

5th EPMR Follow-up Report by CIMMYT Board Chair to ExCo 9

The CIMMYT Board and management have taken serious steps to address a number of the issues raised by the 5th EPMR and in response to subsequent discussion of the EPMR 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 EPMR follow-up; 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 through a re-focusing of resource allocation, both financial and staffing, and the development of technologies and research capacity in support of these activities.

Governance. The CIMMYT Board has drafted 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 towards one that has enhanced skills for discharging the above-mentioned functions and roles. The Board will also review implementation of the EPMR recommendations on a quarterly basis through management reports to the Board. The CIMMYT Board and management are currently finalising 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 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, 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.

A revised governance system will be finalised in early November. In the meantime, 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.

Business Plan. CIMMYT is in the process of developing a detailed business plan for the next five years. The plan will be implemented following Board approval in early November. The focus is developing an operational plan for turning the vision of CIMMYT's "Seeds of Innovation" (2004) into a clearly articulated plan for the next five years. The plan will place 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. Significant progress in defining CIMMYT's priorities has been made in developing our latest MTP (2006-08) however, further clarity of our research products; an efficient structure to support the development and delivery of these products; and, partnerships for delivery of the benefits of CIMMYT's research, will be an integral component of the business plan. The plan will also include 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. A first draft of the plan is currently being reviewed by CIMMYT's Board.

Finance. CIMMYT is well above Board mandated targets for achieving the CGIAR standards for financial health by the end of 2007. The 2005 budget makes provision for adding a further \$2million to our reserves by the end of the year and the 30 June financial statements show this to be well within reach. CIMMYT has actively sought additional funding during the first half of the year and income is projected to be 3.709M more than forecast at the start of the year due, primarily, to a very significant increase in project income. This brings CIMMYT's projected budget to 41.327M for 2005.

Partnerships. During the first half 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 (bioinformatics, 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 bioinformatics is especially crucial, given its importance across all aspects of the crop enhancement programs of the two centres. During the next few months, IRRI and CIMMYT will appoint two Board members in common. 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 will meet at ICARDA in Aleppo, 5-10 November. We are optimistic that a renewed level of understanding and cooperation will be codified in a new memorandum of understanding for the centres' joint programs in the CWANA region.

Implementation of EPMR recommendations. The 5th 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 (12 in total- the 12th 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 for full implementation and, by nature, require a longer time frame to implementation. The implementation of the EPMR in medium-term and its financial implication is being addressed in the strategic business plan development.