

## **CGIAR Secretariat's Comments on the Governance, Management and Finance Aspects of the Report of the Second EPMP of the International Livestock Research Institute (ILRI)**

The CGIAR Secretariat thanks the ILRI EPMP Panel for its report. Out of a total of 18 recommendations, the Review Panel makes 7 recommendations on governance and management. The Secretariat notes from ILRI's response that the Center fully agrees with all 7 recommendations.

### **Governance**

- We are pleased with the panel's assessment that "the ILRI Board is effective by CGIAR standards". The panel, however, pointed to a number of areas of board structure and functioning where further improvement is suggested. They include: board's financial oversight and stewardship; preparation and structure of board and committee meetings; and recruitment of board members. We support the panel's recommendations on these areas and are pleased to note that ILRI has taken action to implement them.
- There are also a number of suggestions from the panel that we strongly encourage the Center to implement. They are as follows:
  - Creation of two separate committees out of the current Finance and Audit Committee in line with best practices in corporate governance;
  - The Audit Committee and Finance Committee need to meet more frequently, especially between Board meetings.
  - Re-evaluate the manner in which the Program Committee conducts business- i.e. if the Program Committee is maintained as a committee of the whole then its meeting could be considered as part of the meeting of the full board to make more time available for Board's deliberative work;
  - Making the annual DG evaluation as a key item in the board meeting agenda and allocating sufficient time to it; and
  - Putting in place a structure for orderly process for leadership succession in the board.
- Although not mentioned by the panel, we strongly encourage the Board to review the composition of its Nominations Committee, which should not include the DG (as highlighted in the PM data for 2006)

### **Management**

- We compliment the ILRI for commissioning a multiple source evaluation of their Directors and operating project leaders, and are pleased that the center intends using the feedback from this 360 degrees process to put in place a plan to strengthen its human resource management. We agree with the panel's emphasis on the need to strengthen diversity, in terms of both gender and nationality.
- We encourage the Centers- ILRI and ICRAF to continue the work on alignment between the Centers, and suggest that issues concerning common HR, IT and finance systems be very carefully monitored.

**Finance**

- We strongly suggest that ILRI continue its efforts to improve full cost recovery, including staff cost from its projects.
- We recognize that the Center has now an investment policy and would encourage that they place more importance on strengthening control environment, including finance, HR and financial information system, rather than on hiring outside expertise on its investment policy