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Less poverty

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Healthy environments

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Food security

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through

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Research

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Training

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Information

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Technical assistance

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on

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Potato

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Sweetpotato

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Andean root and

tuber crops

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Natural resources

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Mountain ecologies

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The Philippines

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Dear Drs. Javier and Reifschneider,

We are pleased to provide this response to the recommendations of the Fifth External Program and Management Review (EPMR) of the International Potato Center (CIP). This response from the Center is a consensus view reflecting the perspective of both management and the Board of Trustees.

First and foremost we want to express our great appreciation for the rich, detailed, and valuable report provided to our Center. We are pleased that the Panel concluded **“that CIP has had significant achievements in [its three core areas]* and that it will continue to be an important and needed Centre in the future”**. We have studied the report in considerable detail and concluded that it is a very positive evaluation, with many commendations and worthwhile recommendations and suggestions for incremental improvements.

We have elected to organize our response around the 18 recommendations found in the report. However, we hasten to point out that both the Board and management have gleaned from the EPMR process a wealth of additional suggestions that are being organized into short- and long-term implementations. These items and the planned responses will be summarized for presentation to iSC in April 2002 in Lima, Peru.

* “(1) crop improvement and protection, (2) natural resource management, and (3) the social sciences”

Before getting to our specific response to the 18 recommendations found in the EPMR, let us note the value to our Center of the review process itself. Our extensive preparations for the review and our self-examinations have strengthened our understanding and commitment to some independently formulated decisions, and as a consequence, even prior to the initiation of the EPMR, we have initiated changes in several areas. Often these preparatory benefits are missed or discounted, but they should not be overlooked.

SUMMARY RECOMMENDATIONS (by Chapter) AND THE CENTER'S RESPONSES

CHAPTER 3 - CROP IMPROVEMENT AND PROTECTION

1. Because of the need to improve the identity, visibility and effectiveness of the CIP potato breeding effort, the Panel recommends that the potato improvement activities be coalesced into a single project and that the leader be empowered (full financial, budgeting, and managerial accountability) to champion the development and delivery of a coherent breeding programme that captures the full potential of all the resources available to CIP.

The Center respectfully acknowledges the intent of this recommendation. The Center feels that the current configuration of our breeding efforts is working well, and that making changes at this time might not improve the effectiveness of the breeding program. The Board and management pledge to monitor the situation and to seek improved efficiencies, and will make corrections as necessary.

Recognizing the value of external reviews, the Board proposes to undertake a Center Commissioned External Review (CCER) in 2006 to re-evaluate the structure of our project portfolio vis-à-vis plant breeding. This will provide the Center with sufficient time to test the present configuration (i.e., gather data for the CCER), and in turn will provide the next EPMR with an external look at the merits and drawbacks of various plant breeding configurations.

Background: The Center has recently completed a top-to-bottom realignment of our research project portfolio. We were pleased to see the EPMR panel's positive treatment of the resulting research project structure. The careful placement of our breeding activities within certain projects was done with much thought and discussion. We are seeking to provide interaction with the efforts of many national breeding program partners, which in turn respond to diverse conditions and priorities. Thus, the Center has decided that our recently completed renovations to the research portfolio need to be tested before any more changes are instituted.

2. Because of the unique role of CIP as holder of vast genetic resources of its mandate crops, the Panel recommends that CIP urgently identify resources to establish a state-of-the-art high-throughput genotyping facility that will enable it to fully exploit its genetic resources in the post-genomics era. Skills and competencies in the area of bioinformatics/computational biology must be strengthened.

The Center accepts the recommendation to establish a state-of-the-art, high-throughput genotyping facility and will explore the human and financial resources implications of moving forward with this recommendation, including the implementation of collaborative arrangements with other institutions.

We stress however, that the intention of creating such an initiative would be strictly in the interest of better serving the recipients of our research efforts, and with the purpose of contributing to solving poverty, nutritional and environmental problems in our client communities.

CHAPTER 4 - NATURAL RESOURCES

3. Because of the need for multidisciplinary approaches for sustainable improvement of the cropping systems under CIP's mandate commodities and limited resources for research, and the need to demonstrate impact, the Panel recommends that, within the overall strategic planning of the Centre, a priority setting exercise be conducted for NRM, using an appropriate methodology, to help focus the research agenda and develop a proper balance between process oriented and application oriented research, and between production systems based on CIP mandate crops on the one hand and livestock-pasture-based production systems on the other hand.

The Center accepts this recommendation and notes the following. We are fully aware of the challenging task of making the needed trade offs among natural resource management components and agricultural productivity-oriented alternatives. We will be including this topic in the visioning and priority-setting processes outlined in our response to the recommendations regarding Chapter 10 (see below). Because of the successful methodologies and tools that have been developed through the Center's NRM research to date, CIP is quite prepared to tackle this challenge and to implement applications-oriented research in conjunction with the most appropriate partners in the Andes and, on the global scale, through the Global Mountain Program.

4. Because of the unique opportunity offered by CONDESAN and its very diverse partners in providing an excellent mechanism with a large number of watershed sites for testing research hypotheses and products, the Panel recommends that all CIP scientists work together in the CONDESAN benchmark watersheds and to use the CONDESAN mechanism for the development, evaluation and dissemination of integrated technologies, and policy and management recommendations.

The Center accepts this recommendation to foster the integration of CIP scientists' with work at the benchmark sites, as appropriate to their assessed needs. However, because we participate in CONDESAN as a member, and in the spirit of collaboration, the Center will *recommend* to our partners that CONDESAN be used as a “mechanism for the development, evaluation, and dissemination of integrated technologies, and policy and management recommendations”.

5. Because of the extremely diverse activity profile of CONDESAN on one hand and its potentially important role in combining regional interests on the other hand, the Panel recommends that CIP continue to have a strong scientific vision and methodological input in the consortium, in addition to CIP's current coordinating, administrative and facilitating role; and that the Technical Committee be revived and the coordinators of the cross-cutting themes be members of it.

The Center accepts this recommendation with enthusiasm and remains fully committed to continuing to provide strong scientific input to CONDESAN. Regarding the proposal to “revive” the Technical Committee and populate it with crosscutting theme coordinators, the suggestion will be communicated to CONDESAN leadership. (See our response to Recommendation 4 above for the rationale.)

CHAPTER 5 – SOCIAL SCIENCES

6. Because of the need to consider CIP's priorities on a continual basis, given constant changes in the external environment, the Panel recommends that the Centre continue the interactions of its social scientists with its biological and physical scientists, but with a broader involvement of partners and constituency groups.

The Center accepts this recommendation and pledges to continue to promote interaction between our social, biological and physical scientists, as we have historically done. The Center appreciates the EPMR panel's commendation of this program for its successful multi-disciplinary integration.

7. Because science and technology policy is increasingly important in a resource constrained world, and because the economic conditions of adopting new technology varies so much from one part of the world from another, the Panel recommends that CIP reallocate its social science resources to do more research on science and technology policy issues.

The Center accepts this recommendation. The Center would like to defer, however, the reallocation of our social science resources until the completion of the EPMR's recommended visioning, strategic planning, and priority setting

exercise. Also, given the fact that the primary CGIAR mandate for doing policy research rests with IFPRI, the Center will seek a closer working partnership with IFPRI on science and technology policy issues.

8. Because of the potentially significant insights to be obtained from comparative studies of adoption and constraints, and because of the value attached to the results of such studies by the international donor community, the Panel recommends that CIP develop consistent frameworks for the collection and analysis of basic data on adoption and constraints (including household data), and strengthen the skills of the Centre in sophisticated statistical approaches required for the collection of such data.

The Center accepts the recommendation to strengthen the collection of data on adoption and constraints and will incorporate evaluation and definition of consistent frameworks as part of the EPMR recommended visioning, strategic planning, and priority setting exercise.

9. (Numbering error in EPMR report.)

CHAPTER 6 – PARTNERSHIPS AND CAPACITY BUILDING

10. Because of the opportunities for partnership are overwhelming and tend to lead the Centre in multiple directions, the Panel recommends that CIP formulates a strategy for how to engage in different types of partnerships, including the private sector.

The Center accepts this recommendation and will form a Center Task Force to assess and gather data on our expertise and experience, and to address the specific issue of strategies for partnering.

CHAPTER 7 – CROSS-CUTTING ISSUES

11. Because of the need to enhance CIP's scientific reputation and ability to compete more effectively for external funding, the Panel recommends that the institute encourage more frequent publications in refereed scientific journals and set more demanding annual publication performance targets.

The Center accepts this recommendation fully, as it is vital to our future. To address these needs several creative approaches are under consideration. These ideas go beyond the points made in the EPMR's report, and include: the reorganization of the Center's information services; the definition of strategies that enhance and expand outlets for peer-reviewed research results of the types produced by IARCs and our partners; and better recognition for high quality

research performance, including project-based support and scientist-based rewards.

12. Because traditional sources of funding for CIP's activities are drying up, and because additional outside funding is needed if the Center is to attract quality professionals to contribute to its activities, the Panel recommends that CIP reallocate resources from its management staff to hire a competent international development officer, and use the leadership of that officer, together with a marketing survey, to develop a strategic plan for increasing its external funding.

The Center accepts this recommendation, but may implement it as a “development program” rather than a “development officer”. The distinction here is merely one of greater flexibility as we may want to look at contracting for services (rather than hiring an officer), and we may want to partner with other Centers and the Future Harvest Foundation on common resource-mobilization interests.

CHAPTER 8 – FINANCE

13. Because of the need to retain a healthy distance between the Centre and its External Auditor, the Panel recommends that the Board of Trustees change CIP's External Auditor at the conclusion of the current end-of-year audit/reporting cycle, and every 3-5 years thereafter.

The Center accepts this recommendation and it has been implemented.

Note: The temporary extension of the current external auditor was a result of the merger of the prior audit company (Coopers and Lybrand) with the newly contracted one (PriceWaterhouse) into a joint company (PriceWaterhouseCoopers). With the subsequent change-over of the Center's CFO position, the normal cycle of retaining an external auditor for limited periods has resumed.

14. Because of the need to give managers the ability to cost-efficiently conduct their business, the Panel recommends that the required changes to transform CIPFIS into a fully-fledged Management Information System be completed as soon as possible; and that managers at all levels then be given access to complete and transparent budgetary information on the activities they are accountable for, and that CIP management devise incentives to encourage and increase cost-consciousness and efficiency.

The Center accepts this recommendation and notes that the implementation of these enhancements were already planned before the EPMP and were undergoing implementation prior to the EPMP main phase. We anticipate completion of this project within a few months.

CHAPTER 9 – GOVERNANCE AND MANAGEMENT

15. Because of the importance of the Board's financial oversight role, and especially in view of the Centre's funding situation, the Panel recommends that the Board ensure that it receives adequate financial and budgetary information from management and that it spend sufficient time exercising its budgetary and financial oversight function.

The Board accepts this recommendation and has, in the past year, moved to elevate its attention to financial oversight. This will be accomplished through enhancements to the Center's management information system, and changes to the Center's annual auditing arrangements.

16. Because of the Board's important role in programmatic/scientific oversight, the Panel recommends that the Board be more challenging and forward looking in its discussions of the Centre's long-term scientific strategy.

The Board accepts this recommendation and notes that it has been awaiting finalization of the change management activities of the CGIAR and the outcomes of the regional planning efforts as necessary input to this process.

17. Because of the need to keep professional distance and independence of the Board vis a vis management, the Panel recommends that the DG not be a member of the Nominations Committee and that the DDG-F/A not be the secretary to the Board and its Executive Committee.

The Board accepts the first point and has already completed implementation. As to the second point, the statutes founding the Center prescribe the position of the Secretary of the Board.

CHAPTER 10 – THE FUTURE

18. Because of the value of a well-articulated, encompassing vision tied together with a strategic plan, the Panel recommends that CIP develop a vision and a strategic plan that will integrate crop improvement and protection, natural resource management, and the social sciences in an approach that will guide the understanding of problems developing countries face as they experience economic development.

The Center accepts this recommendation and plans to implement it through a yearlong process of visioning, stakeholder dialogue, strategic planning, human resource capacity assessment, financial needs evaluations, and resource mobilization strategies.

19. Because of the need to give more attention to priority setting in CIP and to maximize the effectiveness of the resources made available to it, the Panel recommends that the vision statement and the strategic plan be connected and used to establish a robust set of priorities to guide resource allocation in CIP in the coming years.

The Center accepts this recommendation, but notes our intentional postponement of priority setting activities in anticipation of the outcome of the change management exercises of the CGIAR (especially the emergence of the critically important Challenge Programs) and this pending EPMR.

ADDITIONAL COMMENTS

The Center wishes to comment on some significant factual errors that are found in the EPMR report that are likely to have occurred in the panel's rush to complete the document.

1. **Fact:** CIP's Board of Trustees commissioned three CCERs in the interval since the Fourth EPMR. The Board policy is to commission all of the Center's External Reviews (ICER/CCER), with a few notable exceptions, when it is appropriate for management to undertake such a study. Confusion over terminology appears to have initially misled an EPMR member, but subsequent assurances and factual evidence should have corrected that initial misrepresentation. To avoid future misunderstandings the Board has developed a new policy statement that clearly spells out the process to be used, and the allowable variations on that process.
2. **Fact:** The CIP Board of Trustees has practiced due diligence in the monitoring of the Center's finances, and the casual reader of this report may be misled by the Summary Recommendation numbered 15. The Center's Board uses a method of decision-making (which was actually complimented by the EPMR Panel) that superficially gives the impression of a too speedy disposition of some items. In fact, the process requires that all committee reports be shared with Board members the day prior to consideration to permit everyone to read the contents and to visit with the committee members off-line with any questions or issues. Thus, when a committee report (such as our Audit Committee's report) reaches the Board for a decision it has received considerable attention, a fact that seems to have been missed by the EPMR panel. Additionally, the rules for decision-making used by the Board allow ample time for discussion by all Board members prior to any action.

It is the view of CIP's Board and our external auditors that the Center's present auditing systems, procedures, and practices provide adequate control of CIP's finances.

Final Note:

The International Potato Center expresses its deep appreciation to the members of the Fifth EPMR for a valuable exercise that will no doubt contribute to CIP's continued contribution, as the Panel concluded, as "an important and needed Centre in the future".

Regards,

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Director General

David R. MacKenzie
Chair of the Board