

## CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

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January 23, 1974

TO: Members of the Consultative Group, Directors of the  
International Agricultural Research Centers, Members  
of TAC

FROM: Executive Secretariat

SUBJECT: Center Review Procedures

1. The Secretariat memorandum of January 9, 1974, on this subject was in error in stating that no comments were received on the November 5, 1973, draft report of the Bell Subcommittee which was circulated on November 20; a number of comments were in fact received by Mr. Bell, the Chairman of the Subcommittee. Their content was carefully considered and it was felt that they did not call for substantive changes in the draft.

2. This memorandum therefore confirms that the November 1973 draft report may be regarded as having the general agreement of Group members and as incorporating the procedures and practices to be adopted with respect to the review of center operations. The procedures will no doubt need to be reassessed after a year or two of experience, at which time the suggested changes in wording would be considered along with the results of the actual functioning of the review system.

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January 9, 1974

TO: Members of the Consultative Group, Directors of the  
International Agricultural Research Centers, Members  
of TAC

FROM: Executive Secretariat

SUBJECT: Center Review Procedures

1. On November 20, 1973, the Chairman of the Subcommittee on Center Review Procedures, Mr. David Bell, circulated a revised draft report of the Subcommittee for final comments by December 31, 1973. There have been no comments and the draft report should therefore be regarded as having the general agreement of Group members and as incorporating the procedures and practices to be applied with respect to the review of center operations. As indicated in Mr. Bell's cover note, the procedures themselves will be kept under review in the light of experience over the next year or so.

2. The attention of Center Directors is called particularly to paragraph 1 on page 2 of the Bell report. It calls for the Centers to furnish three documents in advance of International Centers Week: (1) a program-budget submission (now being discussed with the Centers by the Secretariat); (2) an annual report on research, training and outreach activities; and (3) an independent financial audit.

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November 20, 1973

TO: Members of the Consultative Group,  
Directors of the International Agricultural  
Centers, and Members of the Technical Advisory  
Committee

FROM: David E. Bell, Chairman  
Subcommittee on Center Review Procedures

Following the Consultative Group discussion on November 1 and 2, 1973, of the draft report of the subcommittee, Dr. Hardin and I have prepared a revised draft, dated November 5, 1973, copy attached. In this revision we have attempted to reflect the various comments made in the discussion. We recognize that the proposed review procedures are far from perfect, and will no doubt require revision after a year or two of experience. We believe, however, that the attached draft reflects general agreement among the Group members, and is a satisfactory basis for moving ahead.

In accordance with the Chairman's proposal on November 2, the revised draft of the subcommittee's report is being circulated for final comments, if any. We would like to receive any comments by mid-December, so that we can submit the report in final form by January 1, 1974. Comments may be addressed to me at the Ford Foundation, 320 East 43rd Street, New York, New York, 10017.

Attachment

Draft Report

Sub-Committee on Review Procedures  
Consultative Group on International Agricultural Research

The terms of reference for this sub-committee, as stated by Chairman Demuth on August 2, 1973, were:

1. To examine and specify the review and information requirements of the Consultative Group;
2. To bring forward a report to the CG suggesting how these requirements should be met.

Requirements

1. With respect to the current and prospective work of each agricultural Center (or CG-endorsed activity), the members of the CG need:
  - a. Accurate, current information on the programs of the Center, in a form which permits non-scientists to understand the objectives and significance of the programs, the progress that has been achieved and is anticipated, and the costs of each program;
  - b. Assurance from reliable external reviewers that the scientific and technical aspects of the Centers' work, both current and prospective, are soundly based; and
  - c. Assurance from reliable external reviewers that funds made available to the Center are being used for the purposes intended and with reasonable efficiency, that its future budget proposals are a prudent financial expression of well-planned programs, and that current and projected expenditure patterns reflect the stated program priorities.

2. With respect to the system of Centers to which the CG contributes financial support (the word system is used here to mean the Centers as a group and their relations to each other and to the national agricultural programs which they serve), the members of the CG need, in addition to material concerning each Center, analytical information placing the present and proposed work of each Center in context of the system as a whole, setting forth forward estimates of financial requirements and availabilities, and identifying issues and alternatives for consideration.

#### Recommendations for Meeting these Requirements

The sub-committee considers that it is important to meet these requirements in ways which will place the least possible burdens on the Centers and run the least possible risk of intruding on the responsibilities of their boards and management. Fortunately, in the sub-committee's view, many of the Centers' own requirements for information and review coincide with those of the CG, and we have designed our recommendations in ways which we believe will minimize the establishment of additional or separate reporting and review processes.

1. With regard to Requirement 1-a above, we believe CG requirements will be satisfied if each Center furnishes before Centers' Week three documents:  
  
(i) an adequate annual program-budget submission, (ii) adequate annual reports on its research, training, and outreach activities, and (iii) an independent financial audit. It is our impression that each Center intends to follow these practices.

We recommend that the CG Secretariat review the adequacy of the information provided in annual program-budget submissions, in annual published reports by each Center, and in the annual independent audited accounts, and suggest

improvements (and offer continuing technical assistance) where warranted.

2. With regard to Requirement 1-b above, we believe CG requirements are quite similar to those of each Center's board and management.

- a. The CG needs an independent assessment of any major change proposed in the research program of any Center, in the year in which the change is proposed (as for example the proposal made by IRRI in the current year to embark on a substantial increase next year in its research on rain-fed rice). Before putting such a proposal forward in its annual program budget, a Center will necessarily have considered it carefully, including reviews by its senior staff, by its board of trustees, and quite possibly by external experts. The CG looks to the TAC to provide recommendations on such a proposal, and the TAC's review can normally be accomplished by assigning one or more of its members or consultants to visit the Center, quite possibly in conjunction with some stage of the Center's own consideration of the proposal. If a more elaborate review process is desired by the TAC, that can be laid on to fit the circumstances of a particular case.

We recommend that the TAC establish a regular procedure for reviewing major changes proposed by any Center in its annual program budget, this procedure to include advance notification by the Center to TAC, visits (if necessary) to the Center on TAC's behalf, and any other steps deemed necessary by TAC to permit it to make sound recommendations to the CG.

b. The CG also needs periodic independent external assessments of the overall scientific quality and effectiveness of each Center, and of the continuing need for its work, with special emphasis on the need to ensure that activities are not continued longer than necessary, and that activities of lower priority are replaced by those of higher priority. Such assessments are not appropriate on an annual basis, but should be scheduled no less frequently than every five years. Such assessments are equally needed by the Centers themselves, and it is the practice of the Centers to organize them (sometimes separately for major segments of the research program, rather than for a Center as a whole). The CG looks to the TAC to assure that such periodic external assessments are made; it would seem feasible for the TAC to meet its responsibilities in most cases by (1) assuring itself that the Center's own assessment process is adequate, and (2) participating in the Center's assessment process by mutual agreement with the Center's Director. If the TAC considers it necessary, it can lay on a special assessment process separate from that organized by the Center for its own purposes.

We recommend that (1) the TAC and the Centers develop an agreed forward schedule and agreed standards and methods for conducting such periodic external scientific assessments; (2) the TAC adopt a regular procedure for participating in such assessments, reviewing their results, making any independent assessments it may consider necessary, and reporting its judgments to the CG.

We recognize that meeting these requirements will place increased demands on the TAC in terms of professional talent, time, and resources.

3. With regard to Requirement 1-c above, the sub-committee feels on somewhat less secure ground, and believes that some experimentation will be necessary. It is clear that the CG needs the results of an external independent budget and financial review of each Center each year (as long as budgeting and financing are handled by the CG on an annual basis). We think the logical locus of responsibility for making such a review is the Secretariat of the CG. The review should be based on all information available in annual reports, budgets, etc. It should focus on the relationship of program to expenditures, examining for the last completed year the extent to which actual manpower and costs of program components have differed from those budgeted, and for the future examining the relationship of the proposed distribution of expenditures to stated program goals and priorities and distinguishing real program increases from cost increases resulting from salary changes, inflation, and currency revaluations. Discussion of real program increases should distinguish new program components from expansion of existing programs. The review should reach judgments on the extent to which proposed budget costs are reasonable and result in a tight but workable financial plan, and should identify weaknesses and issues concerning the budget which should be brought to the attention of the CG. It is clear that the better the annual programming and budgeting process of each Center is, the simpler and easier it will be to conduct a useful annual review on behalf of the CG. There is also a question of timing which leads the sub-committee to suggest that Center budgets should be made available at

least in preliminary draft form each year no later than March 31, so that reviews on behalf of the CG can be completed well in advance of Centers Week at the beginning of August.

We recommend that (1) the Centers be asked to submit preliminary draft budgets to the CG no later than March 31st; (2) the Secretariat of the CG conduct a continuing process of advice and technical assistance intended to help the Centers improve their processes for programming and budgeting; and (3) the Secretariat of the CG conduct annual reviews of the financial statements and program/budget proposals of each Center. The Secretariat reports should be discussed in draft form with Center Directors while the Centers are continuing to review and revise their own draft proposed program and budget submissions. When the Centers have finished such submissions, the Secretariat should complete its reports which would be circulated to CG members in advance of Centers' Week, along with any comments the Directors wish to make on the reviews of their institutions.

4. With regard to Requirement 2 above, the sub-committee finds itself on even more uncertain ground. We think the need of the CG is unmistakable for a single analytical paper, prepared annually in advance of Centers' Week, which sets out the best available information on the global financial requirements and availabilities for ongoing and proposed programs for some years to come, and identifies issues which the CG should address. We think it is clear that the paper should be prepared by the Secretariat of the CG, drawing on information and advice from Center submissions, TAC program reviews, Secretariat financial and budget reviews, and other sources. We consider that it will be

necessary to move in this direction step by step; to begin with, for example, the paper may not be able to say much about future availabilities of financial resources. Moreover, progress in preparing such an analytical paper may be slow since it will place substantially increased demands on the Secretariat in terms of professional talent, time, and resources. The important first step is to recognize the need and place responsibility for meeting it.

We recommend that the Secretariat of the CG prepare each year, in advance of Centers' Week, an integrative paper placing in a single framework the existing programs for which the CG has accepted responsibility and any proposed programs which are under consideration, projecting financial costs and availabilities for several years into the future, and identifying program and financial issues which should be addressed by the CG. We suggest that the paper be prepared in draft form for Centers' Week, and revised and brought up to date prior to the CG meeting in November.

(The sub-committee has noted the probability that in the future the CG will need periodically - perhaps every five years - an overall assessment of the usefulness, accomplishments, and deficiencies of the system of Centers in the context of the worldwide problems to which the Centers' work is addressed. Such an overall assessment should presumably be prepared by, or commissioned by, the TAC. In view of the more immediate needs addressed in the present report, and the amount of work needed to meet them, it seems best to defer for the time being consideration of this additional requirement.)