assignment for 2020. The Executive Board was asked to approve the reengagement of PwC for the eighth audit next year as a



new enterprise resource planning system will be implemented during 2020 and continuity of auditors at this time will aid the transition to the new system.

Summary of financial highlights and key performance indicators for the period 2016-2019

During the Executive Board meeting EB/2019/5 (by email correspondence), it was agreed that the full 4% would be withdrawn from the Endowment Fund and that unrestricted reserves would be used up to USD 1.5 million to fund the Genebank Platform. At that time, the Executive Board agreed that a note would be included in the financial statements to explain why the unrestricted reserves were used. Ms. Muir highlighted that only USD 500,000 was required from the unrestricted reserves to meet the Genebank Platform commitment for 2019 and the financial statements explain the reduction in the reserves.

Ms. Muir highlighted key statistics and indicators of the Crop Trust's accounts for the period of 2016-2019. The Executive Board noted the increase in the endowment income withdrawal of USD 5 million in 2018 to USD 9.1 million in 2019, due to the full 4% withdrawn from the endowment fund in 2019, and 98% of this funding went to the CGIAR Genebank Platform.

The total value of the funds invested in the endowment fund, including the KfW loan proceeds, amounted to USD 313 million as of 31 December 2019 against a value of USD 273 million at 31 December 2018. In 2019, net investment income on the endowment fund totaled USD 43.5 million, representing an 18.4% return compared to a negative 8.3% return for the year 2018.

Financing of the Genebank Platform 2020 and 2021

The Director of Finance informed the Executive Board that the Crop Trust will contribute USD 13 million and USD 15 million to the Genebank Platform in 2020 and 2021 respectively. With maximum funding from the endowment fund at 4% (approximately USD 9 million in 2020), and a contribution of USD 1 million from the European Commission for ICARDA specifically, the funding gap will amount to USD 3 million in 2020. The Executive Board took note of the fact that the funding gap is the Crop Trust's absolute fundraising priority and that constructive discussions with donors are already ongoing. The Crop Trust's legal commitments beyond 2021 require less than USD 5 million from the start of 2022 and are made up of the Long-term Partnership Agreement (LPA) with the International Rice Research Institute (IRRI) and the current long-term grant agreement with the CGIAR centers. The Executive Board requested an update on the financing of the Genebank Platform at its next meeting.

CGIAR Statements of Assurance 2019

As a lead center under the Genebank Platform, the Crop Trust is required to provide a statement of assurance to the CGIAR to confirm that all obligations have been met and to highlight any irregularities. Previously, the Executive Board agreed that the Crop Trust would ask the centers to provide the same statements of assurance. The Crop Trust has received nine responses and two are still outstanding. Once all Statement of Assurances have been received from the Genebank Platform Centers, the Executive Board Chair and Executive Director are asked to sign the Crop Trust's Statement of Assurance 2019 to the CGIAR.

UN PRI Report 2019/20

The Crop Trust submits a UN PRI Report every year at the end of March. In prior years, the Crop Trust received "A" ratings, and is continuing to make progress on responsible



investment. The Executive Board noted the new requirements for the portfolio, which include climate related risks. The UNPRI Report requires the approval of the Finance and Investment Committee (FIC) and the Executive Board, and will be submitted before 31 March. The Crop Trust will report back to the Executive Board in the fall on the outcome of this assessment.

Board members inquired about preparing contingencies for a potential financial crisis that could occur as a result of COVID-19. Ms. Muir agreed to provide an update in the summer on the status of the endowment fund and the funding gap for 2020.

Investment Management Update – COVID-19

Ms. Muir provided an update on investment management and the performance of the endowment fund to 31 December 2018 and post year end.

Mr. John Gandolfo, Chair of the FIC, provided some insights on markets and the current COVID-19 emergency, the highly diversified structure of the endowment fund and its long-term perspectives. Mr. Gandolfo expressed that this crisis is clearly having a profound impact on global economies, and he expects GDP to dive significantly in Q1 and Q2 of this calendar year. He noted that as long-term investors the Crop Trust should look at its liquidity requirements and the ability to meet short and medium term obligations, but to not take drastic actions that could lock in losses which may rebound in the future. Mr. Gandolfo suggested that it would be a useful analysis for the Crop Trust to look at core business liquidity 1-2 years into the future. This analysis can be undertaken and presented to the Executive Board at a future meeting.

3. Decision: The Executive Board approved the draft Financial Statements for the year ended 2019.
4. Decision: The Executive Board approved the draft PWC Letter of Representation for the year ended 2019.
5. Decision: The Executive Board approved the reappointment of PwC for the 2020 audit and noted the change in Audit Partner.
1. Action: The Executive Board requested an update on the financing of the Genebank Platform at its next meeting.
2. Action: The Executive Board agreed that the CGIAR Statement of Assurance can be signed by the Executive Board chair once all assurances have been received from the centers.
6. Decision: The Executive Board approved submission of the UNPRI Report for 2019/20, and the Secretariat will notify the Executive Board on the outcomes of this assessment in the Fall.

EB/2020/1-6

Innovative Finance Report

Ms. Muir provided a brief overview of the latest Planning and Implementation Update Report from the Innovative Finance Working Group (IFWG). She provided detailed information on the Food Security Bond (FSB) and Member Country Loan (MCL) mechanisms specifically. In



relation to the FSB, the Crop Trust has now spoken with three investment firms and determined that there is potential to raise significant income from institutional investors with more of a long-term perspective (insurance, pension funds, etc.).

Ms. Muir highlighted that, before this bond can be initiated and before any experienced investment firms commit to working with the Crop Trust, there must be some level of Government support to underpin the bond and reduce the risk exposure for investors. Governments could possibly support the FSB by, for example, committing to repay any shortfall at maturity or by providing a grant to reduce the annual coupon rate to zero. The Executive Board took note of the various advantages, and risks of the FSB as outlined in the Innovative Finance – Planning and Implementation Report (EB/2020/1-6).

Ms. Muir provided a brief overview of the Member Country Loans (MCL) mechanism and introduced the final version of the MCL information brochure, which provides a high-level summary of the mechanism, and asked the Executive Board to provide overall feedback on the structure and content and to approve the brochure for future use with donors.

7. Decision: The Executive Board approved for the Crop Trust Secretariat to move forward with the FSB and to begin some more specific discussions with both potential donors and investors. Any firm proposal for an FSB will come back to the Executive Board for further discussion.
8. Decision: The Executive Board approved the content and structure of the Member Country Loan Brochure.

EB/2020/1-7

Human Resources and Corporate Operations Report

Mr. Christoph Beck, Director of Human Resources and Corporate Operations, presented the Human Resources and Corporate Operations Report. He reminded the Executive Board that the Crop Trust is currently undergoing an ICT Digital Roadmap project to review and improve the Crop Trust's IT systems and processes. At the beginning of 2019, the Crop Trust hired the firm, Ideal State, to analyze the Crop Trust's specific processes and requirements. Ideal State determined that there needs to be three systems in place: a data management platform, a content management system, and a modern financial accounting system. In combination with recommendations from Ideal State and a thorough tender process, the Crop Trust has chosen Salesforce, FinancialForce, and Box as the products for the ICT Roadmap.

Mr. Beck introduced the EU Pillar Assessment process for the new Executive Board members and explained that it is a precondition for officially becoming an implementing partner of the European Commission. The added value of passing the EU Pillar Assessment is that it is much easier to report to the EU as they have difficult reporting requirements. The Crop Trust has already received EU funds in the past and has been officially invited and encouraged by the EU to undergo this assessment. A consultant has been hired to examine the area with the greatest room for improvement, as well as to propose various edits to existing policies and suggestions for new policies. The Crop Trust has identified actions that should be taken to improve business practices, and work on the EU Pillar Assessment is ongoing.

Mr. Beck introduced measures for sustainable travel as part of the Crop Trust's statement of environmental responsibility. Mr. Beck introduced tangible measures related to sustainable travel, which included reducing travel overall, replacing some meetings with

videoconferences, and paying to offset the carbon emission for unavoidable air travel. In the future, supervisors will have to confirm that the physical presence of the staff member is absolutely required. The Crop Trust travel office will automatically book train connections for staff travelling within Germany and surrounding countries unless the travel time exceeds airline travel by 100%. The final measure will ensure that the Crop Trust's travel office will choose the available mode of air travel and route with the lowest level of CO₂ emissions.

The Crop Trust's travel office will also determine the compensation expenses for CO₂ emissions and include them as part of the ticket price. At the end of the year, the accumulated total for offsetting CO₂ will be made available as a lump sum. This will be donated to a dedicated reforestation project chosen by the Crop Trust. In 2018, the Crop Trust accumulated 866 tons of carbon emissions which is the equivalent of EUR 20,000 compensation that would be paid out. The Executive Board agreed to adopt the proposed measures related to sustainable travel as a first step in developing the Crop Trust's statement of environmental responsibility.

9. Decision: The Executive Board agreed to postpone the EU Pillar Assessment process until after the ICT Roadmap.
10. Decision: The Executive Board approved the proposed measures related to sustainable travel in the Crop Trust's statement of environmental responsibilities.

EB/2020/1-8 Science Report

Ms. Charlotte Lusty, Head of Programs and Coordinator of the Genebank Platform, provided meeting participants with a presentation on a proposed process towards developing long-term agreements with genebanks over the next 10 years. Ms. Lusty described two types of long-term agreement that the Crop Trust provides: long-term grants (LTGs) and Long-term Partnership Agreements (LPAs). Only one LPA has been agreed with the IRRI genebank in 2018 but more are potentially in the pipeline given endowment funding.

Ms. Lusty provided an update on the ongoing technical and financial reviews. Ms. Lusty described the system level review of genebank costs and operations planned for September which will provide recommendations to the Crop Trust and the CGIAR on the funding of essential operations of genebanks. The Executive Board will be able to review the recommendations and consider the negotiation of future LPAs at its November meeting.

Ms. Lusty provided an overview of the genebanks during the current COVID-19 crisis. Now that many activities are temporarily halted there may be setbacks in 2020 towards reaching performance targets which will affect the overall timetable for future LPAs. Ms. Lusty asked the Executive Board for a soft decision on the proposed timeline for the LPA process, given that there is a lot of movement and not just for COVID-19 reasons.

11. Decision: The Executive Board gave a soft green light on the Long-Term Partnership Agreement process.
3. Action: The Crop Trust will create a "worst case" scenario to outline a contingency plan that would highlight what would happen if the asset value of the Endowment Fund decreased significantly over time.



4. Action: The Executive Board Suggested that the Crop Trust explore opportunities for funding arising from COVID-19.

EB/2020/1-9

Communications Report

Ms. Hannah Bisset, Head of Communications, formally introduced herself to the Executive Board, and provided a summary of her high-level impressions from her first few weeks, along with her thoughts moving forward. She stressed the importance of getting the Crop Trust's messages out to a wider audience and establishing the Crop Trust as a center of scientific excellence.

Ms. Bisset emphasized the importance of having a coordinated, efficient communications program that can serve as a news hub for genebanks globally. She described some of the campaigns that are currently being planned and will be launched once the capacity is available. She emphasized the importance of highlighting the Crop Trust's partners through news stories, heritage stories, and photographs. In the future, the Crop Trust will consider working with specific partners to expand its overall network and client list. She emphasized the shift towards digital marketing, which will help to grow the Crop Trust's overall outreach.

5. Action: The Crop Trust Communications Team will present an update on the progress of the Communications and Outreach Strategy at the fall meeting of the Executive Board.

EB/2020/1-10

Food Forever Report

Mr. Rodrigo Barrios, Campaign Manager of the Food Forever Initiative, provided some background information on the Initiative for the new members of the Executive Board. Over the last two years, FFI has developed strong messaging, and striking communications tools that have engaged a wider audience in the realm of agrobiodiversity. Mr. Barrios thanked H.E. Mercedes Aráoz for her instrumental effort in bringing this campaign forward as Chair.

Mr. Barrios summarized the activities of the campaign over the last year, as well as the high-level media coverage for some of the events. Over time, FFI has served as a mechanism for fostering technical, in-depth discussions on agrobiodiversity and how it is coupled with a general food system transformation. Mr. Barrios spoke about a potential second phase of FFI, which would better highlight the work of genebanks and how they can contribute to improve the agrobiodiversity in the land, and henceforth, in the value chains. The new mission of the second phase would be to build a narrative that is from seedbank to farmer to table.

Mr. Barrios outlined the potential guiding principles of this new phase, including, aligning FFI with the UN multilateral agenda, maintaining the current governance structure which is chaired by FAO, and a transition from a purely awareness raising campaign to a more tangible implementation of the targets.

The Executive Board approved a soft "green light" for the outline of the second phase of FFI, so that the team can have the liberty to approach donors and test their appetite for a second phase of this initiative.



6. Action: Mr. Barrios will present an updated work plan to the Executive Board at the next meeting in November 2020.

12. Decision: The Executive Board approved a soft “green light” approval for the outline of FFI phase II.