

## **CIMMYT report to AGM '05**

### **Executive Summary**

The CIMMYT Board and management have taken serious steps to address a number of the issues raised by the 5<sup>th</sup> EP MR and in response to subsequent discussion of the EP MR at the April '05 Science Council and May '05 ExCo meetings. The purpose of this report is to provide an update on progress towards improvements at CIMMYT in the areas identified by the EP MR; specifically, issues related to governance; business plan; finance; and, partnerships. In particular, CIMMYT is placing a very high priority on articulating its core competency in germplasm enhancement, targeted to the resource-poor in marginal environments in many eco-regions, through a re-focusing of resource allocation, both financial and staffing, and the development of technologies and research capacity in support of these activities. The Centre is currently advertising four (4) plant breeding positions and a further two positions have been approved in the 2006 budget. The business plan that CIMMYT has developed is a clear articulation of the implementation of CIMMYT's strategy "*Seeds of Innovation*".

### **Governance**

The CIMMYT Board has agreed upon a proposal for a new governance system for CIMMYT that will ensure basic functions as required by the CGIAR are performed. However, there will be a stronger emphasis on strategy, networking, resource mobilisation, oversight of administration and on the financial and fiduciary functions of a Board. To achieve this, the Board will progressively move, over the next twelve months, towards one that has enhanced skills for discharging the above mentioned functions and roles. The Board will also review implementation of the EP MR recommendations on a quarterly basis through management reports to the Board. The CIMMYT Board and management have developed a set of performance indicators, that go beyond those for the World Bank, in which there will be early 'warning' systems to ensure that the Board and management respond to yellow 'flags', proactively.

The Board will be further reduced in size (from 17 to 12) while at the same time ensuring that it has the necessary skills mentioned above, and that it remains diverse according to key criteria such as regions, gender and partnership. The Board will discharge its fiduciary and oversight responsibilities through more frequent meetings (quarterly for the Audit Committee, including at least half by electronic means). The Board views program and scientific quality oversight as an extremely important functions and will form each year *ad hoc* teams of eminent scientists to review and provide guidance on specific aspects of CIMMYT's research strategy, programs, outputs, outcomes and impacts.

The Board has taken steps to ensure that there is a clear separation of membership on the Audit, and the Finance and Administration Committees and the Executive Committee has been re-formulated with the additional role as a governance committee. In addition to these structural issues, the Board has maintained an active role in development of the IRRI-CIMMYT alliance. The two joint Board Committees of the Centres have met twice already, in June and July of this year.

### **Business Plan**

CIMMYT has developed a detailed business plan for the next five years. The plan will be implemented with effect January 2006. The focus has been on developing an operational plan for turning the vision of CIMMYT's "*Seeds of Innovation*" (2004) into a clearly articulated plan for the period 2006-2010. The plan places high priority on a strategy for directing additional resources (funds and staff) to our core activities of maize and wheat productivity enhancement

targeted at reducing poverty in areas where CIMMYT has a strong comparative advantage. Clarity of our research products; analysis of impact pathways (including the role of improved germplasm for target beneficiaries); an efficient structure to support the development and delivery of these products; and, partnerships for delivery of the benefits of CIMMYT's research, are integral components of the business plan. The plan also includes targets and milestones for implementing improved management information systems in the areas of finance, human resources and project management together with an outline of significant investments to be made on enhancing CIMMYT's genetic improvement programs.

### **Finance**

CIMMYT is well above Board mandated targets for achieving the CGIAR standards for financial health. The 2005 budget makes provision for adding a further \$2M to our reserves by the end of the year and the 30 September financial statements show this to be well within reach, thus bringing us to approximately 68 days. The 2006 budget, approved by the Board, provides for an additional 1M to be added to the reserve thereby ensuring that CIMMYT will have a reserve of approximately 78 days by the end of next year. During 2005, CIMMYT has actively sought additional funding and grant and sundry income is projected to be 4.492M more than forecast at the start of the year due, primarily, to a very significant increase in project income. This brings CIMMYT's projected income to 40.359M for 2005. During the past 3 years, CIMMYT has made very substantial progress towards turning around a difficult financial situation that was provoked by an extremely ambitious research agenda in the past; by the end of this year CIMMYT will have achieved three consecutive years of substantial surplus, thus creating the base for a strong reserve, without compromising on the centre's science quality and vitality.

### **Partnerships with other CGIAR centres**

During the first part of this year, CIMMYT has made significant progress in our partnerships with IRRI and ICARDA. The IRRI-CIMMYT alliance is progressing with concrete plans in three program areas (research informatics, intensive cropping systems in Asia, cereals knowledge bank) and good progress with discussions of a joint management and governance system. The development of a joint program in bio- and research informatics is especially crucial, given its importance across all aspects of the crop enhancement programs of the two centres. During the next 12 months, IRRI and CIMMYT will have two Board members in common, one of whom will assume leadership of a joint program oversight committee for the three programs mentioned. In the longer term, CIMMYT considers that a single Board and one CEO is a goal of this alliance. The Board and Management of CIMMYT acknowledge that a strong and vibrant relationship with ICARDA is essential to the work for resource-poor farmers in the CWANA region and, towards this purpose, the CIMMYT Board has recently concluded a meeting at ICARDA in Aleppo. The two centres are very pleased to report that a new agreement for collaboration to undertake a joint program in the CWANA region has been signed. Another tangible example of the centres' collaboration may be seen in the development of a global rust initiative

<http://www.cimmyt.org/english/wps/news/2005/sept/griMeeting.htm>

### **Implementation of EPMR recommendations**

The 5<sup>th</sup> EPMR report contains 23 recommendations of which 12 are primarily related to governance and management and 11 to program. Of the 11 governance and management recommendations with which CIMMYT agrees (the 12<sup>th</sup> relates to an issue that has already been resolved), 9 recommendations have either been implemented or are in progress towards implementation. Of the 11 program recommendations, CIMMYT has made progress in implementing 4 of the recommendations; a number of the remaining are dependent on additional resources and, by nature, require a longer time frame to implementation (*further details of the EPMR recommendations may be found on pages 10-15*).