

SC Commentary on the Fifth External Programme and Management Review of CIMMYT

The Report of the Fifth External Programme and Management Review (EPMR) of CIMMYT was discussed at SC3 at IWMI headquarters in Colombo, Sri Lanka, in the presence of the Panel Chair Dr. Don Marshall, Chair of CIMMYT's Board of Trustees Dr. Alex McCalla, and the CIMMYT DG, Dr. Masa Iwanaga. The Science Council (SC) expresses its appreciation to Dr. Don Marshall and his Panel for a critical Report, which provides a frank and constructive assessment of all aspects of the Centre's operations. The Panel report incorporates comments and analysis from both a prospective and a retrospective point of view. The SC notes with appreciation that CIMMYT considers this report of high quality, timely and useful at a time of transition and broadly agrees with the EPMR Panel's assessment and recommendations. The Centre has already initiated action to implement the recommendations. The Report contains twenty three recommendations and several important suggestions in the various chapters. The SC endorses the Panel's recommendations and provides the following commentary to complement the Report.

Introduction

The Panel began by looking at the implementation of the agreed recommendations from the 4th CIMMYT EPMR in 1998 and found that several recommendations have been left unimplemented. This has affected the operations of CIMMYT and provides strong reasons for the System to urgently put in place a coherent follow-through monitoring and evaluation (M&E) mechanism to reinforce a higher sense of accountability at the Centre governance and management levels. Such steps have been taken in the annual performance measurement and Medium Term Plan assessment now being implemented at the System level. The SC fully agrees with the Panel that the Centre has born a high cost of serious shortfalls in governance and management, clearly documented in the report, some of which stem from the failure to implement past recommendations.

Due to financial failure which reached a critical point at the end of 2002, CIMMYT has gone through turmoil, including three staff downsizings implemented at the same time it was engaged in strategic planning and major programmatic restructuring. The effects of this are reflected in the responses to a staff survey conducted by the Panel. The SC shares the EPMR Panel's concern that low staff morale is one of the gravest problems that the Centre needs to address urgently. Any further downsizing of staff could hurt the research programmes seriously.

The Panel concluded that CIMMYT's unique experience and capacity in genetic enhancement of two of the world's major crops for poor environments and traits needed by the poor is the main justification for its existence. The Panel was concerned that this capacity is being eroded through a) a shift of resources away from plant breeding to other activities to implement the livelihoods based programmes of the new CIMMYT strategy; and b) a slow uptake and use of modern breeding methods that eventually could justify change in staff patterns. The SC agrees with these concerns of the Panel.

Strategic plan

Panel considered CIMMYT's new strategic plan weak and lacking in direction and goals for implementation, despite the participatory process that the Centre followed in developing the plan. Thus, in the Panel's assessment, in trying to cover a very broad agenda, CIMMYT has overly de-emphasised germplasm enhancement in its strategic plan. The SC fears that CIMMYT is ceasing to promote its comparative advantage in crop improvement in the broad sense in its strategic plan for what ever reasons, one of which could be the declining investment by donors to support a programme based on strong genetic enhancement component. The SC wishes to re-emphasise to all stakeholders the critical and vital role of germplasm-based gains in productivity, maintenance of past gains and risk avoidance in the overall strategies of the CGIAR.

The SC strongly cautions the Centre from diversifying away from its core competence in genetic enhancement to areas where several other Centres and other organisations are working, such as crop-livestock interactions, INRM and addressing livelihoods broadly, and to areas beyond the CGIAR's priorities, such as putting in place national seed systems even though these activities may be linked to increasing maize and wheat productivity and subsequent poverty alleviation. Thus in reorienting its programmes, CIMMYT should seek more engagement with others to provide the "livelihood" setting and outcomes in which CIMMYT focuses on the crop improvement. This is particularly important in regions such as CWANA where another Centre can provide the livelihood inputs for the programme. The Panel noted that CIMMYT unfortunately appears to be expanding its livelihoods agenda in this region at the expense of crop improvement.

Inter- Centre relationships

It is important that the CGIAR System as a whole be seen to be working in a co-ordinated way towards a single mission. CIMMYT's long-running disagreement with ICARDA, as highlighted by the Panel, over responsibility for wheat and barley breeding in the CWANA region is counter-productive and, therefore, must cease at the earliest possible time. The SC sees the inter-Center planning meetings that have already taken

place as steps in the right direction. However, in the SC's view, the assertion by both Centres that resolution will take time, simply because the dispute has been ongoing for many years, is not acceptable. The SC expects to see an indication of enhanced collaboration in the respective Centre's MTPs for 2006-8.

Research programmes

The SC joins the Panel in commending CIMMYT for its efforts to integrate its research in the new programme structure, which has broken down the strong "silos" of the crop and discipline programmes of the old CIMMYT. The previous sharp split of activities into disciplinary programmes in maize, wheat, biotechnology, NRM and economics, including a split even in the gene bank and in training into separate maize and wheat units, has not helped the Centre to develop new research approaches and promote best practices in areas such as database management. The new structure should enhance the internal collaboration between breeding and biotechnology, which the SC considers imperative. The SC is also pleased to note that CIMMYT has been able to attract highly qualified new staff to the programme leader positions.

The SC is pleased that the Panel's assessment of CIMMYT's past research performance is by and large positive. The Panel's negative analysis of CIMMYT's publication record over the review period should, however, be addressed. CIMMYT has demonstrated impact in all areas of past research. CIMMYT's efforts in maintenance breeding have been invaluable securing and advancing yield gains through breeding against the main biotic and abiotic stresses. CIMMYT needs to maintain an adequate level of activity in maintenance breeding.

The SC shares the Panel's concern that CIMMYT has not been able to modernise its facilities due to lack of investment, and that areas such as data management and biotechnology capacity require substantial investments to be sufficient for the Centre's needs. The uptake of modern breeding methods has stagnated at CIMMYT in recent years, and one reason seems to have been the costing structure of projects, which has favoured labour-based approaches and penalised use of modern breeding tools. CIMMYT cannot assume that introduction of new breeding tools is immediately going to ease the requirement for breeder capacity at the Centre. Experienced breeders are key in implementing the shift from the conventional approaches to incorporation of new breeding tools that will eventually enhance efficiency.

CIMMYT should more carefully assess the involvement of alternative suppliers, the private sector in particular, for maize in the favoured areas in Asia and Latin America, and the strong wheat programmes in many countries. The Centre needs to identify its

specific niche in wheat and maize related research targeting areas where past research has not made a change and addressing pressing problems also in favourable areas if it has a comparative advantage. The SC raises some questions related to the continuation of the QPM breeding for human consumption without clear evidence of nutritional and other benefits. Although CIMMYT is planning to incorporate the QPM trait to all materials with other useful characteristics, and there are benefits to animals from high lysine and tryptophan, this work does not seem to warrant the additional investment which is needed, as the trait is not simple to manage, and does involve possible trade-offs with other traits.

Although the Panel considered CIMMYT's work in economics of high quality particularly in demonstrating past impact, it noted the total lack of *ex ante* impact assessment. This is also the SC's concern and it does not regard the Resource Allocation Tool as a substitute for more explicit *ex ante* impact assessments. It is particularly critical for guiding decisions regarding research into marginal areas and targeting resource poor farmers and other choices to determine optimal balance between different activities. The SC feels that not implementing the 4th EPMP's recommendations on the Economics Programme has been a serious omission as these recommendations are still valid.

Management

As previously noted, CIMMYT has failed to implement any of the 4th EPMP recommendations related to management. The report gives a grim account of the financial mismanagement since 1998 which led the Centre to near collapse in 2002. It appears that funds went to overly ambitious research programmes at the will of research leaders with inadequate monitoring, and corporate, financial and human resources management components were neglected.

CIMMYT faces great challenges in attempting to build up again its reserves. It still needs to make priority decisions in order to enhance the scientific infrastructure. The SC strongly feels that a weak CIMMYT is a loss to the entire CGIAR System. The SC is sympathetic to the Centres determination to run a positive balance through savings. However, the SC is highly concerned about the continuing seriousness of CIMMYT's financial challenges.

Governance

In addition to its analysis of the performance of the Board, the Panel provided a think piece on a governance model for CIMMYT and the CGIAR Centres in general. This includes a significantly smaller Board than is currently the practice, with emphasis on corporate and financial management oversight reflected in the Board members'

expertise areas along with more frequent virtual and face-to-face meetings. The Centre Board and Management fundamentally agree with this perspective. The SC emphasises that with any such model, the Boards would still need to assume principal oversight responsibility for all Centre management, including programme quality and relevance. Board commissioned CCERs are a central tool for carrying out this oversight responsibility.

The SC agrees with the Panel that the Centre needs to be clear about its responsibilities regarding the Generation Challenge Programme (GCP) that it hosts. It is very positive that the CP seems to have stimulated collaboration among researchers in different Centres.

Conclusions

In the absence of a clearly articulated operational strategy, the SC considers it urgent that the Centre, with full involvement of its new Programme leaders, completes a strategic business plan to implement the new strategy. This should be reflected clearly in the Centre's Medium-term Plan for 2006-8. Furthermore, the implementation of the matrix management structure requires that the Centre has in place best management practices.

The SC suggests that given the many challenges CIMMYT faces regarding the financial situation, staff morale, management of the new programme matrix, further development of programmes and implementation of the new strategic plan, the Centre be reviewed after one year rather than two years as recommended by the Panel. This review should be accompanied by a site visit and include the Panel Chair. This is particularly relevant for monitoring improvement with staff morale. At the time of the review the Centre needs to have its programme of work developed involving the new programme leaders, have Board reform completed, and show evidence of progress as measured by critical indicators on all aspects of management.

CGIAR Secretariat Comments on the Governance and Management Aspects of the CIMMYT EPMR Report

The review points to the failure of governance as a major reason for the severe crisis faced by CIMMYT. Continuing financial difficulty, low staff morale, and overall uncertainty are key concerns highlighted by the EPMR Panel.

The Panel's findings emphasize the critical importance of oversight of the Center's operations. Ensuring the implementation of CGIAR-endorsed EPMR recommendations is a major responsibility of CIMMYT's Board and management. Had the recommendations of the 4th CIMMYT EPMR on governance and management been implemented, perhaps the current financial crisis would have been averted. Recently the CGIAR Executive Council began to monitor the implementation of EPMR recommendations, which may flag non-compliance with CGIAR-agreed EPMR recommendations in a more timely manner. It should be noted that ExCo also alerted the Center in 2003 about CIMMYT's poor financial performance and requested remedial action.

We support the recommendations of the Panel on governance and management. We note that CIMMYT has agreed to all but one of them (i.e., creation of a governance committee) and has initiated changes to improve the governance processes. In our view, the recommendations point to the need for the Board to re-examine how it handles business. The Panel's suggestions contained in Appendix VII (Re-thinking Governance in CGIAR Centers) of the report could be helpful for this purpose.

One specific area of reform that we would like to highlight relates to Board's role in providing oversight of research and quality of science. We agree with the SC that, fundamentally, this is a major responsibility of the Board. Oversight of management and finance is an equally fundamental responsibility. The Board needs to decide how it would carry these fundamental responsibilities. In some cases the Board need not provide direct oversight itself, so long as it puts in place mechanisms that facilitate adequate and timely oversight. The Panel makes suggestions on such mechanisms which complement CGIAR evaluation and monitoring processes such as the EPMRs, MTPs, and PM.

A better balance of oversight responsibilities would enable the Board to have a greater opportunity to focus on other strategic concerns such as re-building CIMMYT's image, fund raising and financial planning, improving the Center's efficiency, establishing new partnerships, etc.. In this connection, we take note of the Panel's conclusion that "CIMMYT's Board lacks sufficient depth of expertise in financial analysis, in business

management and in attracting new resources to provide an adequate level of informed oversight and support to management.”

We are pleased to note that the Panel has reiterated the importance of an orientation and learning process for new Centre Board members. Orientation programs at the System level are available, and one specifically suited to the Centre should be a key component of CIMMYT’s governance improvement process.

We would like to clarify two specific statements made by the Panel in Section 1.2.2 of the Report:

- The Panel states that “the rapid erosion of core support for the Centres by donor agencies over the 1990s and its only partial replacement by special project funding... has been exacerbated by the development of CPs...” The recent analysis of the pilot CP experience (“*Synthesis of Lessons Learned from Initial Implementation of CGIAR Pilot Challenge Programs*” at http://www.cgiar.org/pdf/agm04/agm04_cp_lessons.pdf) shows that the CGIAR’s overall funding has been on the upswing since 2001 and that core support has not been affected by the development of CPs.
- The Panel cites “...linking part of the World Bank contribution to Centres to the level of funds raised” as another reason for “erosion of core support.” In fact, the Bank has been increasingly “de-linking” its contributions to Centers to the level of funds raised from other donors (i.e., “matching”). In recent years the trend has been to decrease the percentage of the Bank’s contribution provided on a matching basis.

In conclusion, the CGIAR Secretariat commends the EPMR Panel for a thorough evaluation of CIMMYT’s programs and management. This EPMR provides yet another example of the significant impact governance, management and institutional health have on program performance. The depth of analysis provided in the areas of governance and management in this review is in part due to having two panel members devote their primary attention to these areas.

We recommend that ExCo and the CGIAR endorse the Panel’s recommendations on the governance and management of CIMMYT.