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17 March, 2006

Dr. Per Pinstруп-Andersen Chair Science Council	Dr. Francisco Reifschneider Director CGIAR	Dr. Ruben Echeverria Executive Director Science Council Secretariat
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Dear Drs. Pinstруп-Andersen, Reifschneider, and Echeverria,

The WorldFish Board of Trustees, together with Management, considered the report of the 3rd External Program and Management Review (EPMR) when it met in Penang from 6-9 March 2006. The present document provides our response to the Panel's recommendations. We also take this opportunity to express our appreciation to the Dr. Ben Satia, the Chair of the EPMR Panel and his colleagues for the considerable effort that they put into the review process.

The EPMR has been very timely, coming when the Center has revised our Strategy and restructured our science team. The EPMR has also coincided with a new Chair of the Board and with steps being taken to improve the efficiency and effectiveness of our Governance and Management. We welcome the insights that the EPMR has provided in these different areas during this important period of change.

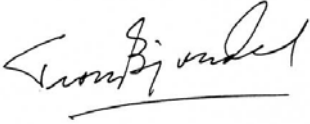
We also welcome the Panel's explicit recognition of the impact of our work on poverty, and will be seeking to increase this as we implement our Strategy by strengthening our focus, partnerships and internal capacity. We welcome warmly the Panel's conclusion that the Center has been a good investment for our donors and also welcome their support for the directions now being taken by the Center. We are pleased that many recommendations converge with initiatives already underway in the Center to strengthen regional impact, increase science output, improve management efficiency, and streamline governance. We note the Panel's call for increased staff capacity in order to meet our goals. We recognize that this and other recommendations will require increased funding and we look forward to working with the CGIAR and investors to achieve this.

We are pleased that the Panel has highlighted the Center's successes in several areas, notably fish breeding and dissemination of the GIFT methodology, in integrating fish culture into farming systems in Asia and Africa, in restocking and management of marine species for alternative livelihoods, in community management of fisheries, our global and regional databases, and our work on global and regional models of demand and supply. The Panel has recognized that one of the key factors in our success has been our strong working relationships with NARS and NGOs and effective use of NARS and NGO networks.



We also welcome the Panel's recognition of the Center's work with other Centers, including our strategic alliance with IWMI to share Corporate Services. We express our appreciation to our colleagues in other Centers who reported a favourable assessment of their involvement with WorldFish.

With kind regards,

Handwritten signature of Trond Bjørndal in black ink, featuring a stylized 'T' and 'B'.

Prof. Trond Bjørndal
Chair
The WorldFish Center Board of Trustees

Handwritten signature of Stephen J. Hall in black ink, with a prominent 'S' and 'H'.

Dr. Stephen J. Hall
Director General
The WorldFish Center

RECOMMENDATIONS AND RESPONSES

- 1. The Panel recommends that the Board commissions an external review of the new research structure by mid 2007 to specifically examine the effectiveness and impact of the matrix approach, the extent of transaction costs incurred and the acceptability by different levels of staff.**

WorldFish Response: AGREED. One of the features of the Center's updated Strategy is that we are committed to reviewing progress regularly and using dialogue amongst key staff to develop mechanisms for improving operational effectiveness and delivery. This process is tracking performance of the matrix and our assessment so far of its effectiveness and impact on the quality and impact of our science is positive. However we agree that external reviews provide a valuable mechanism for assessing functioning of the matrix as well as other aspects of strategy implementation. With this in mind the Board of Trustees has requested that a rolling programme of CCERs be presented to the BoT at its meeting in September 2006. This will include a Center-wide review of progress with implementation of the Strategy, including the effectiveness and impact of the matrix approach. We will schedule this Center-wide review in 2008, so allowing assessment of a full 3 years of operation of the matrix and 2 full years since completion of the Strategy Update.

- 2. The Panel recommends that, within the framework of strategic alliances and the growth strategy of the Centre, a pragmatic strategy is defined for leveraging additional resources through a range of joint ventures, including but not limited to co-financing of PhD grants, postdoctoral grants, associated scientists/laboratories in advanced research institutes and calls for joint research proposals.**

WorldFish Response. AGREED. We are completely in agreement with the need to broaden the staff resource base available to the Center and are already implementing a number of mechanisms such as Senior Research Fellows, sabbatical arrangements, part time appointments, joint appointments with other CGIAR Centers, and Adjunct Professorships, to help achieve this. These however need to be expanded and specific approaches are being developed by the Discipline and Portfolio Directors. In doing so we believe that the approach being taken to strengthen the Center's science focus and capacity through the Disciplines, and to strengthen our regional partnerships and impact through the regional portfolios is making the Center an even more attractive partner for ARIs and other sources of this science capacity. To further strengthen our focus on these issues the Center is committed to developing a policy on such opportunities for leveraging additional resources and a strategy for implementing this.

- 3. The Panel recommends that WorldFish identify and embrace a limited number of key scientific issues and research objectives that could be achieved within a reasonable period of time (4 to 6 years) and that could:**

- **stimulate WorldFish scientists of different disciplines and promote interdisciplinary research;**
- **be recognised by the scientific community as cutting-edge research and, as a result, stimulate collaboration with scientists from both developed and developing countries;**
- **demonstrate the comparative advantage of the Centre and its leadership capacity in the field of aquaculture and fisheries for developing countries.**

WorldFish Response. AGREED. While we believe that the Center has already pursued a focused approach to a limited number of scientific issues and the results of this are reflected in some of the successes highlighted by the Panel, we also believe that the Center needs to continue to do so, and indeed increase the focus and impact of this work. To this end the Discipline Directors for NRM and Aquaculture are developing research strategies for these Disciplines that are designed to provide just such a focus for the Discipline for the next 5-10 years. These research strategies are being developed in concert with the development of campaigns on small-scale fisheries and aquaculture. As described in the Center's Strategy Update, the Campaigns will provide a wider context and foster a broad range of institutional partnerships to address these issues and the Center will work with this to focus where our research niche is strongest. While this work is being led by the two Discipline Directors they are doing so in an explicitly interdisciplinary and cross regional way. The drafts of these strategies and Campaigns will be discussed by the Board of Trustees at its meeting in September 2006 and the Strategy for PESS will be developed in 2007. WorldFish is committed to using these Discipline Strategies to specify and pursue the key scientific issues and research objectives on which the Center will focus globally in the coming 5-10

years, and to use these to provide drive and focus to the Disciplines, stimulate collaboration with others in the scientific community, and demonstrate the comparative advantage and leadership of the Center.

4. The Panel recommends further studies on GIFT be undertaken by geneticists and nutritionists working together, using more controlled experimental conditions, and testing a large range of feeding levels.

WorldFish Response. We agree in principle that stronger collaboration between geneticists and nutritionists can be of value, and we are already exploring ways to do this through our work in Indonesia and Malaysia. The precise nature of the studies that should be done in order to provide practical value to the production systems that are of importance for poor farmers and therefore of highest concern to WorldFish will need to be carefully assessed as part of the future research strategy within the Aquaculture Discipline. WorldFish therefore commits to considering this recommendation when developing the aquaculture research strategy, and a detailed response will be provided through the strategy.

5. The Panel recommends that WorldFish:

- **continue to make a conscious effort to move away from downstream development activities and explore opportunities for development-related activities to be executed by local or bilateral entities, where available, while the Center continues to monitor and evaluate the activities/developments in order to analyze the impacts and also to identify constraints and bottlenecks which might require further research;**
- **undertake a scoping exercise to identify its partners' strengths and weaknesses in order to better target capacity building, especially of NGOs, to advance the development spectrum of its work; and,**
- **synthesize and package existing information, including frameworks, manuals, protocols and guidelines to ensure greater dissemination and use of its products.**

WorldFish Response. AGREED. We note that the Panel has recognized the strength of WorldFish partnerships with NARS and NGOs and the role these have played in the Center's ability to achieve impact through our research. The lessons from this have been reflected in the Center's 2005 Strategy Update which specifically focuses the Center's efforts upstream from direct development activities. As we move forward with the Strategy, and with regional portfolios in particular, attention is being given to strengthening these partnerships. This already involves an assessment of our partners' strengths and weaknesses as part of our project development work in many cases, but this will be extended with due account being paid to local sensitivities where necessary.

We view the synthesis and packaging of information for use through these partnerships as being especially important for the scaling out of the Center's impacts, and will therefore give increased attention to doing so. In this regard we note that the Panel found that material that the Center currently produces for this purpose is "widely used and applauded by a wide range of NARS and NGOs", and believe that this needs to be increased. While there is a clear tension between producing these products while also producing papers for refereed journals we believe that the measures currently being taken to improve the efficiency of our science publication, as well as steady growth in staff capacity, can simultaneously increase the output of both scientific papers and these materials for a wider audience of practitioners. In particular, tight management of science publication targets through annual performance plans of individual scientists in the NRM Discipline has already led to a significant increase in articles accepted for publication in refereed journals in 2006, and we foresee similar progress in the Aquaculture and PESS Disciplines as the same management approach is applied there. Similarly greater focus on the identification of stakeholders' publication needs as a part of tighter project design and management is leading to more targeted publication, as was for example seen by the panel during its visit to Cambodia.

To conclude the Center is committed to focusing on those areas of the research-development continuum that lie upstream from our NARS and NGO partners, to assess the strengths and weaknesses of partners in doing so, and to placing increased emphasis on synthesis and packaging of materials so that they can be used by partners in pursuing their role.

6. The Panel recommends that WorldFish clearly define its continuing involvement and role in the database [FishBase], including specifying how the various demands on staff will be met.

WorldFish Response. We believe that the Center has already defined its continuing role in FishBase. The WorldFish Center is one of six primary founders of the FishBase Consortium. Our participation is governed by a Memorandum of Understanding, signed by WorldFish and the other members. The MoU specifies that each member commits itself on a long-term basis to ensure development for the FishBase project. The members must provide human resources and financial support, both from the institution's core budget and through funded projects. WorldFish is committed to continue its full participation in the consortium because it is consistent with our mission and Strategy Update.

Within the Consortium WorldFish has a clearly defined responsibility to encode data and maintain the IT team, and develop new tools and areas in FishBase for the Conservation of Aquatic Biodiversity in ACP and Asian countries. The team (of 12 biologists and 3 IT staff) and operating costs are funded largely through the EU funding for food security provided through the EU contribution to the CGIAR.

7. The Panel recommends the Centre expand its modeling work on the supply and demand of fisheries and aquaculture and undertake additional ex-post impact assessment in aquaculture, paying particularly attention in both cases to technological environmental impacts and non-negligible dynamic (inter-temporal) effects of fisheries and aquaculture activities.

WorldFish Response. AGREED. The Center believes that our research on fish demand and supply has been highly effective in guiding policy and future research on fisheries and aquaculture and we are committed to building on this at global, regional and national level where appropriate. In addition we have welcomed the profile that the Science Council has given in 2005 to the ex-post impact assessments of our aquaculture research and are committed to increasing our work in this area. In doing so we will address the environmental impacts and interaction between fisheries and aquaculture where the data and funding are available.

8. The Panel recommends that future efforts be made in defining on a pragmatic and objective basis, the acceptable dissemination area of an improved strain, and the realistic monitoring that should be implemented in relation to this dissemination.

WorldFish Response. AGREED. The Center's work on the development of GIFT tilapia has been recognized internationally as a significant contribution to food security and poverty alleviation in Asia. However we believe that in order for the full benefit of this technology to be shared with other regions and applied to other species, much greater investment is required. The Center's Strategy Update accordingly highlights this as one area where we will increase our investment. Reflecting this strategic priority the Center is committed to expanding our work on the development of improved breeds of tilapias, Carps, and African catfish and, in doing so, to developing improved tools for assessing both economic utility and environmental risk of introducing specific strains. As part of this process the Center is developing a policy for use of the GIFT strain of tilapia, and developing risk assessment methods. One research project to pursue this has already been developed and others will follow.

9. The Panel recommends that the Centre take action on the following [for PESS]:

- **secure a Discipline Director as soon as possible;**
- **conduct a strategic process of research planning and prioritisation that enables the discipline to more precisely identify its research domain and a selected set of issues to produce significant IPGs; and,**
- **develop and apply a balanced growth policy for qualified scientific staff according to research priorities.**

WorldFish Response. AGREED. The Center is committed to strengthening the PESS Discipline and to moving rapidly to secure a Director. In view of the key leadership role required of this position the Center is equally committed to ensuring that a leading scientist with the required combination of managerial skills is appointed. While the position as advertised internationally in 2005 and candidates were interviewed, a suitably qualified candidate was not secured. We are however confident that this will happen in 2006, just as such candidates have now been recruited for the other two Disciplines (NRM and Aquaculture). When in

post the DD will have explicit responsibility for leading a strategic research planning process and for developing the staff capacity to pursue the discipline strategy that will emerge from this. We are committed to moving ahead with this as rapidly as possible.

10. The Panel recommends that WorldFish explore opportunities [in sub-Saharan Africa] for collaboration with other CG Centers, in particular IITA, WARDA, IRRI, CIFOR, IWMI, IFPRI and ICRAF, possibly within the context of task forces, to identify gaps in the application of IAA technology and methodology or for activities related to fisheries governance.

WorldFish Response. AGREED. The Center is already collaborating with IWMI, ILRI and ICRAF in sub-Saharan Africa (and with IWMI and IRRI in Asia) and we are committed to increasing this partnership with CGIAR Centers wherever this adds value to the work of both Centers. For example WorldFish and IWMI are collaborating on water management aspects of agriculture in southern Africa.

11. The panel recommends the Centre give high priority to:

- **recruitment of senior scientists with a proven track record or the involvement of such scientists in Centre projects through various forms of partnership and adjunct arrangements, and**
- **recruitment of a cadre of younger, recent PhD graduates, particularly in view of present and past difficulties in attracting more senior scientists.**

WorldFish Response. AGREED. As discussed under Recommendation 2 the Board of Trustees and Management are committed to strengthening the scientific capacity of the Center, including by drawing on the Center's reserves. This is being pursued actively to implement the Center's Strategy and to support development of the Disciplines and regional Portfolios under this. It is important to emphasize however that these increases in staffing need to be financially sustainable and considerable effort is being invested in developing staff capacity in a staged manner in order to ensure such sustainability.

12. The Panel recommends that WorldFish:

- **elaborate a Partnership Strategy focusing on, among others, the modus operandi for establishing strategic partnerships and alliances that would add significant value to the current research activities undertaken by the Center;**
- **explicitly define the roles and responsibilities of the Center relative to its partners in all major projects;**
- **determine its positioning on the research-to-development continuum, within the framework of an impact pathway analysis, for all major projects; and**
- **elaborate a human capacity building policy for its staff and its partners taking into account, as appropriate, the suggestions that have been provided.**

WorldFish Response. AGREED. As noted under Recommendation 5 we believe that the Center's partnerships with NARS and NGOs has been one of our strengths in recent years and this has been recognized widely, including by the CGIAR partnership award in 2004. As discussed with the Panel we are therefore committed to strengthening and expanding our partnerships in order to further increase our impact. We believe that a formal Partnership Strategy would assist by providing clear guidance to staff in pursuing this work and we will develop such a strategy. In doing so the elements recommended by the Panel will be addressed including clarifying the position of the Center and partners on the R&D continuum, and building capacity of staff and partners as required. We note also that WorldFish uses the Value Chain diagram as a device to guide discussion and thinking about these issues. This heuristic device should not be interpreted literally as a linear chain of events or skills from the creation of knowledge to improved lives. The stages 'along this chain' can be viewed as encompassing a bundle of attributes that differentiate sets of skills. We have used this device, along with an analysis of our strengths and weaknesses to work out how we might best place ourselves in partnership with others to achieve our mission. From this analysis we believe our comparative advantage lies at neither end of the spectrum, but in a balance in the middle.

13. The Panel recommends that the Centre's Board and Board Committees be restructured as follows:

- **reduce the Board size to not more than nine Trustees, including the ex officio Director General, Host Country representatives and the FAO nominee;**

- **modify Board Committee Structure to retain the Audit Committee, the Nominating Committee, and the Executive Committee, and eliminate the Programme Committee;**
- **include in the Centre's Annual Reports a Report of the Trustees, discussed and approved by, and signed on behalf of, the Board, and Audited Financials, duly certified by the Director General and the Chief Financial Officer, along with the Independent Auditors' Report;**
- **constitute a Science Advisory Committee of an appropriate number of members with suitable qualifications and experience/expertise, with a member of the Board as the Committee Chair. The Committee will report to the Board, and the Committee Chair (or any other member other than the Director General) should brief the Board at every meeting on its deliberations and advice; and,**
- **plan for CCERs on a three-year rolling time frame, to be updated each year, to obtain the best panelists with adequate advance notice, and spreading the workload evenly over the period. The CCER Panel Chairs should be requested to make the presentations to the Board on their Reports and Recommendations.**

WorldFish Response. The Center initiated a process of Board reform in September 2005 and we are pleased that the Panel Recommendations reflect the direction that is being taken. Specifically at its 29th meeting (5-9 March 2006) the BoT agreed to:

- reduce the Board size to eight Trustees, including the Director General and Host Country representatives;
- modify the Board Committee structure to retain the Audit Committee, replace the Nominating Committee with a Governance Committee, and eliminate the Programme Committee;
- pursue establishment of a Science Advisory Committee, with the Terms of Reference and operating procedures for this Committee to be reviewed at the 30th meeting of the Board of Trustees in September 2006.

We also agree that the Center should produce an Annual Report of the Trustees that is discussed, approved and signed on behalf of the Board, as well as Audited accounts.

As noted under Recommendation 1, the BoT has requested management to plan for CCERs on a 3-year rolling time frame and this plan will be considered by the BoT at its meeting in September 2006.

- 14. The Panel recommends that the Centre continue to accord this matter [maintaining reserves at prudent and yet not unduly excessive levels] very high priority and importance so that necessary and appropriate allocations are expeditiously approved and utilized.**

WorldFish Response. AGREED. WFC has developed a plan to draw on the Center's reserves to allow investment in science development. The Investment Plan for 2006 of USD1.2m provides for additional scientists and support costs in several regions for project development, implementation and delivery that lay a solid foundation for long term growth in our science, and funding base for this, consistent with the Center's updated strategy. The Center's Board and Management are committed to giving this matter very high priority on an on-going basis.

- 15. The Panel recommends that the Centre should revisit and comprehensively review this recovery methodology [rental charges as a component of overhead] in all its aspects, seek directions from the Audit Committee and Board urgently, and adopt an appropriate policy that would be consistent with the its Constitution mandating it as not-for-profit organization, and in full compliance with the Host Country and Land Lease Agreements with the Malaysian Government, and transparent disclosure to, and concurrence of, the projects where such recoveries are proposed to be applied.**

WorldFish Response. Agreed. The Center will conduct a comprehensive review of its overhead recovery concept and methodology which address these important issues. This review and a proposed policy will be presented to the Center's Audit Committee and the Board at its next meeting.