

Follow-up Review to the Fifth External Program and Management Review of CIMMYT

DECEMBER 2006

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**Science Council Commentary
on the Follow-up Review to the Fifth External Program and Management Review of
CIMMYT**

August 2006

The SC discussed the report of the Follow-up Review to the 5th CIMMYT EPMR virtually and provides the following commentary. The SC thanks Don Marshall and Maureen Robinson for a succinct and clear report. The SC is pleased with the very positive overall conclusions of the report, and congratulates CIMMYT for the progress it has made. The 5th EPMR found the Center in a highly precarious financial situation, while at the same time managing a transition to a new program structure to implement a new strategy that moved the Center away from its core business. Furthermore, the Center was in the middle of significant staff changes to implement the new direction. The 5th EPMR was concerned that the Center was moving away from its main areas of competence anchored in germplasm enhancement, due to the new strategy and a movement of staff from the core business to fill new positions. The SC was concerned that the decision by CIMMYT to move away from its core business was in part in response to shorter-term donor interests and urged the system to provide the long-term support for germplasm enhancement which has and remains a major priority for the system.

CIMMYT has been operating in an extremely difficult situation trying to implement the recommendations of the 5th EPMR. The SC commends the Center for the many positive developments in finance, governance and research management highlighted in the follow-up report. A major achievement has been the Center's ability to rebuild its cash reserves and improve its performance in several other indicators reported in the CGIAR's performance measurement system this year.

The 5th EPMR requested CIMMYT to prepare a business plan for the implementation of the new strategy. The Board approved the plan in 2006. The follow-up review team noted that while the plan and the most recent MTP were both prepared during a time of staff turnover and turmoil, they show commendable progress in refocusing the Center's core strengths of maize and wheat research. The SC endorses this view. The team also noted that CIMMYT has been able to strengthen its staff in maize and wheat research and has a better integration of biotechnology into crop improvement. The Council is pleased to note the progress in these two areas in particular as they are central to CIMMYT continuing to deliver in the key priority area of germplasm enhancement for the system. However the team notes that more clarity will be needed to prioritize research among the planned projects and to link the research plans to resources and funding mechanisms. The SC will monitor this closely through the MTP review process. There has been considerable progress on the CIMMYT and ICARDA relations and the two Centers have reached an agreement for wheat research in Central/West Asia and North Africa and are implementing a joint program. Again the SC plans to monitor progress in implementing the collaborative research through MTP review.

The team raised some concerns that the Board, while acting in a diligent and commendable manner in carefully monitoring the implementation of the new business plan, may need to be cautious about "over reviewing". The SC encourages the CIMMYT Board to monitor progress, in the first instance, using the instruments currently in place such as the MTP and the PM system as well as the CCER's. The program committee in particular has a crucial role

in seeing how these instruments, particularly the MTP and PM, can be used internally for the Monitoring and Evaluation of the component projects that make up the MTP and deliver the products outlined in the Business Plan. The SC also urges the Board to be responsible for the commissioning of CCERs (as outlined in the new M&E Policy) to ensure the quality of the science.

The team also noted that the Center needs to work continuously on improving staff morale because this is the most critical requirement for commitment to a scientific mission.

The SC concludes that CIMMYT has responded to the recommendation of the 5th EPMR, has made the hard decision to refocus on the core business of the Center and it now deserves the full support from donors to be able to implement the research as outlined in the business plan and MTP.

CIMMYT Response to the Fifth EPMR Follow-up Review

CIMMYT is most appreciative of the work of the panel and its findings; like the panel, we feel that we have made substantial progress since the 5th EPMR and we look forward to the future with confidence and optimism. We are especially pleased with the very positive message conveyed to our stakeholders and partners by this report.

The report, quite rightly, identifies areas where CIMMYT should continue to focus its efforts towards on-going improvements. Very generally, these areas may be aggregated into the following:

- Rebuilding confidence and trust between the Board and senior management; between staff and senior management; and, within the management group of the centre.
- Further prioritizing of the center's research agenda with concomitant attention to the allocation of current (unrestricted) resources and future fundraising priorities.
- Further review of the scope and function of the Board's Program Committee.

CIMMYT takes this opportunity to respond more specifically to the various observations and suggestions of the panel:

1. Financial stability and financial management

The main issue to arise in the report relates to management's efforts to continue to effect change to an organizational culture in the centre that operated without clear and consistent financial and personnel policies and procedures in an environment where staff morale is still relatively fragile and changes, however necessary, may be viewed as hostile and bureaucratic. CIMMYT will continue to implement changes as required in line with best practice but our focus will be on the more substantive issues that may be addressed in concert with sister centers and under the aegis of broader initiatives at the system level (for example, the human resources initiative, SAS-HR).

2. Governance

CIMMYT appreciates the frank comments by the panel on some aspects of governance; specifically the scope of work of the Board's Program Committee. We agree that there must be a balance between the core demands of effective governance and realistic expectations of the time available on the part of both management and the board to support this responsibility. We have set aside time at our next Board meeting in early October to discuss the panel's findings.

3. Leadership and management

CIMMYT is cognizant of the necessity for management and the board to work together in confidence with each other and to signal that confidence to stakeholders and partners through clear, unambiguous communications and actions. A strategy and action plan for achieving this aim will be discussed and agreed at the next meeting of the CIMMYT Board in October.

Similarly, we recognize the imperative for a coherent management team that is fully committed to providing leadership with a project-based focus rather than the more traditional program-based focus of previous years. CIMMYT's management group has recognized this as a key issue and already we have had a workshop on more effective management and leadership of CIMMYT's research and research support functions.

4. Business plan and MTP

CIMMYT agrees that the business analysis in the business plan (2006-2010) is based on simplistic models and assumptions and that a more detailed analysis including rigorous priority setting is required. We also note that this dilemma is not unique to CIMMYT and that all centers, and the system as a whole, are challenged when it comes to aligning resource allocation to priorities. To assist in specific aspects of the priority setting, two studies have been commissioned to examine key areas of work, programmatically and in the area of research infrastructure and support. Both studies will report before the end of 2006 and will guide the centre in the strategic use of resources and in fundraising priorities.

5. Human resource management and morale

CIMMYT appreciates the recognition by the panel of the tremendous constraints under which the centre has operated in recent years and agrees with the panel's analysis and prognosis. The centre will continue to work very hard to rebuild confidence and trust among management and staff.

6. Resource mobilization

The issue of priority setting, as mentioned above, is relevant also to fundraising targets. CIMMYT management will address this during management meetings in late September/ early October with a view to developing and communicating to all staff a very clear set of fundraising priorities and the roles of various staff in working on those priorities.

7. Training in CIMMYT

CIMMYT agrees that we should do more towards funding of training and capacity building and, towards this aim, we expect to announce a major new strategic initiative in September.

In summary, the centre fully appreciates and agrees with the findings of the panel. Within the next few months we will be addressing all of the issues raised, recognizing that tangible improvements in areas such as staff morale may not be measurable in the short-term.

FOLLOW-UP REVIEW to the CIMMYT FIFTH EPMR

Don Marshall
Maureen Robinson

SUMMARY

The review team found that CIMMYT had made very substantial improvements in many areas relating to its finances, governance, and research management. The progress made in each area is summarized below.

The review team congratulates CIMMYT as a whole—the board, management and staff—on the substantive progress made since the Fifth EP MR and feels that CIMMYT can now move ahead with confidence and optimism. There are, of course, areas that still require improvement and these are also noted. However, the majority of these are receiving attention.

Achievements

Financial Stability

CIMMYT has achieved remarkable progress in rebuilding its cash reserves, reforming its financial management, and developing broader managerial responsibility for budgeting and accountability. In early June, the World Bank placed CIMMYT as one of two centers in its highest performance category based on financial and other indicators, and ranked it second among CG Centers.

Governance

The Board of Trustees adopted a new governance structure and moved to implement its key features, including a more strategic governance-focused role, a smaller size, a new and refocused committee structure, and a plan to recruit a larger percentage of trustees with business and financial expertise. CIMMYT also appointed a Board Secretary, who is a senior member of the staff, to support the board and governance function.

Business Plan

CIMMYT as recommended by the EP MR has developed a comprehensive business plan which was approved by the board in 2006. In it CIMMYT identifies nine flagship products and a portfolio of 11 projects managed within two global programs—wheat and maize, and two units—genetic resources and enhancement, and impacts, targeting and assessment. During the development of the business plan the management structure of the research program was greatly simplified and streamlined.

Staffing of wheat and maize improvement

CIMMYT has taken positive steps to re-staff its core wheat and maize breeding programs to levels consistent with the delivery of its planned outputs and impacts.

Integration of Biotechnology and Breeding

Under the new program structure biotechnology research is focused strongly on the development and use of tools, methodologies and germplasm with direct impact on crop improvement at CIMMYT and in the NARS. This is a welcome change from the past where biotechnology research was often viewed as remote from CIMMYT's core improvement activities.

Partnerships--IRRI and ICARDA

CIMMYT has entered into formal agreements with both IRRI (for the IRRI/CIMMYT Alliance projects) and ICARDA (for wheat research in Central/West Asia and North Africa) to underpin their joint activities. It is expected that these agreements will provide a solid foundation for the development of effective and efficient collaborative research projects between the Centers.

Areas of Ongoing Improvement

Human Resource Management and Morale

CIMMYT's single largest asset is its staff. Significant progress has been made to rationalize the staff structure to improve transparency, equity and performance as part of a large scale transformation of the HR function. In addition, the Centre has navigated a series of layoffs necessitated by the financial crisis; managed the staff turnover associated with program restructuring; and recruited new program directors. CIMMYT continues to suffer low morale among staff, although the review panel could detect that morale is beginning to improve. A concerted and sustained effort by the management staff and the board is required to make real progress in this area.

Resource Mobilization

CIMMYT is in the process of developing a resource mobilization strategy and a refined resource mobilization process. However, much remains to be done. There is as yet no clear assessment of the most promising portfolio of potential projects or an analysis of the most promising targets. Further, there still appears to be a lack of clarity about the roles of various members of the management group in resource mobilization, which may lead to uncertainty, friction and disappointing results. This needs to be rectified as the strategy is developed and implemented.

Training in CIMMYT

CIMMYT has made significant progress in restructuring and realigning its training activities with its new business plan. It has appointed a dedicated training officer, developed a new capacity building and knowledge sharing strategy and has capacity building as one of its flagship products. However, CIMMYT only spends about 0.5% of its resources in direct support of this position and it is evident that greater priority needs to be given to resource mobilization for training if the Centre is to meet the needs and expectations of its NARS partners.

The review panel feels it is important to include a note in the executive summary concerning the renewal of the Director General's contract in order to highlight the potential uncertainty this decision might create, and the need for the board and management to proceed with confidence in each other and to signal that confidence to others. This is particularly important as CIMMYT's management continues to advance significant organizational change as well as engage in ongoing resource mobilization.

BACKGROUND

The Fifth CIMMYT External Program and Management Review conducted in early 2005 made a number of major recommendations in relation to management and governance at the Centre. In consideration of these recommendations, the CGIAR requested the Science Council (SC) and the CGIAR Secretariat to commission a follow-up review to the EPMR to be conducted in May/June 2006 by the EPMR panel chair and the governance /finance expert on the original EPMR panel. The CGIAR's request followed the suggestion by the SC that, given the many challenges CIMMYT was facing, a brief follow-up review should be conducted one year after the completion of the EPMR. The full terms of reference for this follow-up review are given in Appendix I.

CONDUCT OF THE REVIEW

The review was undertaken by Don Marshall, the chair of the Fifth EPMR panel and Maureen Robinson, the panel member responsible for the governance component of the Fifth EPMR.

The review team worked with CIMMYT senior management to determine the background information needed for the review. The mutually agreed list of documents provided to the review team in May/June 2006 is given in Appendix II. The review team conducted an on-site visit at CIMMYT headquarters from June 11-16 to gather the views of senior staff, management and the CIMMYT board. Where necessary, interviews were conducted by phone and by email. In addition, the review team conducted a survey of staff, complementary to the survey conducted to the Fifth EPMR, to assess shifts in staff morale and attitudes over the intervening year (Appendix III).

A draft report developed by the review team was shared with the SC and CGIAR Secretariat and CIMMYT management shortly after the completion of the on-site visit and the final report was submitted to SC and the CGIAR Secretariat in late June.

REVIEW FINDINGS

The review team based its work on the terms of reference provided by the SC, which reflected recommendations in the EPMR report. It also took into consideration significant changes to CIMMYT's management and operations in the intervening year.

Financial Stability and Financial Management

CIMMYT has successfully managed to re-establish its financial security by rebuilding its undesignated assets to US\$ 7.2M as of 31 December 2005, a level that meets one of the most critical of the World Bank/CGIAR financial indicators. This is a remarkable achievement, accomplished in a relatively short period of time. While the turnaround has come at considerable cost, including a loss confidence in CIMMYT's governance and significant staff turmoil, it was imperative for CIMMYT to re-establish its financial position in order to continue to argue for its existence and to fulfill its mission.

In recognition of the overall improvements evident at CIMMYT, the World Bank ranked the Centre among the top two CG centers based on the Bank's indicators of organizational

health and moved it from the “C” category, where it had been for the 2004 assessment, to the “A” category. This achievement comes with a sizeable financial benefit to the Centre since the shift from “C” to “A” results in an extra US\$1.05M of unrestricted support.

The financial crisis CIMMYT weathered revealed long standing systemic problems in finance and human resource management that had not been wholly resolved at the time of the EPMR. With significant investments in infrastructure, substantial progress has been achieved in the past year. It has been hampered somewhat in areas where larger investments might have achieved results more quickly and by solutions that are heavily dependent on having staff capacity in place to implement new systems when they are adopted. Efforts are continuous to upgrade staff expertise either through training or recruitment for new staff with the necessary skills.

With the opportunity to implement an entirely new financial management system, the director of corporate services moved carefully to adopt a system that would solve both the immediate problems facing the center and provide a sophisticated, integrated tool to support decision making and accountability for years to come. A new financial management system, along with a project management system, is in the process of being installed that provides the necessary levels of utility and transparency, and will aid budgeting, proposal development and decision making.

In the course of rebuilding the cash reserve, the center also began a more rigorous process of capturing as direct costs expenses that had often been treated as unrecoverable indirect expenses, understating both the true costs of projects and placing unnecessary pressure on unrestricted funds. Lowering the indirect cost rate in this fashion provided two benefits—the first was to free more of the center’s unrestricted funding to build the cash reserves, the other was to help the staff to understand the real cost of doing business and take direct responsibility and control for a more efficient use of resources.

The first reward for this discipline was its contribution to rebuilding cash reserves to acceptable levels; the subsequent reward will be the greater discretion the management staff will have in allocating unrestricted core funding for priority programmatic investments. Comparable benefits will arise from a more sophisticated project management system that enables management staff to have direct and reliable access to budget information and can contribute significantly to requests for funding that are budgeted in more nuanced and realistic ways.

A significant dilemma for the center’s management is to change an organizational culture that operated without clear and consistent financial and personnel policies in an environment where staff morale is fragile and change can be viewed as both hostile and bureaucratic. There is no doubt that issues raised in the most recent audit about staff use of center cars and the need for timely accounting of travel advances, for instance, need to be addressed but to implement policies on both these issues is not easy in the current climate.

Governance

In response to the Fifth EPMR, CIMMYT’s board moved quickly to address the specific recommendations concerning governance in the report as well as the issues and concerns of a more general nature that the report had raised. The board used the report as an

opportunity to examine every aspect of its structure and function in light of CIMMYT's needs and new standards in corporate governance.

The board dedicated a full day of its March 2005 meeting to a discussion of ways to strengthen the structure and function of the center's governance. All issues relating to governance were on the table and a number of important agreements were reached. In May 2006, the board formally adopted a new governance system for CIMMYT that includes the following key features:

- A smaller board (9 members, including those jointly appointed with IRRI, and 3 ex officio members), with a balance of expertise to provide both strong fiscal as well as science oversight.
- A new committee structure that includes four committees with new or revised terms of reference: the executive committee (which retains responsibilities for nominating new members to the board and for assuring the quality of board performance), the audit committee, the finance and administration committee and the program committee.
- A new approach to providing oversight for science quality and the strategy for research that relies more systematically on outside expertise and evaluation than on the expertise of the board itself.
- Detailed plans of work for each committee, which anticipate working formally between board meetings through email, video conferencing and conference calls.
- A commitment to careful, forward looking planning of board and committee meetings—from agendas to background materials—that assures that documentation is organized with the governance needs of the board in mind, is provided to the board in advance of meetings or discussions, and has the expected or required actions of the board succinctly framed.

A senior member of the staff has assumed the duties of Board Secretary, providing the board chair, committee chairs and the DG with the expertise and attention required to support good governance.

The board has also instituted for both full board and committee meetings a formal meeting assessment tool that enables board and management to engage in continuous improvement of the governance function.

In the new governance system, the board has deliberately chosen to break new ground in the way it proposes to meet its responsibility for oversight of the quality of science and the direction of research at CIMMYT both by redefining the role of the board to focus more specifically on the responsibility to provide strong financial oversight and by restructuring the program committee's scope of work. The changes made in the Audit and Finance and Administration Committees have provided a strong platform for improved financial oversight and audit function.

The restructuring of the Program Committee's scope of work is ongoing. The initial proposal for the new terms of reference and plan of work for the program committee, which is substantial and very detailed, may turn out to be counterproductive, causing the board to focus on detailed project reviews and pulling the board away from strategy and oversight into micromanagement. Further, the board's plan to add another level of project review to the three that already exist (Donor reviews, CCERs and EPMRs) adds new, and perhaps

unnecessary, impositions on both the staff and the board. Since the board's intent is to create a more effective and appropriate way to oversee the quality and effectiveness of CIMMYT's programs, the review team suggests the current outline of the program committee's scope of work should be revisited with that goal in mind.

The adoption of the new governance system is at its earliest stages. The board needs to think about the balance between this energetic reform period currently underway and the requirement for good governance on an ongoing basis. The biggest challenge for the board is to strike a balance between the core demands of effective governance and a realistic expectation about the time available on the part of both board and management to support this responsibility. This requires the board chair to be both prudent and strategic in navigating short term change with a view to long term performance.

Leadership and Management

At the March 2006 meeting of the Board of Trustees, the board approved a one-year extension of the DG's contract, providing a two-year interval for the board and DG to resolve the issue of leadership. The review team recognizes that the board reached this unusual decision after substantial consultation and deliberation, and that it acted in a timely manner.

The board marked its decision by publicly recognizing the significant accomplishments of the DG and the ongoing challenges that CIMMYT faces as it rebuilds its management systems and programs, and works to increase its financial capacity. There is a deep appreciation and respect among board members for the accomplishments of the DG who, with senior management, has brought CIMMYT back from the brink of financial collapse and through planning, fiscal discipline and resource mobilization has helped CIMMYT to recover its place and reputation in the research community and among stakeholders.

The problems facing CIMMYT did not prevent it from articulating a new plan and new priorities, but the scale of those problems required painful decisions and a thorough evaluation of management systems and practices. Morale among staff, although showing signs of improvement, continues to be a matter of concern. Staffing in the research programs appears to have stabilized at realistic levels, but the recasting of the strategic plan to a project-based focus has required adjustments to program leadership and an attendant lag in the ability of the management team to fully cohere.

However, the panel, while not questioning the board's decision with respect to the DG's contract, does have significant concerns with the uncertainty the decision creates and the way this is being managed. The center is in the midst of critical reforms to its financial management and human resource systems; it continues to negotiate partnerships with far reaching consequences for CIMMYT and its mission; it is building new relationships of significant scale with donors.

In order for CIMMYT to succeed on these matters and to compete for and retain the talent it needs among its scientific staff, the leadership of the center—board and senior management—must be able to proceed with confidence in each other, and signal that confidence to the staff and the rest of the world. It is not clear that the necessary level of

mutual confidence has been clearly established or communicated effectively, particularly by the board.

Business Plan and MTP

During the EPMR, the panel carefully studied CIMMYT's newly adopted strategic plan—Seeds of Innovation—and recommended that CIMMYT prepare a business plan that would clarify the implementation of the new strategy and the resources need to achieve its goals.

A business plan was developed by the management team and endorsed by the board in 2006. In it, CIMMYT identifies nine flagship products and a portfolio of 11 projects managed within two global programs—wheat and maize, and two units—genetic resources and enhancement, and impacts, targeting and assessment. The plan also addresses resource mobilization and improvements to management and financial systems.

It is clear to the panel that developing a business plan was a challenging but useful exercise in building greater clarity and pragmatism about achieving CIMMYT's vision. The original program structure articulated in the strategic plan, based on a matrix of 2 global and 4 eco-regional research programs with 5 disciplinary groups, evolved substantially during the development of the business plan to a much simpler structure that reflects CIMMYT's competitive advantages, existing assets and an assessment of its capacity to maintain or increase its financial resources. The eco-regional focus envisioned in the strategic plan is now accomplished through specific projects and through partnerships with other centers.

In reviewing the five-year budget projections that support the plan, it is also clear that, having substantially recast the implementation of the strategic plan including program leadership, the management staff chose to make relatively straightforward assumptions about income and to retain approximately the same levels and distribution of resources among programs and projects in place at the time the business planning process began. (A 6.5 percent annual rate of growth was used to calculate both income and expenses from fiscal 2007 through 2010.)

One of the reasons for recommending the development of a business plan to support the strategic plan was to encourage CIMMYT to grapple with the scale of resources that would be required to fully implement the plan, and, in the face of a competitive fund raising environment, to deploy potentially limited resources strategically to achieve its principal goals. The review team had looked forward to finding in the business plan a clearer expression of priorities among projects either through adjustments in the allocation of resources or in the strategy to mobilize new resources and believes that this is still a priority for CIMMYT to incorporate in ongoing planning.

CIMMYT's medium-term plan for 2007-2009 builds directly on the management staff's work on the business plan. It is the first full expression of outputs, outcomes and impacts for each of the 11 projects, and re-iterates the budget assumptions in the business plan.

Both the MTP and the business plan absorbed a substantial amount of time on the part of the management team. Neither process was *pro forma* nor could either document be easily assembled from existing material. Both planning processes were conducted while program directors assumed responsibilities for new or restructured programs and projects, and

during a period when critical staff vacancies were being filled. Given these challenges, both documents demonstrate the increased capacity of CIMMYT's management team to implement its agenda in a compelling way.

Staffing of Maize and Wheat Breeding

A key issue identified by the EPMR was the fact that the downsizing associated with the financial crisis as well as the changes associated with program structure meant that the number of breeding staff, particularly in wheat improvement but also in maize improvement, had fallen to critically low levels. Further, that any future financial shocks or the resignation of key staff would leave the programs below their critical mass to meet their planned outputs and impacts.

The review team was pleased to note that the numbers of breeders had been stabilized for maize and increased for wheat, and the Centre was now in a much better position to withstand any future loss of key personnel with minimum damage to the wheat and maize improvement programs.

Integration of Biotechnology and Breeding

CIMMYT has made substantial investments in both wheat and maize biotechnology since the establishment of the Applied Biotechnology Centre (ABC) in 1990. The ABC, which was elevated to full program status in 1995, served two functions. One was to provide molecular marker and other technology services to the wheat and maize breeding programs and the Genetic Resources Centre and the other was to initiate and conduct more upstream research in biotechnology in wheat and maize. One of the criticisms of the ABC as an independent program was the limited linkages between its research and wheat and maize breeding at CIMMYT and in the NARS.

Under the restructured program it is pleasing to see that the focus of biotechnology research at CIMMYT is now principally targeted at the development and validation of new methodologies and tools for genetic improvement and the facilitation of their application in CIMMYT and NARS and SME (Small and Medium Enterprise) breeding programs. This closer integration of the biotechnology research with breeding at CIMMYT is an overdue and welcome development.

Partnerships – Interactions with IRRI and ICARDA

IRRI

At the time of the EPMR, CIMMYT and IRRI were engaged in ongoing discussions, facilitated in part by the Rockefeller Foundation, to explore various models of a stronger alliance between the two Centers. Ultimately, they agreed to pursue the development of four alliance programs:

1. Intensive crop production systems in Asia
2. Scientific informatics
3. Climate change in relation to rice, wheat and maize production
4. Cereal knowledge banks and training

In addition, they also agreed to share a range of support services.

While the agreed activities of the IRRI-CIMMYT alliance fell short of the expectations of many, and the oversight arrangements agreed between the two centers appear to be cumbersome for the size of the projects involved, good progress has been made in relation to the first two projects.

The two centers have agreed to establish and operate a Crop Research Informatics Laboratory (CRIL) with the aim of increasing capacity, efficiency and efficacy of scientific informatics support for crop research breeding and training. The centers have established state-of-the art facilities in Mexico and the Philippines to serve this vision with regional facilities in India and China. A memorandum of understanding was developed between IRRI and CIMMYT outlining the funding, program and management of CRIL which is now operational with a staff of 35 including seven senior IRS and is undertaking an exciting program of research.

The IRRI-CIMMYT alliance program on intensive cropping systems for Asia has developed a detailed workplan and is in the process of recruiting a new program leader. One of the exciting new research foci of this alliance project will be intensive rice/maize production systems which are rapidly expanding in Asia in response to the needs for increased animal feed. This work should complement the highly successful research undertaken on rice/wheat production systems.

Overall the Review team felt that significant progress had been made over the last year in establishing the IRRI/CIMMYT Alliance and that a good framework exists which will allow for more positive progress into the future.

ICARDA

The relationship between CIMMYT and ICARDA has had a long and, at times, troubled history but has nevertheless been highly productive. This is best exemplified by the Turkey/CIMMYT/ICARDA International Winter Wheat Improvement Program located in Ankara which has consistently provided significant benefits to the region.

Over the last two years, a substantial effort has` been made by the two centers to develop mutually agreed complementary programs of research in Central/West Asia and North Africa. This effort has resulted in the development of the ICARDA-CIMMYT Wheat Improvement Program (ICWIP) for Central /West Asia and North Africa underpinned by a formal agreement implemented by the centers in January 2006. This agreement allows for the effective management of ICWIP through a jointly appointed Director (Dr S. Rajaram) and allows for the staff of the two centers to work together to maximize impact in the region.

Again the review team is impressed with the progress made in developing ICWIP and sees it as highly positive for the future.

Human Resource Management and Morale

CIMMYT has faced four significant challenges with respect to HR management: the need to rationalize the underlying staffing structure to provide for transparency, equity and performance; staff layoffs needed to bring costs down and staff turnover associated with

program restructuring; the recruitment of new program directors; and the deterioration of staff morale.

To address the centre-wide need to build a coherent HR system and structure, CIMMYT management has proposed the implementation of a One Staff system, which is being adopted in other CG centers. Although it promises to achieve the larger goals CIMMYT wants for its HR management, it is not a simple process to implement, particularly since it has to encompass not only new staff but also current staff who are accustomed to the existing system. Progress is also handicapped by labor laws in Mexico that limit the flexibility of the Centre, and a host country agreement that fails to provide CIMMYT with a reliable level of immunity and indemnity.

In spite of this, progress continues on building a HR department and management system that respects and support the center's single biggest asset—its staff.

As part of the follow up to the EPMR, a survey was distributed to a group of 133 staff asking for feedback on staff morale issues (Appendix III). The survey paralleled one sent the preceding year as part of the EPMR, which went to approximately the same group of staff and generated a similar response rate. Both surveys generated close to a 50 percent response rate.

The results of the most recent survey indicate that morale clearly continues to be a problem but that there are signs that it is moving in the right direction. For example, in response to the statement—Morale of staff of CIMMYT is high—not a single person returning the questionnaire agreed with the statement in the most recent survey. At the same time, there was a better than 30 percent increase (from 21.9% in 2005 to 31%) among those who found it “hard to decide” with respect to this statement, and a small decline in the number who disagreed with the statement. Questions about communications, the quality and usefulness of performance evaluations showed improvements year to year.

The review panel was not surprised by the ambiguous results of the survey and was encouraged by the interviews it conducted with staff as well as with the anecdotal evidence of an improving situation. Given the levels of upheaval the staff has experienced, problems with morale are likely to continue, but the overall positive direction of the centre is likely to support better overall morale. The most recent program restructuring appears to have the support of the science staff; the management committee has worked through two challenging planning efforts—the business plan and the medium-term plan; and both management and board have placed a priority on rebuilding confidence and trust within the entire staff.

Resource Mobilization

One consequence of the programmatic restructuring was the shift of the program director of one of the eco-regional programs envisioned in the strategic plan to a new position in resource mobilization. This capture of an individual with a strong track record in fund raising represents a positive investment in a more comprehensive and sustained approach to building a broader base of donors and project support.

The resource mobilization strategy has been articulated in only a preliminary way. There is no clear assessment of the most promising portfolio of potential projects, an analysis of potential targets for proposal placement, or a first cut at a target for new or renewed support within a two-three year time horizon. While these may develop in the coming year, there is a question about the extent to which the respective roles of the former eco-regional program director, the current program directors, and the balance of the senior management team have been defined. Lacking some clarity about responsibilities and expectations there is a risk that uncertainty will build friction among the management staff and results will be disappointing.

Training in CIMMYT

At the time of the EPMR CIMMYT had recently appointed a new training officer and was developing a new training strategy. This strategy entitled “CIMMYT’s Capacity Building and Knowledge Sharing Strategy (CBKS Strategy)” has now developed and reflects the significant changes in the nature of the capacity building and training activities at CIMMYT in recent years. It recognizes that with the reduction in unrestricted funding, the amount of training that CIMMYT can fund from that source is limited and capacity building and training activities will increasingly need to be supported by restricted funds. It also recognizes the fact that while training in wheat and maize improvement remains an important activity demand for training in other areas, particularly biotechnology and conservation agriculture.

The review team was pleased to note the development of the capacity building and knowledge sharing strategy and the fact that capacity building in national agricultural research systems and small-and medium-enterprise breeding programs was one of the 9 flagship products identified in the business plan. It was also pleased with the progress made in developing the Cereal Systems Knowledge Portal as part of the IRRI/CIMMYT alliance. However, attempts to develop innovative alternative funding schemes for training, as recommended by the EPMR, have met with only limited success. Given CIMMYT now spends only about 0.5% of its budget in this area, it is clear that additional restricted funding for training and capacity building should remain as a priority for CIMMYT.

APPENDIX I

SCIENCE COUNCIL OF THE CGIAR

Terms of Reference for a Follow -Up -Review to the CIMMYT 5th EPMR

Background

In consideration of the recommendation of the 5th CIMMYT EPMR, the CGIAR requested Science Council (SC) and the CGIAR Secretariat to commission a follow-up review to the EPMR to be conducted in May/June 2006 by the EPMR Panel Chair and the governance/finance expert. The CGIAR's request followed the suggestion by the SC that, given the many challenges CIMMYT was facing, a brief follow-up review should be conducted one year after the completion of the EPMR.

Terms of Reference

A two-person follow-up review team will be appointed to examine progress at CIMMYT in implementing the recommendations of the 5th EPMR. The review should cover, among others, the new Business Plan, the appropriateness of the changes introduced in CIMMYT's governance structure and functions in all areas of oversight; the current financial situation; and improvements in research and resource management, including financial and human resources management. The team will also assess the operational capacity of CIMMYT's research program matrix. The team will base its assessment on evidence of progress as measured by the critical indicators on all aspects of management.

The team will report on progress made in maintaining motivated, well qualified and sufficiently strong staff to carry out the key research activities and operations at the Center, and assess whether the Center is now in a better position to fulfill its mission than when the 5th EPMR was completed.

Approach and schedule

The 5th EPMR Panel Chair, Don Marshall will lead the review, which he will conduct together with Maureen Robinson the Panel member responsible on the governance component of the 5th EPMR.

The review will be based on assessment of the new CIMMYT Business Plan and any other relevant strategic documentation prepared by the Centre, and interviews with management and staff during a visit to the Centre headquarters in Mexico.

The task is expected to take a total of about 30 working days, including a one week visit to the Centre in June. The Science Council Secretariat will provide necessary resources, such as assistance in conducting any surveys. Sirkka Immonen will be the review secretary. The team is expected to deliver its report by July 20th, 2006. The report, along with commentaries by the Science Council and CGIAR Secretariat, will then be submitted to ExCo.

APPENDIX II

Information Reviewed for CIMMYT Follow-up Review

1. An update on the recommendations of the Fifth EPMR
2. Business Plan
3. Implementation of the new Business Plan
4. Capacity Building and Knowledge Sharing Strategy (June 14, 2006)
5. Current status of training in CIMMYT
6. Status and staffing of the wheat and maize breeding programs
7. Medium term plan – 2007-2009
8. Information on collaborative activities with IRRI and ICARDA (and other cross-center projects for which CIMMYT serves as a fiscal agent (Generation Challenge Program, Rice-Wheat Consortium)
9. Budget information for current and past year
10. 2005 audit and management letter
11. Resource development plan (resource mobilization and investment plan)
12. Staffing data, particularly senior staff- vacancies/tenure
13. Board books and minutes for meetings since the EPMR
14. CIMMYT New Governance Structure/TOR Program Committee
15. Up -to-date board list with contact information
16. Recent staff training and development activities
17. Progress on HR issues (adoption of a new personnel policy)
18. DG evaluation for past year (*from Board Chair*)
19. Job description pertaining to board secretary duties
20. Staff survey- 2006 and 2005
21. Handbook/policies on financial management/controls

APPENDIX III

Results from staff survey (Follow-up review 2006).

Questionnaire was sent to 133 staff—59 responded to all questions, 62/61/61 responded to CIMMYT Culture and Mission questions. Headquarters: 76%/Regional office 24%

CIMMYT Staff Survey

	Agree (1)	Hard to decide (2)	Disagree (3)	Response Average
CIMMYT Culture & Mission				
There is a strong sense of collegiality and a common sense of mission	19%	32%	48%	2.29
Decision-making is participatory and I feel free to express my opinion on work related issues	15%	40%	45%	2.31
The goals, mission and direction of CIMMYT are clearly communicated to staff	31%	31%	39%	2.08
Policies and Procedures				
The manner in which new and revised procedures and policies are communicated to staff is satisfactory.	11%	39%	49%	2.38
Internal Communication Processes				
Generally, I am provided the information I need to do my job	56%	26%	18%	1.62
Co-worker Relations				
The people I work with daily have a high level of trust and confidence in each other	61%	15%	25%	1.64
Work Performance				
My responsibilities are clearly defined and the resources and time allotted are adequate to meet those expectations	31%	29%	41%	2.10
In the last staff evaluation the process was based on agreed upon goals	51%	29%	20%	1.69
The last staff evaluation has helped me to improve my job performance	27%	36%	37%	2.10
Identity with CIMMYT				
The morale of staff at CIMMYT is high	0%	31%	69%	2.69
I would recommend CIMMYT to my friends as a good place to work	25%	39%	36%	2.10

CIMMYT Staff survey 5th EPMR

Analysis

Questionnaire was sent to 156 staff members. All together 75 staff, 48%, responded: 53 from HQ, 20 from regional office (1 didn't identify).

Across questions there was no difference between the two groups:

	HQ%	RO%	All
Agree	35.1	36.5	35.9
Hard to say	32.9	31.8	32.3
Disagree	32.0	31.8	31.8

In some questions the groups differed slightly:

Staff in regional offices agreed more often that goals, mission and direction of CIMMYT are clearly communicated (Q2) than staff at HQ.

Compared to HQ staff, RO staff were less in agreement with information being provided (a) but more in agreement with the clarity of written communications (b).

RO disagreed more about Job satisfaction (Q7) and Leadership (Q8).

RO staff were less in agreement about Recognition (Q10a).

Results for ALL staff





