4 CROSSCUTTING ISSUES

4.1 CGIAR System Priorities: Implications for CIP

Introduction

The CGIAR's two-pronged approach to contributing to the reduction of poverty while simultaneously improving food security has raised some debate within the academic community. The original CGIAR mission had been strategically focused on increasing "the pile of rice on the plates of consumers short on food".

The 5th CIP EPMR Panel expressed its concern at the new approach, as noted in Chapter 1, 1.2 Increased Demands from the Donors, in that Report. We quote:

"This increase in demands on the CG System violates a cardinal principle of policy making, which is that to be effective there must be one policy instrument for each policy goal" and also,

"There are few technological fixes that will significantly raise the income of small farmers".

These concerns were not only academic; they were also related to eventual CIP performance evaluation on the broader new goals, which the Centre would be ill-equipped to achieve due to insufficient tools and policy instruments.

The Science Council responded to the 2002 EPMR Report concerns in a commentary:

> "Agricultural research as a policy instrument is multidimensional. It is the challenge of the CGIAR to find win-win solutions that will advance the three goals: increasing food production, alleviating (rural) poverty and maintaining the sustainability of natural resources."

The technological fix concept refers to the idea that all problems (including social problems) may have technological solutions. In his 1988 book *Society and Technological Change*, Rudi Volti, says: "Americans in particular have often seen technological progress as the surest basis for progress in general, and have tended to believe that technological solutions to problems are less painful than solutions that require political or social changes". The CGIAR appears to share this philosophy. Rural poverty as a social problem consists of a problem mix that may contain some elements that can possibly be resolved by a technological fix. But the solution is always partial. Even the CGIAR does not claim to have a complete solution to the problem of rural poverty; it only contributes to a solution.

We understand both, the apprehensions of the 2002 EPMR Panel and the Science Council commentary, but would like to add that the win-win solutions found around the world – many of them with CGIAR interventions— no doubt came about with the concurrence of many factors beyond the scope of agricultural research such as rural roads, credit and effective extension efforts, among others. (See also the section on Attribution in Chapter 1.)

The Need for System Priorities

The Science Council's recent document, **System Priorities for CGIAR Research 2005-2015**, explicitly recognizes that CGIAR initiatives may have little impact in adverse policy and institutional environments; it stresses the need for policy research to understand and eliminate such shortcomings; and suggests the need for CGIAR to lobby and advocate to bring about

appropriate, supporting environments through investment in rural infrastructure, delivery systems, and other such developmental activity. Lobbying was common practice in earlier CGIAR days, when Norman Borlaug's and others' beat artlessly took him from the wheat fields to ministerial offices.

Several trends that developed in the CG Centres between 1998 and 2002, including stagnant funding, and a mix of research activities not reflecting the CGIAR's comparative advantages, have conspired to create a CG System marked by declining influence of independent scientific advisors (traditionally provided by TAC and later by the Science Council); a concurrent systemic transformation, from a science-driven agenda to one that is donor-driven; and a shift from the production of IPGs to provision of national and local services.

In 2002 the Executive Council (ExCo) requested that the Science Council initiate a process to develop system-level priority setting in line with the CGIAR 2000 Vision and Mission.

Through an exhaustive Science Council-led process of participatory data collection —with the distinctive quality of being both analytical and broadly consultative with stakeholders, donors and scientists from the CG System and other research organizations including NARS— a set of twenty research priorities in five priority areas was developed.
These considered,

i. The potential impact to improve the livelihood of low-income people in developing countries, factoring in success probability,
ii. The international public-good nature of the research, and
iii. Alternative sources of research suppliers as well as CGIAR comparative advantage vs. such other sources.

The CG System research was now prioritized to contribute explicitly, directly and indirectly, to seven of the eight MDGs.

The new Science Council Document, approved by the Group in 2005, represents the CGIAR's most serious attempt to guide research with system-wide priorities; earlier agendas had included a strong component of aggregated Centre priorities. The new System Priorities encourage the Centres to make evolutionary not revolutionary changes in their science strategies. A three-year adjustment period (2006-08) has been proposed for program alignment by Centres through MTP planning and Science Council review. Following the transition period, the objective is that Centres allocate 80% of their budgets to the five priority areas. The proposal states as well that Centres can spend up to 20% of their budget outside the System Priorities and half of that for exploratory, innovative research work to develop new science and potential future priorities. Simultaneously, the Science Council recommends that donors provide funding for System Priorities in the future.

Implications for CIP

The Panel would like to stress several rather peculiar features of this new System Priorities document that, in its view, represents an important departure from earlier agendas, particularly its explicit focus on income generation among the rural poor.

It is widely known that poor farmers in developing countries obtain their income from many sources, including agriculture, off-farm employment, subsidies and in some countries, "remittances". Disregarding off-farm income and solely considering farm revenue, two factors

determine income level: the productivity of the land and the price received for its output. Hence, new, improved technology is just a third factor determining income.

But land and asset holdings in general are so minimal in most of the poor areas of the world, (often less than one hectare and a few animals), and formal education so negligible, that even in a best-case scenario where small farmers surmount all the above-mentioned constraints to adopt first-best technologies, and attain the economic benefits of improved productivity, the changes in income would be so small that rural poverty would not be significantly alleviated. In spite of this reality, numerous studies measuring the economic benefits to the poor from those "small changes" brought about by improved technologies indicate that they are worth pursuing, possibly due to better nutrition and opportunities spilling over off-farm income generating activities. A recent analysis made by CIP (Fuglie 2007) suggests, if CIP maintains current levels of research and extension, its research on potatoes and sweet potatoes will likely deliver significant economic, employment, health and other benefits for the rural poor by year 2020.

The emphasis of the new System Priorities on collaborative research on high-value fruits and vegetables, and inclusion of livestock, fish and tree products as additional sources of income, is encouraging. Supporting diversification programs and other activities that might increase farmers' economic returns is an important strategic innovation.

In the Panel's opinion, the New System Priorities document can greatly affect CIP in at least three areas:

i. Wider scope now exists for agricultural research in biological / natural resource areas;
ii. a wider range of policy research topics is now open to the Centre; and
iii. Advocacy to bring about the appropriate supporting environment is encouraged.

In this new panorama, the Centre is no longer restricted to "technological fixes", and a new array of options represents research for development opportunities. In the opinion of the Panel, this should allow CIP to be better able to equip itself to tackle its mission.

Table 4.1 shows CIP project cost allocation percentages vs. CG System Priority Areas according to CIP's 2007-2009 MTP. Worthy of note is that CG Priority 5 receives 37% of total budget, the highest cost allocation. Despite this realignment of the CIP research portfolio to the CG System Priorities, the Science Council noted in its comments to the CIP MTP 2007-2009, that the CIP Plan does not reflect an effort to adjust its agenda in line with the System Priorities. As discussed in Chapter 2, the Panel believes that what this table reflects is a problem with the reporting of funds from restricted projects, and has made a recommendation in this regard.

An explanation given by CIP in the 2008-10 MTP is that in its 2007-2009 MTP the Centre adopted a "splitting" rather than a "lumping" philosophy for assigning its research to System Priorities (SPs), but that the 2008-2010 MTP guidelines counsel "lumping" so that assignments are focused on a reduced number of SPs. In its 2008-2010 MTP cost allocation to SPs, CIP reports for the first time three new budget lines beside those to SPs: stand-alone training, development activities and new research areas for Project 9, Urban Harvest. Due to the "lumping" approach, the Centre cost allocation to SP 5 now takes up around one fourth of total budget. Despite these changes in the reporting system, in the Panel's opinion the basic problem of inflated research budgets remains.

Table 4.1CIP´s Research Portfolio and CGIAR SPs

CG System Priority Area CIP Projects	P. Area1 %	P. Area2 %	P. Area3 %	p. Area4 %	P. Area5 %	% Total and by CIP Project
Project 1 Impact Enhancement	-	1.5	-	0.9	97.6	100 9.3
Project 2 Genetic Resource Conservation	100	-	-	-	-	100 5.0
Project 3 Germplasm Improvement	10.7	70.1	0.4	0.7	18.0	100 33.6
Project 4 Integrated Crop Management	0.7	21.0	22.6	19.1	36.6	100 21.3
Project 5 Natural Resource Management	-	12.0	0.6	56.5	30.9	100 11.1
Project 6 Agricultural Human Health	-	-	-	10.0	90.0	100 1.2
Project 7 CONDESAN	-	-	-	70.0	30.0	100 9.7
Project 8 Global Mountain Program	-	-	-	38.3	61.7	100 2.7
Project 9 Urban Harvest	-	-	11.9	11.8	76.3	100 6.0
TOTAL US$ by CG SP	1929	6463	1382	3910	8050	21734
TOTAL % by CG SP	8.9	29.8	6.3	18.0	37.0	100

4.2 Partnerships at CIP

Introduction

CIP has been partnering with other scientists and organizations from its inception, and has long-established empirical practices for engaging with partners. The Centre has developed excellent skills for networking and capacity building globally and regionally, and has gained a position as a "convening Centre". As noted by the 2002 EPMR, partnerships and capacity building are

important for CIP because they increase the Center's "efficiency" in the use of its resources (more and better research outputs), and because the Centre gains "effectiveness" in terms of end results (outcomes and impact).

After commending CIP for its efforts in this area, the 2002 EPMR recommended that the Centre "formulate a strategy for how to engage in different types of partnerships" to aid CIP in: (1) better clarification of reasons and objectives for entering partnerships (sharing and acquisition of expertise, technology development and dissemination, network launching); (2) selecting the appropriate partners ("boundary partners" for the case of outcomes); and (3) clarifying expectations of the partners and the conditions under which the partnership will be carried out (including CIP's exit strategies).

CIP reports that this recommendation has been implemented based on two changes: (1) the Restructuring of CIP research organization into Research Divisions and Partnership Programs, reflecting the strategy of creating and identifiable space for partners within the larger context of CIP; and (2) the Strategic Plan, which establishes the strategy for engaging in different types of partnerships in different stages of the developing cycle and for the different regions.

But in this Panel's view, besides providing a space for the identification of partnership programs, the new CIP´s research structure does not add any significant discussion to the formulation of a strategy for partnerships. At the general level, the Strategic Plan emphasizes the need and importance of partnerships both as innovation system components and as a way to operate the "linkages for dissemination" stage in CIP´s pro-poor R&D cycle. At the same time, the Strategic Plan also describes the envisaged characteristics of partnerships for each region, but fails to provide clear guidelines for entering in different type of partnerships. The Boxes, borrowed from CIP's Strategic Plan describe CIP´s general policy regarding partnerships, and the case of LAC as example.

CIP´S GENERAL POLICY FOR PARTNERSHIPS

Partnerships for Impact

Understanding potential or existing impact pathways related to CIP outputs will be part of its research agenda, which will include diagnosis studies and mapping the innovation systems in the areas of intervention and the design and assessment of inter-institutional projects oriented to identify the factors that make the pathway possible. This will include understanding platform formation and learning how to be part of them, how to create capacity building opportunities for CIP and its partners, how to be proactive in the platforms to respond to needs and opportunities with CIP products. The experience of the private sector will be useful for the purpose of research and development joint ventures.

CIP will access modern information technologies and use them for effective communication, dissemination of knowledge, and capacity building in potato and sweet potato innovation systems. CIP will also identify, acquire and utilize valuable technologies in the private sector with 'freedom to operate for the poor'. Capacity building activities will be used to facilitate the access of less developed countries to information and technologies.

CIP will utilize the knowledge it is acquiring through its engagement in participatory research to create development platforms that will assemble all the various actors involved in R&D of the specific target areas. Building these platforms and facing the managerial challenges they pose, are and will continue to be actively researched at CIP, making it explicit in the regional strategic and operational plans.

CIP´S PARTNERSHIP POLICY FOR LAC

Partnerships for impact

CIP has good working relationships and strong linkages with NARIs, NGOs and private sector partners in the Andean zone. This network of partners will facilitate scaling up its technologies. We will seek opportunities to concentrate a wide set of research activities and link them with partners that focus on diffusion. One such area in the Andean region will be around Lake Titicaca on the Peru-Bolivia border, one of the poorest spots in a poor region. Within each integration area CIP will build a strong multi-disciplinary team with the capability to engage stakeholders. Nevertheless, where good possibilities for impact exist outside of the priority integration areas CIP will also seek strategic partners that can provide linkages to uptake.

CIP's research Divisions will work closely with its partnership programs, other CGIAR centres, and other partners to achieve scaling up. CIP will look vigorously for funding opportunities to sustain scaling up in the Andes and achieve wider impacts. It is particularly important for CIP to enhance its credibility as a centre based in the Andes, through a strong presence making significant contributions to the MDGs.

Particularities of CIP´s partnerships

Acquisition/Sharing of Expertise Partnerships

CIP borrows and contributes to a global pool of knowledge. A difficult question is to determine which expertise the Centre needs that it does not have now, where to obtain it and how to pay for it in case the needed expertise requires contracting out. CIP currently collaborates with many research institutions and universities around the world. Each research Division has established different types of scientific collaboration, most of the times based on personal relations, either for sharing information in the domain of scientific knowledge as a public good, or through specific research contracts (out-sourcing). The more basic type of research - the production of IPGs or research outputs - is done at CIP headquarters in Peru, while the bulk of adaptation, validation and dissemination – moving from research outputs to outcomes – are done regionally.

Within this scheme of operation, CIP´s research Divisions have the responsibility to produce research outputs, many of which often require scientific collaboration or research contracts with third high level research organizations. The 2007-2009 MTP reports CIP´s research partners / collaborators (ARIS, NARIS and Universities) for the different Divisions indicating the research outputs to which a given partner contributes. Whether the quantity and quality of collaborators is the appropriate one is difficult of to determine, and the Panel has not been able to assess the optimality of this type of partnership at CIP. However, whether the Centre is taking appropriate advantages of the global pool of knowledge for acquisition of scientific information should be a very important research management issue involving funding, transaction costs and expected benefits. Constituting research teams that would cover all the required skills and expertise would be prohibitive even for the best-funded organizations. The Panel perceives that CIP needs to develop guidelines to facilitate this process of knowledge acquisition on the one hand, and needs to design criteria to evaluate the level of effort that different research Divisions devote to partnership development and coordination.

Network/Consortium Partnerships

Network/consortium partnerships are promoted by CIP usually at regional and global levels on issues transcending national borders. We believe that for this type of partnership CIP should clarify two basic factors before they are launched: first, the objective/nature of the network/consortium, and second, the Center's exit strategy.

The Panel has observed with concern that the ambit of some of these networks, including those that CIP convenes/hosts or sponsors, is quite broad, from applied research, to development activities, often beyond CIP's expertise and comparative advantages. The three CGIAR System Wide Programs that CIP currently hosts: CONDESAN, UH and Global Mountain share that same nature. The Science Council does not recognize UH as part of the CGIAR System Priorities, but the three System Wide Programs have been reported as CIP's research projects in the last MTPs. Examples of this same type of network/consortium, but in this case sponsored by CIP, are Papa Andina and UPWARD.

The Panel understands the need to develop partnerships to cover areas outside CIP's expertise, but only as a means to facilitate mobilization of the Center's main research outputs (potato/sweet potato technologies) into outcomes. These networks may be focused on enhancing the capabilities of the countries for a more sustainable and value-added potato/sweet potato production (clean seeds, better crop management, materials for processing), or on the development and use of methodologies for participatory research (including the gender perspective) to help CIP and NARS scientists in better designing potato/sweet potato technologies. Examples of these are PREPACE (Eastern and Central Africa), VITAA, and in the past PROCODEPA (Central America and México) and PROCIPA (Countries of Southern Cone of LAC). Consortia with more developed NARS such as India, Brazil, Argentina, and Chile are important to undertake joint research, and to promote research spillovers to third countries.

But, the Panel notes, the problem with some of these consortia for applied research and development on broad subjects is that sooner or later they drag the Centre into serving objectives and interests that are related marginally or not at all to CIP's core business. In many cases these networks may be doing a very important work for the beneficiaries in their respective areas, but this work may be no or little relevance for CIP. When this happens, the moment has arrived for the Centre to withdraw. In addition, because the other partners and stakeholders involved may wish to continue, even if CIP withdraws completely or just stops convening, CIP needs to think to ahead of time when and how it will exit, in order to allow the consortium to take steps to continue as a viable arrangement.

Technology Development and Dissemination Partnerships
In this type of partnership the potential partners are those involved in the process of technology development and transfer in the country concerned. They are usually the Ministry of Agriculture, NARSs, Agrarian Universities and Academies, farmer associations and/or ground level NGOs.

As discussed in the section on attribution in Chapter 1, CIP controls the generation of its own OUTPUTS but has little control over the needed changes in behavior to attain OUTCOMES in farmers´ fields. Without outcomes however, the Center's work is futile. CIP's partners are in a much better position to influencing the adoption of new technologies. CIP OUTPUTS – the IPGs are mostly "intermediate goods", which require various degrees of local development, adaptation and validation before they become "final goods", ready to be disseminated or incorporated into farming systems to result in OUTCOMES. Over time, they eventually attain large-scale adoption and sustainable benefits, and are able finally to influence IMPACTS.

Historically, CIP has invested heavily in collaborative partnerships within its "research partner for development approach" to build platforms to strengthen local research capacity and enabling the adaptation and dissemination of CIP IPGs, thus translating OUTPUTS into OUTCOMES.

In its early years, CIP stationed a sizeable share of its research staff regionally and in country initiatives to assist national partners in the technology development and dissemination stages, and to promote the testing and adaptation of CIP's technologies and methodologies such as (e.g. Virus detection methods, rapid seed multiplication techniques, TPS, the Participatory Market Change Approach, Farmer Field Schools, and Users' Perspectives in Research). Most of CIP IMPACT success stories have required significant public-sector subsidy (including specially funded donor projects) designed to scale-up technology dissemination in a country. Classical examples of success stories for CIP are: China, with the clean seed production systems and diffusion of CIP clones, at the time this country did not have access to other western materials (Achirana INTA with 250,000 has at one point); IPM in Indonesia; potato storage systems in India; and improved varieties in Costa Rica (Floresta) and Peru (Perricholi).

Country program partnerships play a very important role to speed-up both the adaptation of CIP's OUTPUTS to local conditions, and their dissemination into farmer fields. Field visits allowed the Panel to see how in Vietnam and Indonesia, country partnership programs are underway to promote the use of sweet potato-based feed (preserved through anaerobic fermentation) for pig production, and for linking potato farmers to markets. There are also plans to incorporate private commercial farmers into seed multiplication. This Panel would like to commend CIP for these efforts, and to encourage the Centre to stimulate and empower the different Regions to design ad-hop combinations of regional and country partnership programs that will better serve the interests of CIP.

4.3 Training at CIP

CIP's training program has traditionally been one of its strong points. A study made in the NARS in the 1980s identified CIP's training as a key contribution to their capacity building. The 2002 EPMR commended CIP for aligning its training activities with the research projects, thus providing it status and visibility.

The 2006 Science Council-commissioned study that evaluated training and its impact across the CGIAR, revealed that this important activity has deteriorated across the board in the CGIAR. And although training at CIP has changed substantially during the last five years, due mainly to the budget cut-backs, CIP has been able to counterbalance some of the negative effects and maintained reasonable level of training activities, by using restricted project funds. (See Annex 13 for CIP's detailed report on Training at the Centre.)

4.4 Gender-Sensitive Participatory Research at CIP

The conclusion of a 2007 Science Council-commissioned study conducted by the Program on Participatory Research and Gender Analysis (PRGA) is that those Centres with a higher expenditure on participatory research are more likely to be active on gender sensitive participatory research. CIP is mentioned as a Centre that has devoted considerable efforts in the development of participatory research approaches and methodologies. Some worth mentioning are:

- UPWARD (User's Perspective in Agricultural Research and Development), a network that has conducted participatory research to explicitly incorporate the voice of farmers, particularly females, in the design of research priorities, and that carried out various gender studies with that purpose;

- PMCA (the Participatory Market Chain Approach), a systematic research and development process to progressively empower farmers and other actors for collective action and to build trust among the different market chain actors; and
- Farmer Field Schools, initially aimed at training farmers and other actors integrated pest management, but extended later to other topics.

Through these different approaches, CIP has been able to incorporate rural women, both in the design of research priorities as IPGs, and in the Center's role as a research partner for development.

5 GOVERNANCE

During the time under review, CIP experienced incumbent changes in both the Board Chair (2003) and the Director General (2005) positions. The size of the Board was reduced from 12 to the present 11. In 2006 the number of Board meetings was increased from two to four a year (2 face-to-face and 2 via teleconference).

To form conclusions and recommendations, two Panel members attended parts of the April 2007 Board meeting (but not Committee meetings), interviewed Board members, and reviewed board and committee minutes for the previous five years, policies, and the results of Board practices and self assessments. Overall, (SC issue 13) under the dedicated leadership of the present Chair, the CIP Board has paid considerable attention to governance issues, procedures and training; has become more inclusive in its decision-making; and needs to pay increased attention to the Center's human resource management and capital investments. No CCERs on governance were conducted during the review period.

5.1 Legal Status

The Centre was founded in 1971 and the first statutes adopted in 1972. These were revised in 1999 along with the adoption of the International Personality Agreement, which recognized CIP as an international institution. Since the 2002 EPMR the Board has addressed the revision of the Statutes on several occasions and has amended one Article which now puts limits on the ability of the Director General to issue and sign checks for any amount. In 2005, and again in 2007 the Board Chair proposed re-written sets of Statutes. The Panel has reviewed both draft sets and found them overly legalistic and in some instances not appropriate for a non-profit Centre like CIP. The Panel suggests the Board stay with its existing statutes, making individual changes if they are urgently needed. In the event the Board insists on a total re-write of the Statutes, the Panel suggests that any new version be reviewed with the CGIAR Secretariat legal resources, rather than the expense of outside legal advice, as is presently planned. Further, the Panel would also urge the Board to carefully reconsider proposed changes that would affect:

- The Center's scope and purpose;
- its relationship to the CGIAR system and the role of the CGIAR in any decision to merge CIP with another institution;
- its host country agreement;
- the length of term of the Board Chair position;
- open sessions of Board meetings; and
- The content of open Board meetings.

CIP is viewed as having a good relationship with its host country and the international community in Peru.

5.2 Board Membership and Composition

The Board presently has eleven members including three *ex-officio* positions (two from the host country and the Director General) and plans to reduce the number to nine through attrition. The name, gender, nationality, discipline, area of expertise, Board committee participation, and period of service of each Board member during the review period are shown in Annex 14. Women comprise 36% (4/11) of the Board and 63% (5/8) of leadership positions; 64% (7/11) of the

members are from the South. In terms of the leadership positions, for the past several years, the Vice Chair (a woman) has simultaneously chaired the Program Committee, the Sub-committee on Science Policy (abolished in 2006) and the Nominating Committee, and served on the Executive and Audit Committees. At the April 2007 the Vice Chair asked to be relieved of the Vice Chair responsibility and another female was elected to fill that position. The Vice Chair is also no longer serving on the Audit Committee. The Director General is female.

The Board membership reflects a wide range of disciplines, although the Panel is concerned with the absence of any luminary from the potato or sweet potato field. The Board has just elected a person with significant operating management and financial experience in the CGIAR system. The Board could benefit from further expertise in governance and general management. Managing a research body within a government agency is not the same as having Board responsibility for an institution that must fully generate its own revenues. It is difficult to create a governance capacity after the fact with Board members who see both their skills and interests being elsewhere. A small Board cannot hope to cover all of a center's program areas so science rigor must be managed more efficiently in ways other than through individual Board members. For these reasons the Panel urges the Board to rethink its approach to criteria for Board membership. The Board is actively seeking a new Board member who sits on another CGIAR Centre Board. (SC issue # 10)

Although the Statutes anticipate a maximum of two three-year terms, the Chair and Vice Chair are completing their eighth and seventh years of service respectively, with the rationale (not subscribed to by the Panel) that this was necessitated by the scheduling of the EPMR. Four of the eight elected Board positions are due to end their final terms next year, including both Vice Chair and the Board Chair, who will then have served in that capacity for five years. The Panel understands that the Board plans to extend the term of one of its members beyond the six-year term, to serve as the Board Chair. There has been insufficient action regarding Board succession planning both as it affects membership and leadership. One possibility for the future would be to consider the Board Chair-elect serving as the Vice Chair for the year prior to taking up the position.

5.3 Board Responsibilities

Board responsibilities are next covered according to the organization of the newly revised CGIAR *Roles, Responsibilities and Accountability of Centre Boards* (2007) and the *Report of the Stripe Review of Corporate Governance of CGIAR Centres* (2006)

Determining CIP's Mission and Strategy

This responsibility covers establishing the Center's mission; reviewing, approving, and guiding the Center's strategy; and reviewing, approving and guiding major institute-wide plans, including performance targets (e.g. the Medium Term Plan). The CIP Program Committee "has the responsibility to advise the Board on all aspects of the Center's research and research related programs", a task it has generally shouldered well. In 2003 CIP concluded an eighteen-month Vision exercise that culminated in a major realignment of the Center's research program, discussed more fully in Chapter 2. The process was co-chaired by CIP's Deputy Director General for Research (who in 2005 became the Director General) and the Chair of the Program Committee of the Board. The draft Vision was presented to the Board for review and published in 2004. Subsequently CIP scientists and management prepared a Strategic Plan and presented the draft document to the Program Committee at its April 2006 meeting. The Program Committee

approved the Plan and supported the development of operational plans to implement the strategy. This document shifts from a commodity to a wider focus, and lays out many possibilities, but does not make strategic choices, particularly about the re-allocation of resources to regions. Some Board members commented on their inability to get management to understand that there needs to be more focus on SSA and Asia although the ability of the Centre to do so may in part be a reflection of what donors are willing to fund. The Board needs to balance its focus on monitoring the Center's nine projects with determining the overall strategy going forward. At a Board retreat held in 2006, the Board decided that the Centre should grow significantly in size in the next ten years, by maintaining the present level of activity at the Headquarters while increasing activities in the region. Reallocation of existing resources does not appear to have been considered.

The EPMR Panel did not have an opportunity to observe the April Program Committee meeting, but from the minutes of the meeting, it does not appear there was any Committee or Board discussion of the 2008-2010 MTP which can represent the Board's biggest opportunity to influence strategy. A copy has since been posted on the Center's intranet site. Board members had two weeks to send in comments to the Centre but no opportunity to interact about it with each other as a Board.

Ensuring Strong Leadership and Oversight of Centre Management

In 2005 Dr. Hubert Zandstra completed 14 years as the Center's Director General. The Panel believes that the term of a Director General should not exceed ten years. Further, the Panel does not look with favor on terminal sabbaticals and has been assured that the Board now shares this view. The Board approached the selection process for a new Director General in a systematic and timely way following a broad-based, open and transparent process. From a field of 32 applicants, the CIP Deputy Director of Research was selected and took up her appointment in May 2005.

To assist in Board oversight and to keep all Board members abreast of the Centre, several Board members suggested, and the Panel agrees that a brief monthly report from the Director General on her activities and key events affecting the Centre is important.

The process of evaluating the performance of the Director General was observed by two of the EPMR Panel members. Information on the Director General's work plan and performance was fully discussed by the Board along with discussion and the decision on compensation. The Board does not use other sources of input such as a 360 degree feedback process for the Director General's performance. This input could be useful for both the Board and the Director General. (SC issue #11) All Board members participated in the discussions and on the nature of the feedback to be provided to the Director General by the Board Chair. The process was handled well. The EPMR is unaware of any documented succession plan for the senior management positions.

The Board adopted, in April 2006, two policies to clearly establish Board and Management boundaries: Accounting Policy 1. *Matters Reserved for the Board of Trustees Approval* and Internal Accounting Policy 2. *Matters Delegated to the Director General.* (SC issue 13) The Panel found the intent of the policies to be excellent, but they were obviously written for a different institution, are overly legalistic, and do not always apply to a centre of CIP's size. The monitoring of the Director General's expenses is handled by the Vice Chair and reported to the full Board.

Set and Reinforce Ethical Standards, Values and Policies

The Board has adopted several policies governing its behavior and ensuring its adherence to ethical practices. These include a *Declaration of Interests* statement which aims to disclose conflicts of interest and the receipt of a *Service Agreement* letter at the time of their appointment, outlining the terms of their appointment, expectations for their behavior including a conflicts of interest statement, and policies relating to expense reimbursement and honoraria. Since conflicts of interest are not always predictable, a formal *Code of Conduct* statement would be a useful addition.

To ensure timely and effective oversight of Centre management, the Centre and the Board have spent a considerable amount of effort drafting a CIP *Framework and Administrative Policies* document. These frameworks and policies are then intended to lead to the development of *Operational Policies and Procedures* that in turn will lead to the writing of *Staff Manuals* that can be used to devolve decision-making to both headquarters and regional staff. These draft overarching general policies explain who CIP is and how CIP operates and would be the only ones approved by the Board.

The Panel has three concerns. The first is that only the *Framework Policies* will be approved by the Board. Since these are "big-picture" policies they do not provide the detail required for Board oversight nor measures for determining if they are being followed. The Panel urges the Board to identify those policies which require greater specificity before Board approval. A second concern is the CIP management view that until the *Framework and Administrative Polices* are finalized; work cannot be finalized on some aspects of the *Operational Policies and Procedures* and the *Staff Manuals.* Such a theoretical view could be appropriate when designing an organization from its very beginning, but CIP is an on-going, operating organization whose staff needs access to policies and guidelines now. The Centre cannot afford to wait until all the framework policies are set before it addresses the most urgent operational policies and procedures and the staff manuals. A final concern is that this process is illustrative of the drawn-out nature of completing many tasks at CIP, both at a Board level (e.g. the Statutes) and at a Management level. In today's world, the environment can change rapidly, requiring shorter time frames than in the past.

The Board has been less informed on human resource matters than is appropriate and needed. The Board has expressed a desire for more discussion of human resource issues and at its most recent Board meeting proposed a set of statistics that management should provide and that the Board should review once a year to monitor human resources, including those on gender and diversity. (SC issue #12). Many personnel matters that are public, at least to staff, in most other Centres are not disclosed at CIP; one reason given is that personnel information could encourage kidnappers. Human Resources are discussed more fully in Section 6.3.

An *Appeals and Grievance Policy* is included in the draft *Frameworks* document. However, it is important that this be divided into two parts; one dealing with Appeals and the other with Grievances, in accord with the CBC endorsed *Centre Grievance Policy Guidelines* (2003). In an international centre, the Board has as one of its responsibilities, to serve as a Court of Appeals beyond the Director General level. This is not provided for in the CIP policy, which is not consistent with the Stripe Review recommendations. The Panel suggests the adoption of a separate Grievance Policy, which has the Board as the final Court of Appeal. The Centre is currently drafting a *Whistle Blower* policy.

A process for identifying, evaluating and managing the significant risks faced by the Centre has been in place since the beginning of 2004. The Board, through its Risk Management Oversight Committee, effectively and regularly reviews any incidents that have occurred and makes suggestions on additional areas that need coverage or greater emphasis. At present there is a high dependence on the Director of Finance and Administration for financial matters, which does constitute a risk for the Centre. Additional bench strength in Finance and Human Resources has been recognized by the Board and management, but not acted upon quickly enough.

Board members no longer visit CIP regional activities on their way to Board meetings although if any are in a region on other business, they are encouraged to contact staff and set up a visit. In addition, since 2006 one Board meeting a year is taking place in one of the regions. The Centre has not conducted any attitude surveys to assess staff morale. A user satisfaction survey of services has been conducted, but did not address morale. An EPMR Panel-sponsored staff survey found significant morale problems particularly, but not only, in the regions. Several Board members commented on their decreased interaction with staff and would look for encouragement from the Director General in order to increase contact.

In 2005 the CIP Board adopted a policy that both Spanish and English are the official languages of CIP. For an institution which is part of a larger international system and with an international Board and staff, particular attention must be paid to ensuring that all documents needed for the effective oversight and management of the Centre are in English. This is not always the case. Since CIP is an international institution and with plans to expand its work outside of Latin America, the Board must require of management that necessary documents, manuals, and procedures are in both English and the regional language.

The Panel could not determine that the Board had any mechanisms for ensuring that existing polices are enforced and that polices are communicated and implemented as intended. The Board could consider broadening the scope of the Board's Audit Committee to include operational audits as well as financial audits, or adding this responsibility to the Executive Committee's remit.

Provide Oversight of Programs

Although the Board's focus is at the level of strategy and policy, it nevertheless has responsibility for establishing systems and processes to monitor programs to achieve the Center's mission. This can take several forms: monitoring the achievement of the Medium Term Plans, rigorously discussing and assessing the indicators in the Science Council's Performance Measurement System, through the use of task specific scientific advisory groups, having a comprehensive plan for CCERs, and assessing the implementation of CCER/DCER and EPMR recommendations. At CIP the Program Committee, on behalf of the Board, thoughtfully reviews and reacts to presentations from each of the six divisions and partnerships on an annual basis, but does not appear to focus on their integration and assessing the overall strategy.

The Board has done less well in using CCERs, both to inform its own thinking and to feed into the EPMR process. In 2002 the Board approved a policy on CCERs. However, between 2002 and 2006 the Centre conducted only one Programmatic CCER and two Donor-Commissioned External Reviews. One additional CCER on the NRM Program has been conducted in 2007. When CCERs/DCERs have been conducted, the Program Committee has been active in reviewing the results and monitoring the implementation of the recommendations. Most Board members are unaware of the Center's policy on CCERs, and the Program Committee has decided to await

the outcome of the present EPMR before setting a schedule of CCERs. As a result of the shift to smaller Boards that are more governance focused and less scientific advisory bodies, CIP needs to be more systematic and comprehensive in regularly scheduling reviews.

An important study *Research Priority Assessment for the CIP 2005-2015 Strategic Plan* was published in 2007. The document focused on assessing CIP's research priorities for five key strategic issues facing the Centre. The Panel was surprised that this document was unfamiliar to the Board (the publication had been available in draft form six months earlier) and that, according to its Minutes, the document was not discussed by either the Program Committee or the Board.

Provide Active Oversight of Finances

The Board approves the annual operating budget each year and the Center's expenses have not exceeded revenues since fiscal year 2003. In 2005 the Board commissioned a CCER on CIP's Financial Control and Reporting Systems. The review reported that all financial and administrative systems had been strengthened, and except for the matter of a new MIS, all the issues that were identified during the previous EPMR had been successfully addressed. Several important additional recommendations were made, which this Panel endorses, and are addressed in various parts of this review. One set was directed explicitly to the Board. The first suggested that in addition to the lengthy quarterly financial report there be a short, tight summary of highlights provided to the Board, and that CIP management develop a very concise monthly report that should be posted on the intranet for ALL CIP staff to review, as well as the Trustees. The CIP Executive Committee rejected both of these recommendations as being unnecessary. This was unfortunate as non-financial Board members have difficulty assimilating the current lengthy (about 16 pages including dense tables) report, and a brief monthly report on the status of funding and expenditures would be informative for the CIP staff.

A separate capital expense budget is not approved by the Board but in its stead is a policy that capital expenditures can be made not to exceed the amount of the non-cash depreciation expense. As a result of the policy, presumably in response to budget constraints, capital expenditures have been inadequate to the Center's needs. The Centre has been moving methodically but slowly on developing a long-term capital plan but has yet to begin budgeting appropriately for its capital needs, an issue highlighted by the CCER. The Centre is proud that it has the lowest indirect cost rate of the CG Centres, but it seems to have achieved this low rate in part by insufficiently investing in the infrastructure that is required to support the Centre. The Board must take some responsibility for allowing this to happen (discussed elsewhere).

Quarterly financial reports are provided to the full Board. The Centre rotates and selects its external audit firm in conformity with the CGIAR Financial Guidelines although the Panel was concerned about the review process used by the Audit Committee in its most recent change of audit firm. The Committee must closely monitor it's the firm's performance. The Audit Committee receives the audited financial statements and audit firm's management letter at its annual meeting, and meets in a session with representatives of the external audit firm without the Centre staff being present. The election of the newest Board member brings a seasoned, professionally qualified person with particular strength in the financial management of CGIAR Centres. He is to serve as Chair of the Audit Committee.

Since the early 1990s, CIP has not had an internal audit function; this was handled by CIP's Finance Department. From 2002 to 2004 nine audits were conducted, reported on in Spanish, and split evenly between the regions and specific functions. In late 2004, CIP joined the CGIAR

Internal Audit Unit at the lowest service level, to receive more rigorous and systematic internal audit services; these began in 2005. The Panel agrees with the CCER on Financial Controls recommendation that CIP needs to budget operating funds sufficient to complement the CGIAR auditor, e.g. engaging local expertise to work with the CGIAR auditor to ensure the effective use of the central unit. Management has not fully responded to this recommendation because the Board has directed that expenditure on the internal audit be restricted to what is being invested in the CGIAR IAU. After the first cycle with the IAU, the Centre plans to assess the situation.

At its January 2007 Board meeting, Management introduced a comprehensive new investment policy, but it needs to be acted on by the Board.

Manage the Performance and Relationships of the Board

Under the leadership of the current Chair, the CIP Board has paid particular attention to this aspect of its governance responsibilities. Board processes appear to be open and transparent and are more codified. Board members are, by and large, engaged, conscientious, committed to their responsibilities, and collaborative in their interactions. As described in Section 5.2 the Board has been least effective in striking a balance in the membership of the Board between continuity and renewal. The Nominations Committee appears to have had difficulty involving the Board in developing a roster of candidates with the result that decisions get delayed. The Board needs to be clear in articulating its criteria so that CG nominee appointments are successfully accomplished.

A one-day Board Retreat was held in 2006 to focus on governance and on the kind of Centre CIP wants or hopes to be. Subsequent Board minutes report that decisions were made to increase CIP's size to US$55M in the next 10 years, to reduce the Board size to 10 by attrition, to have two face-to-face and two telephonic Board meetings a year, and to increase the proportion of female IRS to 30% (currently 19%) and the share of IRS with origin from the South to 50% (currently 40 %, almost half from Peru).

The Centre has provided CGIAR Board training for its members and the Board Chair has the responsibility for orienting new Board members. Board members commented favorably on the induction process. The Board *Handbook* was revised in 2006. To make it more useful to the Board, the Panel suggests that those Board approved policies that most directly affect the Board and its oversight responsibilities be a part of the *Handbook*. Like all Centre documents, these policies need the date of adoption clearly indicated.

While assessments are provided on Board performance, the Board Chair, and increasingly for Committees and their Chairs, there is still an unwillingness to have all Board members conduct assessments of each other, as individual Board members, on a regular basis. This evaluation could also provide feedback that would help individuals become more effective. Until these assessments become the common practice that they now are in publicly held companies, it will be important to limit terms of Board members.

Board members commented on the improvement in the conduct of Board meetings and the quality of the supporting materials, although some information still does not get distributed until close to, or during, the meeting. Draft Board and Committee meeting minutes are provided in a timely manner. In the past it has sometimes not been clear whether the Board acts on recommendations from Committees, because the Board minutes will simply say "Report Accepted" but without the Committee minutes being appended. Several Board members noted

the efficiency and effectiveness with which the virtual Board meetings (teleconferences) were conducted. Board members' expenses are monitored by the Vice Chair and reported back to the full Board.

Board members need an opportunity to candidly explore issues and concern privately amongst themselves, without having fully thought through their ideas. In keeping with good governance practices, the Panel urges the Board to hold a closed session, without the Director General present, at each of its face-to-face Board meetings.

Attention needs to be paid to the efficient division of responsibility among Board members. The Executive Committee has reduced responsibility now that the Board is meeting four times a year. During the review period there were committees for audit, nominations, programs, a sub-committee on science policy (abolished in 2006), and risk management oversight. The Vice Chair position chaired the Nominations Committee, the Program Committee and the Sub-Committee on Science Policy until she requested to be replaced as Vice Chair during the recent April board meeting.

The Board annually assesses its own group performance. The results of the 2006 assessment were presented with two areas receiving lower scores, namely receiving timely information for the Board meetings and not having all items that should have been discussed on the agenda. In response to open-ended questions, the Board clearly wanted more focus on human resource issues. For the 2007 Board meeting, the Board Chair introduced a new 28-item assessment instrument that he asked Board members to complete at that moment. Although professionally developed, the rating scale did not appear to have face validity (5 high, 4 good, 3 no evidence, 2 below standard, 1 unacceptable) with the result that an average score of 3 could be 'no evidence' or could be an average of 4 and 2). The Panel suggests that the Executive Committee or Nominations Committee review the instrument to determine if any adjustments need to be made for CIP's circumstances, to re-visit the rating scale, and the time allowed for its completion.

Until this year, the Vice Chair verbally reviewed the Chair's performance in a private session with the Board. In 2007 the Board Chair introduced a new form for his own assessment. There was no discussion of the form or the process. The Vice Chair asked the Chair to leave the room so there could be discussion in addition to the numerical rating. As was the case with the 28-item assessment, the suggested rating scale suggested seems inappropriate and ambiguous. Additionally, the Board ought to determine if the form includes all the items it believes are important. Previously, the Board Chair had made an informal assessment of the Board Secretary; a more formal process is being considered, based on the Board Secretary's TOR.

At each of the face-to-face meetings individual Board members report on interactions they have had with stakeholders. The Board Chair has been active on the CGIAR Alliance Board, currently serving as its Chair, and spearheading many of its initiatives.

Recommendation # 15

Because the Board has not followed its Statutes regarding length of term limitations for some of its members, and has not been fully effective in its delegation of leadership responsibilities and replacement processes, ***the Panel recommends*** that the Board pay urgent attention to the systematic rotation and replacement of Board positions, and to Board and Committee leadership and succession planning.

Recommendation # 16

Because of the shift to smaller governance Boards which need mechanisms to provide oversight to a broad scientific remit, and the need for CCERs as a part of the EPMR process, ***the Panel recommends*** that the Board establish a systematic and comprehensive schedule of programmatic CCERs for the next five-year period, and that funds be budgeted for this purpose.

6 MANAGEMENT AND FINANCE

6.1 Leadership and Management

In the five year review period CIP's annual revenues have grown from US$18.7M to US$23.1M (23.5%) and in staff from 467 to 553 (18%). CIP management and staff are to be commended for having achieved this growth. The Panel noted, with concern, the elimination or downgrading of several important positions. Primary changes in organizational structure (see the organization chart in Chapter 1) have been the elimination of the Deputy Director General, Corporate Development position and in its stead the creation of a Director of Finance and Administration position, and changes in the research management structure from a project to a division structure plus the elimination of the position for Director, International Cooperation. Two new positions report to the Director General—the Head of the Resource Mobilization Unit (a position created in response to the previous EPMR's recommendation) and the Head of the Communications and Public Awareness Department (a restructured position). The Director General has a three-person "Directors" management team, comprised of the Director General, the DDG Research, and the Director for Finance and Administration.

No CCERs in the areas of management, administration or human resources were conducted during the review period; a CCER on Financial Controls and Reporting is discussed in elsewhere.

Both at a Board and Management level, CIP is trying to systematize and document policies and procedures. It is obvious that tremendous effort has gone into these initiatives, yet the Panel urges CIP to avoid becoming overly bureaucratic and perfectionist in its approaches at the expense of getting an appropriate job done in a timely way. Today's world moves rapidly and re-visiting documents, policies and procedures many times over, requires time and energy that could be better spent elsewhere. In the meantime, staff report that requests for information or approvals are log-jammed or not responded to, commitments made are not followed up on, items one would expect to have been dealt with at a lower level require more senior decision-making, decisions affecting employment conditions are changed without consultation, usually to the detriment of the employee, renewal of contracts is not always done in accordance with specified lead times, and there is lack of feedback from management both on the corporate and program side. The Panel learned that so many items were "in process" or "in transition" that it was often difficult to assess the quality or implementation of many of the procedures.

An increasingly important role of the Director General has become resource mobilization and donor-relations. This and her other responsibilities demand a rigorous office and travel schedule which in turn makes imperative that business continues "as usual" and expeditiously in her absence. As a Director General who is committed to excellence, it may be challenging to relinquish control, particularly when there has been inadequate bench strength and a lack of international experience and contacts in some key corporate positions. In part as an approach to cost saving, some of the positions normally recruited at the IRS level had been re-classified to nationally recruited staff positions. The Director of Finance and Administration still performs as the Head of Finance, thereby creating an unmanageable workload for himself. There is no IRS Head of Human Resources. Both positions have been advertised for some time, and they need to be filled expeditiously (the Head of Finance position has been vacant for two years). In this age of web-based recruiting, elongated time frames for recruiting are no longer the norm as they continue to be at CIP. A stronger corporate services function is needed.

6.2 Research Management

Organization and Monitoring of Research

During the Visioning Exercise a new organizational structure of Divisions and Partnerships was developed with all relevant units reporting to the Deputy Director General for Research. The Panel has made several observations in regard to the new structure and suggested an alternative one that may serve CIP better.

According to the Staff Perception Survey, less than 60% of staff at all levels believes that the way in which research is currently organized has been appropriate. Some have indicated that the new system is not conducive to the needed inter-division working plans and creates an environment of competition among Divisions. In addition, in the opinion of the Panel, the imbalance in resource allocation among the research divisions is a potential managerial problem, since the role of division leaders is likely to vary significantly across divisions. This problem may be aggravated when resource allocation to each division does not reflect true research priorities, but other non-research activities.

It was reported to the Panel that a Program Management Team (PMT) has been re-instituted and that monthly meetings and frequent consultations have been held. Basic priorities for research management have been:

- Reducing the administrative burden (better adjusting of CIP to CGIAR requirements);
- encouraging publications (frequent reminders and place in the individual working plans);
- providing appropriate tools for working support (web-based tools and reducing e-mail traffic); and
- Quality management and assurance (Procedures for research reporting and evaluation).

The Panel has recommended in Chapter 2 that Regional Directors play a more substantive role in the research process rather than their present primarily administrative function.

Three relevant management information system (MIS) components have been developed apparently with good results: the individual work plan and evaluation system, the Information Outputs reporting systems, and the Output Target reporting system. All these allow more efficient communication with the different entities of the CGIAR System on the one side, and to identify from the very beginning those outputs that are candidates for publications in professional journals. For example, 119 working papers were registered in 2006. The down side of all this is the time that the scientists have to devote to these systems. Nearly half of CIP's IRS Perception Survey respondents said that they spend most of their time in activities other than research.

Research Performance

Research performance is discussed in detail in the several sections of Chapter 3. The Science Council Performance Management System (PMS) for 2006 results indicate that CIP generally scored higher than the System averages, with the exception of publications. CIP scores were: (1) 95.4% of its research output targets (self-assessed), above the 88.1% average Centre rate; (2) eight out of ten on Outcomes, compared with the System average of 7.8; (3) 7 out of 10 for overall impact assessment based on two impact studies, compared with the System average of 6.4; and (4) in terms of quality and relevance of research as indicated by the # of reviewed publications in ISI journals/scientist, CIP had 0.28 publications, and 27% of its scientific papers were published

with developing country partners in refereed publications, below the system average of 42%. This latter set of results is consistent with a detailed analysis undertaken by the EPMR Panel on staff productivity.

Strategic Planning

The current version of CIP's strategic plan has been analyzed in Chapter 2 and a recommendation been made about the need to complete it, including priority setting and a business plan. In the opinion of the Panel, CIP's PMT has not been highly committed to developing a strategic plan as recommended by the previous EPMR. After more than four years CIP does not have a sound or specific Strategic Plan to guide the Centre regarding its basic mission of food and cash for the poor potato and sweet potato producers in the target areas.

Priority Setting

The last comprehensive multi-criteria priority setting exercise was conducted by CIP ten years ago. Since then the world, the CGIAR and CIP have changed a lot. The Panel commends CIP for its document: *Research Priority Assessment for the CIP 2005-15 Strategic Plan: Projecting Impacts on Poverty, Employment, Health and Environment.* Despite being *ex-ante* research, the paper used extended consultations with CIP scientists, NARs and other stakeholders to verify the relevance and quality of the information used to feed the different econometric models. The Panel sees this exercise as very useful in terms of project prioritizing and consensus building within the Centre, but it regrets that the information produced has not been used. The Panel urges management to utilize this exercise as input in finalizing the Strategic Plan and priority setting.

6.3 Human Resources Management

Responsibility for human resources management is divided between two NRS positions—a human resources manager who is responsible primarily for locally recruited staff and an administrative position in the Office of the Director General, with responsibility for external relations and international personnel. An IRS level position has been created and is presently being recruited for.

Many of the concerns reported in the staff interviews and the Staff Perception Survey (discussed elsewhere) deal with issues that an IRS human resources professional (with the international network of peers and resources that implies) could significantly impact e.g. responsiveness from senior management, timely establishment of detailed personnel policies and procedures, and equitable salaries and benefits in the regions, if given the authority to do so. The user satisfaction survey, conducted by the Centre, also listed human resource management and related issues in the bottom five "least satisfactory" service areas. There is a need, both at the IRS and NRS levels, for acknowledgement by senior management when good work is done. Small acts of recognition are noticed and need not be costly.

The Centre has recently acquired the *Adryan* HR software from a Lima vendor, and is in the process of implementing it. It is primarily for local Peru payroll, and the extensions for CIP's IRS and HRM are non-portable. Some of the modules are being delayed in implementation, pending the arrival of the new IRS human resource person and certain modules will be translated to English for external users. The operational modules for NRS salaries for internal use on the HR Department PCs are in Spanish, while the IRS database is in English. This may be problematic for the about-to-be hired IRS for human resources and for regional staff. *Adryan* interfaces with

CIPFIS, not ideally but manageably, and is a much-needed short-term solution to CIP's human resource information management needs.

Staffing Patterns

The Panel noted with concern the inconsistency of human resource data, making it difficult for the Panel to determine where and how human resources are actually allocated among research projects and regions.

A deficit of US$1M during 2001 required significant staff cuts in that year, but between 2002 and 2006 both IRS and NRS staff each increased by 18%. IRS numbers remained the same at headquarters with the 9 added IRS positions being in the regions. NRS numbers also increased in the regions by 26 positions (33% increase) while those at Headquarters increased by 15%, or 51 positions. Seventy-seven percent of CIP staff is located at headquarters.

Personnel costs increased from US$8.8M to US$10.6M during the review period; Increases were in IRS costs (33%) and NRS at Headquarters (9%). Although the number of NRS in the regions increased by 33% their total personnel costs remained flat. The Panel did an analysis of salary costs for IRS and for NRS staff at Headquarters and NRS in the regions. While the average IRS salary has increased at about the rate of inflation during the review period, the average salary of NRS at HQ declined a total of 5% (without taking inflation into account) during the 5 year period, and for those NRS in the regions (who earn only one-third of what those at HQ earn on average) declined by a total of 25%. While there can be logical reasons for these data, there are also implications for management planning. The Panel, recognizing that there can be cost of living, and differences in employment levels, suggests that further study be made by management to ensure equity in Headquarters and regional salaries and benefits. Further, these cost data may have significant implications for the most cost-effective placement of staff, whether at headquarters or in various regions.

Restricted funds are used to cover the salaries of 52% of IRS researchers. When salaries of all research staff (IRS and NRS) are considered, this percentage drops to 41% implying that NRS salaries are more likely to be paid from core (unrestricted) funds.

Table 6.1 CIP Staff 2002 - 2007

STAFF	2002	2003	2004	2005	2006	Projected 2007
IRS	**51**	**52**	**56**	**59**	**60**	**60**
Headquarters	38	36	37	39	38	39
Regions	13	16	19	20	22	21
NRS	**416**	**404**	**436**	**445**	**493**	**498**
Headquarters	337	342	373	379	388	382
Regions	79	62	63	66	105	116
TOTAL IRS/NRS	**467**	**456**	**492**	**504**	**553**	**558**
Headquarters	375	378	410	418	427	421
Regions	92	78	82	86	127	137

Staff turnover rates for IRS, NRS at Headquarters, and NRS within each of the four regions during the five year period are not out of order (Table 6.1). Since 52% of IRS salaries are special project funded, it is hard to disaggregate those who leave because of the end of the project or for some other reason. Exit interviews are not conducted with leaving; this process could yield useful information for CIP management. The Strategic Plan, if elaborated on by a Business Plan as suggested in Chapter 2, would imply a long term staffing plan.

Diversity including Gender

Twenty six nationalities are represented in the 60 IRS; two staff list dual Peru/Canadian nationality. Forty one percent of CIP IRS is from developing countries (IDA Part II) and many of these (19% of the total staff) are Peruvian. Staff by major categories is: Europe (44%), South or Central America (24%), U.S.A. (10%), Sub-Saharan Africa (8%), Asia (8%), and Australia or New Zealand (5%). (See Table 6.2)

Female IRS declined as a percentage of IRS staff from 20% to 18%, while NRS female employees continued to stay at 30% of all NRS employees during the five-year period. CIP's employment of women scientists is below the norm for CGIAR Centers. The Board in 2006 adopted a statement that over the next three to five years the share of female IRS would increase to 30% and the share of IRS with origin from the South should increase to 50%, but specific plans to accomplish this have not been made.

Table 6.2 Gender Statistics 2002 and 2006

	2002	2006
IRS Female	10 - 20%	11 - 18%
Male	41 - 80%	49 - 82%
TOTAL	**51 100%**	**60 100%**
NRS Female	124 - 30%	147 - 30%
Male	292 - 70%	346 - 70%
TOTAL	**416 100%**	**493 100%**
All Staff		
Female	134 29%	158 29%
Male	333 71%	395 71%

The Center has a wide age distribution in its IRS with a mean age of 47; about 60% of IRS are younger than or equal the average age. About 70% of IRS has worked at the Center for 6 years or less.

There is a general Gender and Diversity statement, referred to as a "policy" in the proposed CIP *Framework and Administrative Policies,* but without adequate specificity to be enforceable or monitored. Goals need plans that are put into action and can be monitored by the Board. Similarly, there is a Spousal Employment Policy which states simply that "CIP spouses and/or immediate family members shall not work in either a direct or indirect supervisory relationship or that relatives may not work in the same department, unit, division or project of CIP". Given the nature of a CGIAR Center and its regional out-postings, there needs to be provision for exceptions, with proper approval processes spelled out. There is nothing in the policy regarding CIP helping spouses obtain employment outside of CIP, which may vary by country. Last

minute renewals of IRS contracts, instead of the six months required notice, would have a negative impact on the work- lives of spouses who are usually women.

A policy exists that provides for day care for working female IRS. A Gender and Diversity Committee of eight members, appointed by the Director General, was formed in 2005. Chaired by the Human Resources Manager, the Committee conducted a survey of all personnel on recruitment, retention and work-life balance issues. The results were provided to the Director General in March 2006 but it is not clear what follow-up action the Centre has taken. The Committee had developed a thoughtful and comprehensive list of proposed activities for 2007, suggested that this be brought to the Board for its information, and proposed a monthly meeting with the Director General to review actions, suggestions and focus of the Committee's efforts; it is not apparent that this happens. This would be a logical responsibility to delegate to the incoming IRS Head of Human Resources.

At its most recent meeting the CIP Board accepted a proposal by two of its members, that CIP management report to the Board once a year on a number of specific human resource indicators including staff composition (including gender and nationality), staff turnover, staff training, and plans for reaching and monitoring human resource objectives set by the Board. The Panel suggests that CIP management provide these statistics to the Board within the next two months for the year ending 2006 as a beginning point. (SC issue #12)

Personnel Policies and Practices

Like a number of other CGIAR Centres, CIP is moving to the implementation of a One Staff concept, whereby the Centre will have one set of rules and policies for all staff, and one job classification structure. A table showing allowance and benefits for categories of staff has been assembled, but is not available to staff. CIP does not make public to its staff salary structures and ranges. While this is understandable in the environment in which the majority of their staff works, it makes even more important that the Board monitors fairness and equity. The Panel reviewed IRS salaries and found that, while not out of line with other CGIAR Centres, there are several significant IRS staff "legacy" anomalies that the Panel urges the Director General to correct as contracts conclude. The City of Lima has excellent facilities available to IRS e.g. housing, schooling, security, and medical services. To the extent these services are unavailable, or available only at very high cost, in other regions where CIP IRS are located, comparable levels of benefits must be provided. Staff reports that this is not always the case. NRS salaries were discussed above.

For CIP, fixed term recruitments cover the length of restricted projects, some of which may be as long as five years. From CIP's perspective, the labour relationship finishes at the conclusion of the project. Many employment conditions and benefits for NRS in Peru (reflecting 70% of all CIP staff) are mandated by law—these include viewing the fixed term recruitments as indefinite appointments--resulting in possible consequences for CIP. There is no NRS staff association because that is not in accord with the Peruvian government's views. However, an IRS staff council could be formed, which could help improve communication channels (see section on the Staff Perception Survey).

The most recent comparator study for five levels of Lima-based NRS, from laborer to executive, was conducted in 2003 and found that at that time CIP was below market in base salaries in a number of instances, particularly for laborers, but above the market in benefits. We suggest that CIP take advantage of the Watson-Wyatt country comparisons to ensure equity across CIP and its

regions. The Centre has looked to update job descriptions for administrative assistants and secretaries as a pre-cursor to undertaking an overhaul of job classifications and job descriptions. A consultancy report was delivered in December 2006 that categorized 28 positions into 5 categories and looked at overall salary market competitiveness. Given that NRS salaries in Peru are grossed-up because salaries are not subject to income tax, the study showed there were no major problems as a whole for Peruvian IRS, although some individual adjustments needed to be made. The Centre is examining job classifications, job descriptions, and salaries to establish internal equity for all positions at the Centre as a whole, although this work is moving along slowly. Similarly, a single *Personnel Policy* for NRS and IRS, incorporating policies, benefits, and perquisites has been in draft form for some time, but is not generally available to staff. The hiring of an internationally experienced human resource professional will be an important step towards moving these processes along in a more timely fashion.

Performance Management Systems

In 2006 a new process was piloted for non-research staff at both headquarters and in the regions**.** Available online, the forms included sections on:

- Performance results self-assessment—period 2006 (completed by staff member); b
- behavioral assessment 2006 (completed by supervisor); goals-period 2007; and
- individual development / learning plan

In addition there were handouts for supervisors on *FAQ 2006 Performance Evaluation* and *Tips for Conducting Effective Performance Appraisals: Guidelines for Supervisors*. The Staff Perception Survey indicates that IRS are more satisfied with the performance management process (71%) than are NRS (55%) although conversely, that means a significant proportion of both categories are not. Most complaints dealt with the lack of a reward system and career development plans. Many NRS in Lima complete the form in Spanish, which is not necessarily readable by non-Peruvian supervisors.

CIP does not use 360 degree performance-based systems for its staff at any level, including management. A 360 degree process would provide input to the evaluation process from not only the supervisor but also selected peers and subordinates; the process can provide useful input both to the employee for staff development and to the supervisor.

Recruitment and Staff Development

Recruitment processes for IRS researchers have been improved, with wider distribution of announcements, the use of the Web, and the assistance of the CGIAR Diversity and Gender Program. The Panel reviewed the recruitment processes and found them generally consultative and sound, but it was puzzled as to why the Directors Committee was involved in the short list decision-making. This would seem to add an unnecessary and time consuming step to the process; the Panel suggests that the DDG-Research present his recommendations directly to the Director General who makes the final decision, and that Regional Leaders have greater input for the selection of research staff in their region. Recently recruited IRS in Lima commented favorably on their induction process to the Centre, both in terms of relocation assistance and orientation to CIP.

Slightly more than half of IRS and NRS agree that job opportunities at CIP are likely to attract the highest quality staff. This is in part because of the perceived lack of staff development and opportunities for professional advancement, as evidenced both by the User Satisfaction Survey (discussed elsewhere) and the Staff Perception Survey. There is no published policy for

professional advancement, no criteria for promotion, no information on what is the next level for advancement, or what is the next level in the salary range. Both IRS and NRS feel strongly that opportunities for professional advancement at CIP are limited or non-existent. They report that there are no funds available for in-service training, in the use of software, or the opportunity to learn English which used to be available. A line item for funds for staff development, both in the regions and at Headquarters, and for both IRS and NRS is needed. When the Centre moves to the installation of an ERP (see section 6.5) successful implementation will be heavily dependent on adequate staff training.

Staff Perception Survey

CIP has not conducted staff perception surveys (as distinct from the customer satisfaction survey addressed in elsewhere). In support of this review, the EPMR Panel surveyed (in English and Spanish) all CIP staff with access to email. A 74% response rate was obtained from the IRS, a 58% response from NRS-Professionals, and 22% from NRS-Other (both these latter categories were self-selected). Regrettably, the data could not be sliced separately by headquarters and regional responses. Responses have been factored into the appropriate sections of this review. A summary of the results is presented in Annex 15. The responses indicate ways in which staff morale could be further improved. These include more timely decision-making and responses to requests for information from management, and delegation and further de-centralization of decision-making. Understandably, and unavoidably in the CGIAR System, NRS worry about the short-term nature of many of their contracts and IRS are concerned about the lack of advance notice regarding the non-renewal of contracts, and the impact this has on their families. Given the results obtained in this survey and the inexpensive availability of web-based customized survey instruments, the Panel suggests that management or a task group delegated by management conduct a staff perception survey annually to provide feedback on areas that are working well and those that could benefit from management attention.

6.4 Financial Management

CIP is one of the smaller CGIAR centres with annual revenues in 2006 of US$22.5M. Its revenues have increased gradually by 23% during the review period, in nominal dollars. Expenses increased by 19% during the same period. Except for 2002, revenues have exceeded expenses, resulting in an increase in net assets of US$3.56M, reaching US$5.380M excluding net fixed assets (or US$2.083M when restricted net assets are also removed). As a result of cautious management, the Center's financial position is sound.

Financial Performance

A table of CIP's Financial Position and Statement of Activities is included in Annex 16. A summary of key financial information and indicators is given below.

Like most CGIAR centres, restricted revenues have driven CIP's growth. While unrestricted (core) funds increased by 11%, restricted or special project funds grew by 31%. Restricted funds account for 59% of CIP's total revenues as compared with 55% in 2002. The Centre is projecting that by the end of 2010, revenues will reach US$28.3M and that 73% of these will come from restricted sources. Increases in both direct and indirect cost recovery have been an important factor in achieving balanced budgets—from US$0.7 in 2002 to US$2.2M in 2006. Personnel costs have remained at about 46% of total expenses. As the Center's personnel costs have increased, these have applied to IRS and Headquarters NRS. Resource allocation priorities by projects and regions have been discussed in some detail in sections 3 and 4.

Table 6.3 CIP Key Financial Information 2002 – 2007

(Based on CIP's Audited Financial Statements)

				Projected		
	2002	**2003**	**2004**	**2005**	**2006**	**2007**
FINANCIAL INFORMATION (in US$ Mil)						
Total Grants	18.393	17.828	22.397	22.005	22.470	23.663
Unrestricted	8.035	7.964	8.957	8.113	8.907	7.732
Restricted	10.358	9.864	13.440	13.892	13.563	15.931
Other Income – Investments/Gains	326	387	279	293	639	630
Total Revenues	**18.719**	**18.215**	**22.676**	**22.298**	**23.109**	**24.293**
Operating Expenses						
Program Related Expenses	16.100	14.302	18.758	19.131	19.804	21.154
Research Management	2.143	2.041	2.232	2.176	2.390	2.212
Operations (Management and General exp)	1.814	1.825	1.719	1.887	1.990	2.074
Recovery of Indirect Cost	(0.725)	(0.804)	(1.151)	(0.969)	(1.142)	(1.393)
Total Expenses	**19.332**	**17.364**	**21.558**	**22.225**	**23.042**	**24.047**
Surplus / (Deficit)	**(613)**	**851**	**1.118**	**73**	**67**	**246**
Fund Balances (Net Assets)	**5.535**	**7.132**	**8.252**	**8.239**	**9.091**	**9.340**
Unrestricted	1.799	4.536	5.654	5.727	5.794	6.040
Restricted	3.736	2.596	2.598	2.512	3.297	3.300
KEY FINANCIAL INDICATORS:						
Short term solvency (Liquidity)						
Working capital (days expenditure)	51	97	99	93	96	97
Current ratio	1.3	1.4	1.6	1.6	1.5	1.6
Adequacy of reserves (Long Term Stability)						
Net assets excl. fixed assets expend. In days	52	97	95	91	89	90
Cash management on restricted operations						
Restricted accounts receivable ratio		0.87	0.91	0.88	0.13	.39
Efficiency of operations						
Indirect cost ratio	15%	15%	14%	12%	13%	13%

On all of the CGIAR key financial indicators CIP's financial health improved during the review period (as shown in Table 6.3) and all are within CGIAR acceptable target ranges:

- The short term solvency indicators for liquidity (the ability to pay current liabilities) as measured by the current ratio (current assets divided by current liabilities) increased from 1.31 to 1.5. The measure of working capital to fund expenditures excluding depreciation (which is a non-cash expense) increased from 51 days in 2002 to 96 days in 2006, which is well within the target range of 75 -90 days.
- The measure of the Center's long-term financial stability, the *adequacy of reserves*, calculated by taking the unrestricted net assets excluding fixed assets and dividing by the operating expenses per day, rose from 51 days in 2002 to 97 days in 2003 and has declined slightly to 89 days in 2006. The target range is 90-120 days.
- The Center's *cash management on restricted operations*, which calculates the restricted accounts receivable ratio, aims to be <1; it was 0.13 for CIP in 2006.
- CIP's net working capital plus investments increased from US$2.6 to US$5.8M in 2006.

- CIP's indirect cost ratio, often viewed as a measure of a Center's *efficiency of operations*, has fallen from 16% in 2002 to 13% in 2006, the lowest in the CGIAR System (average is 20%). While this might be considered good, it may in this instance more represent the fact that insufficient investment is being made in the Center's operations (discussed later).

CCER on Financial Systems, Reporting and Controls

This CCER, undertaken in April 2005 by a consultant well-experienced in the CGIAR system, was commissioned by the CIP Board of Trustees. The terms of reference were *to examine the financial control systems and the financial reporting systems and report on their effectiveness, any weaknesses, and how they could be improved.* There was no focus on field office control or reporting because of time constraints. The CCER examined progress since the 2002 EPMR and concluded that "the financial position of CIP is strong; with one exception-- annual cash availability for capital purchases through funding depreciation is insufficient to satisfy CIP's requirements." The Panel concurs with this conclusion, and with the other CCER recommendations which are discussed in the context of the relevant sections of this report. The Panel found the review to be excellent, and very useful in informing its own work.

Financial Reporting System (CIPFIS)

The financial reporting system, CIPFIS, was developed in-house in 2000 with a number of upgrades and enhancements since that time. It interfaces effectively with an in-house logistics package, CIPFIS. The CCER in 2005 reported "CIP managers have access to good quality financial information, online, through CIPFIS". Through interviews, the User Satisfaction Survey and the Staff Perception Survey, the Panel concludes that many users no longer subscribe to this view. The financial accounting system works well for the finance staff but not as well for many of its other users. Some CIP stakeholders and many staff expressed a wish for more transparent financial reporting. The shortcomings of CIPFIS as an integrated management information system (MIS), and a recommendation for its replacement, are discussed in section 6.6. The Panel agrees with the recommendations of both the previous EPMR and the CCER; the Panel concludes that the time has come for CIP to make an investment in a commercially available Enterprise Resource Planning (ERP) system without further delay. (SC issue # 14)

Fund Management and Budgeting

CIP fund management has improved during the review period, aided by the conservative planning and spending practices management has followed and in part by the strength of most non-dollar currencies, and the increased reserves that yield more interest income. The Centre has focused on improving its cost recovery (almost double in 2006 compared with 2002) and in assisting staff in the budgeting aspect of proposal writing. To this end, the Finance Department has prepared a very user friendly document to guide scientists, and various online tools. To the extent that project and regional leaders are involved in setting their budgets and receiving timely budget reports, greater understanding, commitment and control will result.

Financial Controls and Accountability

CIP functions as a highly hierarchical, centralized operation which has the advantage of more readily achieving financial control, along with disadvantage of a sense of disempowerment on the part of many staff. In order to maintain good controls, financial reporting processes are highly centralized. Detailed financial guidelines (now in their 5th draft) are being developed for the regions.

The Finance Department has a special projects unit in place to handle financial reporting for restricted grants and contracts. This unit appears to be functioning well although project managers report difficulty in obtaining budget information for decision-making and the unit is rated as unsatisfactory in both the Staff Satisfaction and Staff Perception Surveys. Its shortcomings may not always be in the control of the unit.

CIP did not have a separate internal audit function until 2005; internal audits were conducted by the Finance Department which issued its reports in Spanish only. This must have been a challenge for the non-Spanish speaking members of the Board's Audit Committee. In 2005 the Centre began using the CGIAR IAU, joining at the lowest service level. Eight internal audits were conducted in 2006. A report on the status of the implementation of the recommendations indicates that many "pending". The Panel suggests that management review the status again in September 2007. The Board will decide in the October 2007 meeting the future of its relationship with the IAU. The Panel believes that there are many advantages to this relationship, that the quality of the reports has been good, and that the Centre would be disadvantaged to return to its previous internal audit arrangement.

It is not clear whether the Centre has a Board approved investment policy. A report was made to the Board in January suggesting that a comprehensive investment policy for CIP had become a priority due to the growing cash and investment balances. The main objective is obviously the preservation of capital with the investment managed in such a way as to ensure that principal would be exposed to the minimum level of risk. The paper proposed an investment strategy. The Board does not appear to have taken action on the proposed policy except to the extent that a general statement is included in the *Frameworks* document. The Panel suggests the Board formally adopt the policy and its implementation guidelines. An *Investments Quarterly Report* is provided to the Board.

Capital Investment Plan and Budget

The 2005 CCER cautioned the Board about avoiding the practice of setting aside inadequate capital resources and stated that "the Board of Trustees should insist that a viable financing plan is established to meet these needs while at the same time protecting the established cash reserves for their intended purpose". The Board did not address this issue in its subsequent approvals of the 2006 or 2007 budgets. Capital expense has been low because of the Center's unofficial policy of limiting the purchase of long-term capital assets to the level of its annual depreciation expense. The Center's requirements have been higher than this amount as the Centre has fallen behind in replacements and as CIP has grown. Part of the cost of new equipment and other fixed assets has been covered by restricted project funds, but these are, appropriately, expensed 100% in the year they are purchased, so no allowance is made for their replacement. The Centre has conducted an assessment of its capital needs for the next ten years and concluded that an additional US$470,000 annually is needed on average from earmarked and/or future surpluses. The Centre must budget annually for its real capital expense requirements, which means that it needs to create larger surpluses.

Risk Management

The Panel agrees with the CCER conclusion that CIP's Board and management are paying appropriate attention to the important topic of risk management. At a Board level there is an *Ad Hoc* Committee on Risk Management that considers not only financial risks but also risks at a program level e.g. it recently commissioned from management a risk assessment of emerging potato diseases. The Centre provides a risk management report to the Board twice a year. In

2005 the management held a financial risk workshop that outlined the purely financial risks that exist for the Centre, and described policies and procedures, which have continued to be developed, that are now in place to manage these risks. These included revenue decreases, expenditure increases, insufficient cash reserves, creditor insolvency, weak budgeting and forecasting, fraud, and legal and banking problems. Another approach to risk management in the regions has been, in conjunction with a CGIAR IAU internal audit being done in a region, the key risks identified during the course of the audit and a preliminary assessment of the impact of the risks and the likelihood of their occurrence has been provided. In 2007 the Centre is proposing that the IAU conduct an assessment of CIP's enterprise risk management system. The Panel suggests that the Centre may wish to address risk management in its *Framework and Administrative Policies* documentation

6.5 Administration

Facilities

In the early days of CIP the wise decision was made not to build a large Headquarters facility, so the Centre is not burdened today with unused fields or buildings. The property in Lima is attractive and carefully maintained although its systems are aging. In order to attain and maintain a healthy financial situation, sufficient investments to upgrade laboratory, all greenhouses, and administrative facilities have not been made. CIP owns the Director General's residence, which underwent major renovations in 2005, and a guest house in Lima. The regional offices tend to be administrative, without research facilities, and are generally co-located with the NARS; an exception is the regional office in Nairobi which is located on the International Livestock Research Institute (ILRI) campus and receives certain support services from ILRI.

Logistics and Purchasing

The Panel did not have time to look at this area in depth, although some data are available. According to the Director of Finance and Administration, following the 2002 downsizing at CIP several processes such as purchasing services, motor pool and maintenance requisitions were streamlined through new or improved modules in CIPLOG, the in-house automated system now integrated with CIPFIS, resulting in easier procedures. Over 60% of imported purchases are attended to in less than 60 days, and over 80% of local purchases are completed in less than 15 days. However, the Staff Perception Survey indicates dissatisfaction with purchasing and administrative services. No doubt management is working to improve the situation.

User Satisfaction Survey

In 2006 both headquarters and regional staff were surveyed as to their level of satisfaction with the service quality of 37 CIP administrative and research support units. For each unit, respondents were asked what aspects they felt were functioning well, or not well and needed to be strengthened; and for concrete suggestions to improve the service. The Panel did not see responses tabulated separately for headquarters and the regions, which might have shown important differences in experiences. Based on the results, plans were developed to increase user satisfaction in the 6 areas that were rated less highly. The Panel commends the Centre for seeking user reaction as a basis for improving service and suggests that a similar survey be conducted on an annual basis with results reported separately for regions and headquarters. By using low cost web-based instruments such as SurveyMonkey.com or Zoomerang.com, these surveys can be compiled and analyzed with the need for minimal staff resource.

6.5 Information and Communication Technology

The 2002 EPMR made recommendations on enhancing CIP's financial information system (CIPFIS) into a fully-fledged, integrated management information system (MIS) including financial and project management systems, and that managers at all levels then be given access to complete and transparent budgetary information on the activities they are accountable for. Similarly, a 2005 CCER on Financial Control and Reporting Systems recommended, regarding the future of CIPFIS, to establish a timetable to replace CIPFIS with an integrated resource management system. The new system would encompass financial management /accounting, human resource management, project management, and must be fully functional as a management information system (MIS).

The Centre has invariable responded that, while not ideal, its in-house systems were adequate and cost-effective, and that it could not afford to go to a fully integrated MIS (otherwise known as an Enterprise Resource Planning system—ERP). Because of the critical need for a human resource management package, the *Adryan* software package (described in section 6.3) was purchased and largely installed in late 2006/early 2007. In February 2007 a Transition MIS Implementation Team re-submitted to the Director General a twelve month proposed work plan for a transitional MIS. This would integrate *Adryan* with CIPFIS and provide for outsourced contract programming to integrate other databases and software in standalone systems, and to provide web-based interfaces for regional access.

When that work is successfully implemented, what will still be missing and had been recommended since the 2002 EPMR, is a science end-user Project Management Information System (PMIS) like MS *Project* which would also allow desktop collaboration and the development of a database for use in fund raising. However, MS *Project* requires Vista software that would require the purchase of new desktops and laptops. Since CIP replaces few of these each year (instead of the100+ one might expect), this would be an expensive upgrade. However it may be necessary, regardless of whether CIP purchases an ERP or stays with integrated individual packages and it, along with training costs, also accounts for the largest part of any move to an ERP installation.

A report-generating package, *Crystal Reports*, is used to generate reports from CIPFIS, CIPLOG and the other databases for reports for Finance, the Board, and the Research Informatics Unit. Although theoretically an end-user tool for designing reports for direct output for screen viewing and printing, or for web access, its effective use depends upon knowledge of corporate database design and structure which few users outside the CIP HELPDESK know. It is not available outside of Headquarters and there are no resources for external training in its use.

There may be an opportunity for an inter-centre partnership e.g. CIMMYT, which is currently implementing MS Dynamics AX. This ERP offers comprehensive integrated project management functions for an institution of CIP's size, but would require a significant investment both in the package and training, and in the required hardware (including desktop and laptop PCs).

In summary, as was the case at the time of the previous EPMR and the 2005 CCER, there is currently still no integrated MIS including a PMIS available at HQ and in the regions. CIP continues to move slowly both on PMIS and MIS integrated systems. The Panel recognizes that the total cost could be in excess of US$250,000 for an ERP, plus annual licensing and maintenance costs. Nevertheless, the research staff urgently needs a project management information system,

inconsistencies in the multiple databases create staff time inefficiencies, and easy access by end-users is not available. Without timely senior management decision-making and the investment of serious dollars, CIP will continue to lag in having the I.T. infrastructure required of an international scientific research centre, and will certainly not meet its Board stated goal of growing significantly in the near term. (SC issue # 14)

6.6 Resource Mobilization Management

In response to the 2002 EPMR recommendation that *CIP hire a competent international development officer, together with a marketing survey, to develop a strategic plan for increasing its external funding,* a Chief of Resource Mobilization (now called the Head, Resource Mobilization Unit—RMU) was appointed in late 2004. The position reports to the Director General. Restricted funds accounted for 60% of all grant funds in 2006, compared with 56% in 2002, and are expected to increase to almost 80% of all grant funds by 2010. During the review period unrestricted funds grew by 14% (but are expected to decline by 2010) while restricted funds grew by 31%. The funding environment for CIP, as for all Centres, continues to be challenging.

The expectations of the position have not been fully met. Although RMU was originally intended to obtain major funds from traditional and non-traditional sources, much of the time to date has been spent on building infrastructure and databases. A strategic plan has been developed aimed at traditional and non-traditional donors and is in the process of being enlarged to include strategies with specific countries. Part of the role of the RMU has been to educate the CIP Board and staff on the field of professional fund raising. Going forward, clarity is needed about the role of RMU as many scientists misunderstand the position to be one that will actually write grant proposals for them. Opportunities exist for improved collaboration among the Communications and Public Awareness Unit (CPAD), the RMU, and the regional leaders who have their fingers on the pulse of both regional needs and donor interest. A new position has been advertised for a Grants and Contracts Coordinator who will logically be posted in the Office of the DDG-Research.

The Panel recognizes CIP's dilemma that it "takes money to make money". Nevertheless, without the creation of in-house databases from a project management information system (that CIP does not yet have) and an investment in databases that access and monitor financial data on potential non-traditional donors and CIP will have difficulty accomplishing its vision of growing rapidly in its resources in the next nine years.

6.7 Communication and Public Awareness

At CIP all aspects of communication from public awareness to assisting scientists in getting their papers published are handled by the Communications and Public Awareness Department (CPAD) which reports to the Director General. Well-targeted, attractive, and proactive communications are playing a key role in ensuring that the results of research by CIP and its partners achieve impact. CPAD's objectives are to increase the use of CIP's research output, the awareness of CIP's outputs, and to stimulate increased financial support. The Panel commends CPAD for the photographic quality and creativity in design in its outputs.

The unit is guided by an audience-driven strategy aimed at CGIAR members and policy-makers, donors, research partners, the media and general public as well as CIP's own community of staff. There has been considerable interest in CIP's activities from local and overseas print and media

journalists resulting in good coverage. CPAD produces an attractive Annual Report, Newsletter, the content and design for CIP's revised website, various CDs, and supports the production of scientists' working papers and publications. CPAD has created and delivered a series of well-received writing workshops for scientists in Nairobi, Indonesia, and at CIP headquarters. With regard to the Annual Report, there had been discussion that this should be a report of the Board rather than the Centre. The Panel does not believe that this is an appropriate change. The Panel would encourage increased timeliness in the production and distribution of the Annual Report.

While CPAD makes effective use of the resources it has, with increased funding it could position CIP better as an expert source on certain development issues thereby raising its visibility to the influential policymaker and donor community. Closer collaboration is needed between CPAD and the resource mobilization function to achieve synergies in effective fundraising and relationships with traditional and non-traditional donors. An opportunity which CIP is capitalizing on is that 2008 has been proclaimed the International Year of the Potato; CPAD had begun a number of initiatives related to this.

Recommendation # 17

Because of the inadequacy of CIP's practice of funding capital expenditures only to the level of its annual depreciation cost, ***the Panel recommends*** that: (1) CIP budget annually and explicitly, for Board approval, its capital expenditures, based on the Center's actual needs; and (2) that the Centre allocate the necessary funds to respond to the most urgent needs as identified in its recently prepared capital assessment plan.

Recommendation # 18

Because of the need to enable both research and corporate service staff to work efficiently and accurately, ***the Panel recommends*** that CIP invest, without further delay, in a commercially available ERP suitable to its requirements.

7 CONCLUDING REMARKS AND CONSIDERATIONS FOR THE FUTURE

The Panel would like to conclude by expressing its appreciation for CIP's work in favor of poor potato and sweet potato farmers. The task that CIP faces while responding to an ever-changing reality is certainly daunting. Within CIP's comparative advantages, and with the committed group of excellent scientists, rests the ability to respond to needed changes in the science on which its research programs are based, in order to make them more effective.

But there are changes of a different nature that a research Centre is often not prepared to deal with. We refer to the decline in core funding for its programs, and the pre-eminence of restricted or earmarked funds. Ten years ago, about one-third of CIP's budget was committed to earmarked projects. Today earmarked funds comprise about two-thirds of the Center's total budget. In the mean time annual expenditures have declined in real terms.

As CIP, and the CGIAR system as a whole have grown and matured, donors want to have an impact to see visible changes produced by their investments. According to its 2008-2010 MTP, CIP's research agenda is almost entirely financed by so called "research contracts", contracts that often include resources for broad development endeavors that go beyond CIP's expertise and comparative advantage, with major negative impacts on a Centre like CIP. The Panel is convinced that the Center's increased reliance on restricted funds has seriously limited, not increased, its ability to adjust to new situations and to take advantage of new opportunities.

The Panel is aware that some of the recommendations it has made carry funding implications for CIP, not because their implementation requires additional resources, but because their implementation may deprive the Centre of resources that it currently has. However, this Panel believes that CIP has a lot to gain by realigning its work around its comparative advantages of producing new potato and sweet potato technologies and the related policies and institutions for these crops. CIP's scientists have estimated that the Center's potato and sweet potato research will deliver significant economic, employment and health benefits over the coming decades. Given the importance of these crops for poor, rural families, a large share of the anticipated benefits are expected to go directly to poverty reduction. Donors and investors of CIP should be able to see clearly that the avenue open to CIP to contribute to the envisaged impacts of improving the livelihoods of millions of poor farmers is by producing relevant research outputs and the necessary outcomes conducive to the adoption of superior potato and sweet potato technologies. The eighteen recommendations that the Panel has put together as result of this EPMR should help CIP to move forward in this direction.