

CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

**REPORT
OF THE
EXTERNAL MANAGEMENT REVIEW
OF
THE INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE**

Panel Members:

Michael Arnold (Chairman)

John Dearden

**Consultative Group on International Agricultural Research Secretariat
September 1984**

CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

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September 12, 1984

Mr. S. Shahid Husain
Chairman
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Dear Mr. Husain:

It is my pleasure to submit to you for consideration of the Group the report on the first external management review (EMR) on the International Food Policy Research Institute (IFPRI). This is the fifth management review conducted within the CGIAR and was held concurrently with the external program review of IFPRI.

The Group owes a debt to the board of trustees, the director and the staff of IFPRI for their cooperation and assistance in conducting the two reviews. Particular debt is also owed to Dr. Michael Arnold and Professor John Dearden who constituted the EMR panel.

The EMR panel has conducted a comprehensive and detailed assessment of management at IFPRI. In carrying out its review the EMR panel has worked closely with the EPR panel, and the conclusions and recommendations of the two panels by and large reinforce each other.

The overall impression of the panel about management at IFPRI is very positive. A number of factors have contributed to IFPRI's management effectiveness: a positive relationship between the board and the director; strong leadership; high caliber and well-motivated staff; an informal management style appropriate for the institute's size, purpose and stage of development; and excellent systems for accounting, reporting, financial analysis and internal control. IFPRI should be commended for these and the many other achievements noted in the report.

The panel's recommendations focus mainly on strengthening three aspects of IFPRI's management:

- (1) organizational structure;
- (2) management of human resources; and
- (3) management of financial resources.

On organizational structure, the panel concludes that there is a growing need for greater delegation of authority and responsibility from the director, who has a heavy research, managerial and administrative burden, towards other managers in the institute. To accomplish this, the panel proposes the reestablishment of the post of deputy director, establishment of a management group and a research, appointments and promotions committee, and gradual delegation of responsibility for budgetary control to program directors who wish to accept such responsibility. Under the scenario proposed by the panel, the deputy director would be responsible for coordinating matters relating to the administration of research and for overseeing all support services for research.

On management of human resources the panel recommends the introduction of more systematic performance appraisal reviews and establishing policies that address the concerns of research assistants. It also encourages senior IFPRI staff to participate in management training programs and suggests that more consultation and greater visibility are needed in the processes leading to the selection and appointment of senior research staff.

In the financial management area the panel strongly emphasizes the need to improve core funding and cash flow--by increasing the number of donors contributing to its core program, by increasing its working capital, and by adopting a more conservative financial strategy in the future. The panel also illustrates the extent of IFPRI's dependence on special project funds, which in one research program have reached sixty percent of total direct costs in 1983.

The board and the management of IFPRI have been extremely receptive to the suggestions of the review panel. The board's response to the program and management reviews, which are attached, show that IFPRI has already set in motion the actions necessary for implementing most of the EMR panel's recommendations. For this, the institute's board and management should be commended.

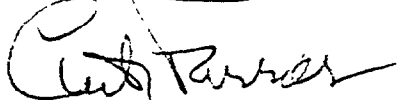
In the consideration of both the program and management reviews, and of the budget for IFPRI in 1985, the TAC came to the conclusion that it would recommend increases in IFPRI's budget sufficient to overcome the funding crunch to which both reviews call attention. That program, if funded, includes provision for increasing working capital. In these discussions, the CG secretariat undertook, provided that IFPRI showed a real commitment to the building up of working capital, to use the financing facility of the World Bank to make up for short run liquidity problems in the meantime. We have since met with IFPRI management on this topic and have reached an agreement on an overall approach, under which the Bank will lend funds to IFPRI on a more flexible basis than is usual, and IFPRI will in turn share with the secretariat its financial plans and particularly the actions it intends to take to build up working capital.

In conclusion, we recommend that the Group take the following action in connection with the EMR of IFPRI:

- (1) commend the board and management of IFPRI for their past achievements in building a well-managed institute and for their prompt actions in response to the recommendations of the EMR panel; and
- (2) recommends to the Group to take account of IFPRI's need to build up working capital, as well as to increase its core program, in decisions concerning funding over the coming years.

The IFPRI management review report clearly shows that as a research organization grows, it needs to continuously adjust its management philosophy and system to the changing circumstances. IFPRI has done this successfully in the past, and, in part prompted by this review, plans to do so in the future. With such a positive attitude IFPRI should continue to be a well-managed institute.

Sincerely yours,



Curtis Farrar
Executive Secretary
CGIAR Secretariat

SO:PG:pml

Attachments

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Response of the Board of the Trustees
of the
International Food Policy Research Institute
to the External Program and Management Reviews

The Board of Trustees was most gratified by the extraordinarily high quality of the External Program Review and Management Review Teams, their dedication to the complex task they faced, and the thoroughness of the review they conducted. In particular we are thankful for their willingness to participate in the long and arduous visits to a wide range of field sites in Asia and Africa. We also note the timing of the Reviews is propitious in terms of the stage of development and receptivity of the Institute.

The Board of Trustees is now responding briefly and broadly to the reviews as the first round in a continuing dialogue on these issues with the Technical Advisory Committee and the donor communities. This response deals not only with the substance of the reports but purposefully underlines IFPRI's current extremely difficult financial condition, the relation of this condition to the findings of the review teams, and the additional financial requirements necessary to preserve the achievements lauded by the review teams and to make the additional progress called for in the reviews.

Succinctly, the current financial problem is to support an uneconomically small core senior research staff with an excessively large proportion of special project funding. The basic need is to enlarge the core senior research staff by four persons and to provide support for them. It is clear from the Management Review that the Institute is in danger of severe retrogression without a substantial increase in core support in 1985. We emphasize that this situation has arisen from the need for IFPRI, as for any new institution, to grow until it reaches its minimum viable size. IFPRI has managed to do so through a level of special project funding, which is now recognized to be unsustainable.

The Board is gratified that the External Program Review clearly states the sharp focus of IFPRI's research and its substantial emphasis on both production and equity aspects. It also points to the process of interactions of the members of the Board of Trustees, the management staff, the research staff, and the user community in setting specific research priorities. The Board also welcomes the team's analysis of the geographic composition of IFPRI's research program and the recommendation that IFPRI's current efforts on Africa of less than 10 percent of IFPRI's total effort be increased to nearly 30 percent, while cautioning that there be no further reduction in the work on South Asia, given the low cost of research and the immensity of the food and poverty problems in that region. Further, the Board welcomes the team's understanding of the complexities and subtleties of IFPRI's outreach to and impact on policy processes, and it welcomes the team's proposal that the Institute prepare a biennial institute report for the CGIAR reflecting the state of food and agriculture as it pertains to the system's mandate.

The Program Review Team has made a set of recommendations that in effect call for a broadening of IFPRI's focus and approach. The Board fully recognizes the importance of the interaction of the set of issues to be accompanied by the broadening of approach. In response it expresses the following concerns and cautions:

1. IFPRI's current clear focus has been developed slowly and carefully to fit not only the exigencies of the food and poverty problems of developing nations but the special implications of IFPRI's presence in the CGIAR and the tightness of funding to the system as a whole. The Board therefore:

- a) is concerned that a sense of urgency be preserved concerning the critical role of accelerating growth in food production in developing countries in meeting the income, consumption, and nutritional needs of the poorest people in those countries. In view of the special emphasis on poor people in IFPRI's mandate, the Board reiterates the need for research on the relation between agricultural growth and the growth in employment and incomes of poor people. The core of that work, in which IFPRI has been particularly innovative, needs further strengthening and broadening;

- b) wishes to emphasize the vital role of IFPRI's credibility in maintaining the rigorous analytical approach for which it was complimented by the External Program Review Team. It is important that IFPRI not be interventionist, but rather that it play its role by adding to knowledge and bringing its findings to the attention of policy-makers and analysts in an unbiased manner.

2. The Board welcomes the suggestions for broadening the focus of the six questions around which the research projects are organized but, again, is concerned that the present tight focus not be lost.

3. The Board welcomes the suggestions for broadening IFPRI's approach through staff additions assuming that IFPRI's strategic focus is retained and the financial implications are considered. The Board wishes to draw attention to the urgency of additions to the CG core budget in order to maintain the existing integrated program. Thus, the broadening of its disciplinary bases, the further outposting of staff, the strengthening of work in Africa and on fertilizer, and the development of the strategy work are all presented as broadening and strengthening efforts to be built on existing operations that themselves cannot be maintained without added funds. Both the External Program Review and the Management Review clearly state how extremely fragile and unstable IFPRI's core research program is at the present level of core financing.

The Program Review Team made specific recommendations concerning IFPRI's research program. The Board concurs with these recommendations as follows:

1. The broad concept of a program concerned with development strategy issues as they arise from and relate to food policy will add emphasis to an area we recognize to be important and will be advantageous from a management standpoint. The role this effort will have in defining the rest of IFPRI's research program is increasingly vital. How this area is to be defined is a complex and important issue, and the Board looks forward to tackling this issue itself and through its interactions with the TAC, the donors, the developing countries, and IFPRI staff. The Board recognizes that any further expansion and articulation of this work must be from its present well-defined focus and that the relation of this work to each of the other programs must also be taken into account. The Board wishes to take under advisement a title for this program, recognizing that too broad a title may lead to diffusion of the focus.

2. The Board concurs with the suggestion of a change in name and focus for IFPRI's Food Trends Analysis Program. It has requested the Director begin to explore such a shift with the various other interested parties.

3. The Board fully concurs in the team's urging that the work of the International Food Trade and Food Security Program be more visible including its explicit inclusion in the six questions.

4. It is urgent that the work on fertilizer policy be strengthened.

5. The Board shares the concern of the team about the high proportion of core research conducted in the Food Consumption and Nutrition Policy Program that is financed from special project funds, but views this as part of the larger problem of the need to reduce special project financing of core research from one third of the budget to a maximum of 25 percent. It notes that to address the recommendation and concern of the Review, this requires increased core financing.

The bulk of the recommendations of the Management Review are so clearly in order that the Board has fully concurred that the Director proceed as quickly as possible in implementing them. In particular the Board has requested the designation of a more explicit management committee and its attention to personnel, staffing, and performance appraisal. The Director will report regularly to the Board on the implementation of these various recommendations.

Many of the Management Review Team's recommendations documented the weak financial base of the Institute, which has been a continuing concern of the Board. Earlier the Board had expressed its reservation about leaving the position of Deputy Director vacant, but felt it necessary to do so because of the even greater urgency of maintaining the research program. The team's articulation of the role of a Deputy Director is very helpful and reinforces the Board's view of the need for such a person.

Even more serious is the problem of working capital. The team's documentation of the problem is welcomed. The stated need for more capital equipment in the Information Services and Computer Services and administrative areas as well as the observation of the cramped space for the staff and its activities are valuable to the Board, which will take action as soon as finances permit.

Finally, the Board feels reinforced in its concern for the high level of special project funding, especially for key core programs. This, however, cannot be dealt with except through a substantial increase in core funding.

We look forward to a continuation of the high level of immensely valuable and constructive dialogue, and IFPRI's evolution to a stabilized position as a productive member of the CG system.

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ACKNOWLEDGMENTS

The Panel was greatly helped in its work by the friendly reception and unstinting assistance accorded to it by the Director of IFPRI and its staff at all levels. The thorough preparation for the Review, undertaken by the Institute, was clearly reflected in the high quality of the briefing documents and the excellence of the field trips organized prior to the main review.

The Panel was assisted by Selcuk Ozgediz of the CGIAR Secretariat whose thoughtful guidance was always at hand. We are especially grateful to Marian Cole of IFPRI who so ably coped with the word processing for all drafts of the report.

SUMMARY

The Management Review Panel has concerned itself with the working relationships, procedures and resources that enable IFPRI to function as an effective research institute. We have looked at the mechanisms used to determine its aims and strategies; the control over its affairs exercised by the Board of Trustees; the Institute's organizational structure and its methods for defining responsibilities; and the efficiency of its management of human and financial resources.

In general, we have concluded that the IFPRI staff at all levels are highly motivated, that they benefit from working as a closely-integrated international team, that they are well led and that the style of management is appropriate for the Institute's size, purpose and stage of development.

Our suggestions and recommendations are made with a view to strengthening the mechanisms for internal review and communication that we consider essential to ensure that the productive working environment is not gradually eroded as the Institute matures.

Mandate and Strategies

We have looked at the ways in which the mandate and strategies were determined and are kept under review. We were able to observe some of the processes involved at the level of the Board and at the level of the Institute. We conclude that the Institute is doing all that can reasonably be expected of it in order to take into account the wide range of ideas and circumstances that affect its research strategies; to communicate its conclusions to the developing countries; and to obtain feedback from them.

We have noted the steps that IFPRI is taking to foster good relations with other institutions both within the CGIAR system and outside it. There is obviously more to be done in these areas but the main requirement is for the time that it takes for the necessary process of evolution. Consequently, we see no need for mechanisms that are additional to those already in place or projected for the future, such as joint meetings, seminars, conferences and all the informal interaction that develop from them.

Board of Trustees

As far as the Board of Trustees is concerned, we consider that the Board has served the Institute very well. In general, we detected a strong and positive relationship between the Board and the Director,

and adequate interaction between the members of the Board and the senior research staff. The way in which the Board functions, as well as the minutes of meetings, show that the Board gives clear guidance to the Institute on strategies for both research and finance; and that it maintains an appropriate distance from the Institute, in that its members do not become involved in the day-to-day affairs of the Institute. The length of service of individual trustees is kept under review by the Board.

Organizational Structure

The present organizational structure of IFPRI has been arrived at through a process of evolution and is not a particularly unusual structure for small research institutes. It involves a complex matrix of informal working relationships that are highly dependent on personal initiative and goodwill. The basic organizational structure of four programs and six support services is supplemented by numerous loosely-defined groupings running across the main structure. The horizontal groupings do not relate directly to IFPRI's six research questions, but are influenced by them in that the questions determine the types of research project that are undertaken.

In our opinion, the close working relationships within the Institute largely obviate the need for many of the more formal procedures that are normal in larger institutions. Nonetheless, we detect areas where we consider that responsibilities are inadequately defined and areas where workloads are likely to become too great. Consequently, we see a need to move gradually towards a somewhat more systematic approach to communication, coordination and the definition of responsibilities.

Management of Human Resources

In the management of human resources, for example, we detected areas where there are gaps in the procedures which, if not corrected, might lead to discontent or frustration in the future. Our main recommendation is that performance appraisal reviews be introduced into the management procedures of IFPRI and that they should cover all staff up to and including the senior research staff. It is clear that many of the staff are not familiar with the concept of performance appraisal and confuse it with the process of annual evaluation for purposes of promotion.

The more systematic and analytical approach to job satisfaction and efficiency that is introduced by performance appraisal is not very demanding in time, but represents a safety net for catching minor deficiencies in management before they develop into major ones. Before performance appraisal can be introduced, however, it would be necessary to familiarize the staff with the concepts and to arrange training for all appraisers. We have made suggestions along these lines, in the general context of involving some of the senior staff more gen-

erally in management training such as in the seminars on management issues planned by the CGIAR Secretariat. The fact that not many deficiencies have arisen in the present informal system of management is reflected in the generally high motivation and job satisfaction of the staff, although there were a few exceptions, notably among the research assistants.

We detected a need for more consultation and greater visibility in the processes leading to the selection and appointment of senior research staff, although we consider that the final responsibility for their appointment should remain with the director. Concerning the terms of appointment for senior staff, we have cautioned against moving too rapidly into offering indefinite terms of appointment to senior research staff. We recognize the need for continuity, but this has to be balanced against the need for change, and we consider that the present arrangements are appropriate having regard to the stage of the Institute's development.

We consider that the concerns of research assistants should be kept under review and we recommend that the Deputy Director be assigned responsibility for dealing with problems related to research assistants and for establishing policies for guiding and administering them.

Management of Financial Resources

Regarding financial management, the routine procedures for accounting, reporting, analysis and internal control are excellent. Nonetheless we have drawn attention to cash management in relation to excess of expenditure over income; we have commented on the budgetary process and on the costing of special projects.

Regarding cash management, steps have to be taken to improve cash flow and to prevent the large shortfalls that occur at certain times of the year. The position of IFPRI is different from that at most other CGIAR institutions in that it does not have capital reserves on which to draw in times of difficulty. This disadvantage should be recognized by the CGIAR. We accept that some risk-taking, with regard to core funding, has been necessary during the development of the Institute to its present stage, but we consider that a somewhat more conservative policy should be adopted in future.

The Institute needs the greater stability and security of funding that would arise from having more donors willing to contribute to its core funding, and by having reasonable reserves of working capital. It should therefore augment its efforts to attract new donors and give higher priority to increasing its working capital.

Regarding the budgetary process and control of expenditure we consider that the Institute must move gradually towards decentralizing the research budgets, at least to the Program level. Because heavy involvement of the Program Directors in administrative matters would

detract from the productive working environment, we recommend that responsibility for administering the core budget for research be assigned to the Deputy Director and that, at his discretion, he further delegate responsibility for budgetary control to those program directors who wish to accept such responsibility. As far as special projects are concerned, the problems are different and our comments relate to the assignment of overhead costs and the effect that this can have on core funding.

Support Services

We looked at the support services for research and administration. These are all working efficiently and are highly praised by the research staff. As far as the research support is concerned, there are some problems of priority of work that are not at all unusual on research stations. They are particularly important in relation to services such as computing. We consider that the coordination of work of the support services for research, and the resolution of competing demands from research staff, should be primarily the responsibility of the Deputy Director. For this reason we consider that the Heads of the support services for research should report to the Deputy Director, not to the Director as at present. Otherwise we have generally endorsed the suggestions made by the staff themselves. Thus we recommend that IFPRI employ a consultant to review the Institute's requirements for computing facilities and information technology and that meeting these needs should be accorded high priority in the internal allocation of resources. We also recommend that IFPRI formulate a procedure for approving and reviewing its operating manuals and ensuring that they are made available as soon as possible.

Future Management of the Institute

Finally, we consider the overall management of the Institute and the implications of our proposals for the Institute as a whole. Although, in general, we endorse the informal style of management and we certainly do not want to disrupt the healthy and productive working environment, we have detected two trends that should be averted. One is that the Director is progressively being overloaded by involvement in the day-to-day management of the Institute. The other is that the Associate Director for Finance and Administration is progressively being drawn into research matters that should not be her primary concern.

We see two clear alternative ways of arresting these undesirable trends: one is to delegate far more authority and responsibility to the Program Directors; the other is to strengthen central management by re-installing a Deputy Director.

Because the Program Directors see themselves as research workers, not as administrators, and because everyone is anxious to preserve the basic style of management, we favour the second of these alternatives

rather than the first and recommend that the organizational structure be amended so that the heads of the support services for research report to the Deputy Director and that his or her responsibilities be re-defined to include a strong coordinating role in all matters relating to the administration of research and related activities.

We see the Deputy Director as being a professional researcher in his own right, with an involvement in the research of the Institute, but whose primary responsibility would be to assist in the central administration of the Institute as part of a central management group, comprising the Director, the Deputy Director and the Director for Finance and Administration.

We also consider that a modest degree of formality should be introduced into the administration and recommend that the Director's Advisory Committee be renamed the Research, Appointments and Promotion Committee and that it should operate on a more formal basis to resolve issues relating to research and the management of human resources.

INTRODUCTION

This report summarizes the findings and the recommendations of the CGIAR External Management Review Panel of the International Food Policy Research Institute (IFPRI) in Washington, D.C. The External Management Review (EMR) was carried out during March 26 - April 6, 1984, concurrently with the External Program Review (EPR) of IFPRI. As the two Panels have worked closely throughout the review, the two reports are complementary. Both should be read for gaining an understanding of the effectiveness of IFPRI's research program and of its management.

Management reviews of CGIAR centers are still at an experimental stage. Following the reviews of CIP, IITA, WARDA and CIAT, this is the fifth management review conducted in a period of little over a year. Consequently, an important outcome of the review has been knowledge gained on ways of improving the methods of conducting management reviews of the institutions within the CGIAR system. This knowledge is being communicated to the CGIAR Secretariat separately.

As in previous reviews, the management review of IFPRI attempted to achieve the following board aims:*

- (a) to provide IFPRI's Board and management with insights into the management effectiveness of the Institute and ways of improving the effectiveness and the efficiency of the Institute's operations;
- (b) to provide the Group with information on the management effectiveness of IFPRI and on problem areas that need to be addressed;
- (c) to ascertain whether IFPRI's management is receptive to change and whether the administrative, financial and other management systems are designed and operating efficiently and in ways that enable the Institute's management to monitor progress, discover weaknesses and introduce corrective action;
- (d) to identify management practices at IFPRI that may have broader application in the system; and

*As outlined in "Guidelines for the Conduct of Management Reviews of the International Agricultural Research Centers," CGIAR Secretariat, July 1983.

- (e) to identify elements or circumstances that have important positive or negative influences on IFPRI's efficiency and, where appropriate, to suggest constructive change.

In meeting these requirements, the Panel has limited its review mainly to the examination of the specific questions compiled by the CGIAR Secretariat in "List of Issues -- IFPRI External Management Review" (see Annex 1). The structure of the report is broadly related to the topics outlined in the List of Issues.

For the reader unfamiliar with IFPRI and its operations a descriptive summary is provided at the beginning of Chapter 1. The annexes contain biographical information on the panel members (Annex 2), the itineraries of the panel members (Annex 3), and a list of individuals interviewed (Annex 4).

CHAPTER 1.

IFPRI'S MANDATE AND STRATEGIES: THEIR FORMULATION AND REVIEW

Background

IFPRI was established in 1975 following discussions within the CGIAR. Funded initially by three non-governmental donors (the IDRC, the Ford Foundation and the Rockefeller Foundation), its primary purpose was to do work in those areas of socio-economic research that were beyond the scope of other CGIAR institutions. Two important areas of work were identified:

- (i) the analysis of world data on food and
- (ii) research on governmental policies affecting the availability of food in developing countries, particularly its availability to the poorest people.

In identifying these gaps in existing work, the founders of IFPRI stressed the need for objective reporting, unaffected by those political considerations that influenced the conclusions of other organizations doing similar work. The output of IFPRI was seen as a potentially valuable source of knowledge for those who formulate policies in developing countries.

By 1978 the Institute had assembled a professional staff of 21 and, on the basis of the "undiminished need for independent review and analysis of critical issues related to world food policy," it was accorded full sponsorship by the CGIAR. Its current mandate, which was approved by the Board in 1980, emphasizes its role in analyzing the effects of different policies on the availability of food, especially in relation to the needs of the poor and the alleviation of malnutrition. It describes the types of research required to fulfil this mandate, the strategies necessary to disseminate the research findings, and the contribution the Institute can make to training. The evolution of the mandate and strategies of IFPRI are described fully in the Report of the External Program Review (Chapter 2).

Research at IFPRI is administered through four "programs" or departments each related to food policy and concerned respectively with:

- (i) trends,
- (ii) production and development,
- (iii) consumption and nutrition, and

- (iv) trade and security.

Each of these "disciplines" requires specialist expertise, but most of the questions that arise in food policy require inputs from more than one of them. Accordingly, the research strategy has been guided by six questions that relate to:

- (i) the rapid growth in imports of food in the developing countries,
- (ii) the policies needed to encourage technological change,
- (iii) the incentives needed to achieve growth and equity simultaneously,
- (iv) the relative weights that should be given to different agricultural commodities,
- (v) the policies needed to alleviate rural poverty, and
- (vi) the strategies required for greater security of food supply to the world's poorest people.

Selective intensification of research related to some of these six questions forms the basis of IFPRI's development plan for the 1980s, "Looking Ahead." It projects an increase in professional staff from 21 to 25 by 1986, with corresponding increases in funding for salaries, but minimal increases in the cost of overheads.

The plan predicts that IFPRI's research will assist policy-makers by providing:

- (i) a basis for predicting rapid increases in imports of food and for estimating their composition;
- (ii) guidelines for allocating resources to agricultural research among competing commodities;
- (iii) policies for stocks of fertilizer and its supply, taking into account the needs of new technology in relation to faster rates of growth;
- (iv) policies for improving the nutrition of rural people when the application of new technology leads to greater commerce in agriculture and consequent increase in exports;
- (v) a basis for comparing the effects of high-yielding varieties on the alleviation of poverty, under irrigated and dry land conditions; and
- (vi) policies for ensuring access to food, by both the urban and rural poor, that include rules for subsidizing food and for initiating schemes of rural employment, in circumstances that foster the application of new technology to food production.

These major aims, and the strategies designed to fulfill them, are formulated and kept under constant review through collective discussion, involving the research staff, the Director and the Board.

Observations

IFPRI's mandate and research strategies are clearly understood by its staff and enthusiastically supported by those policy-makers whom the Panel met in the developing countries. IFPRI has reached the stage where it is beginning to receive wide recognition for research of high quality that is relevant to the immediate needs of developing countries.

Its strengths are perceived primarily as:

- (i) its independence, in that it is not directly influenced by governmental pressures,
- (ii) the relevance of its work, in that its research projects are sharply focussed on the needs of developing countries, and
- (iii) the strength and motivation of its staff that arise from combining, in a single international group, individuals with a wide range of expertise and experience.

IFPRI also has opportunities for working in close association with researchers at other CGIAR institutions. No other research institution currently working on problems of food policy can muster a comparable combination of desirable attributes.

The process of collective discussion through which IFPRI's strategies are formulated is vigorous and dynamic. The strong consensus that is developed is seen as a self-regulating mechanism on staff who might otherwise allow their personal interests to deflect their research from IFPRI's central purpose.

The mechanisms used for defining strategies are also used to provide feed-back from developing countries. Careful thought is given to selecting members of the Board as well as individuals who are invited to attend conferences and workshops, so that a wide range of opinions from developing countries is continuously sampled. Moreover, the Institute makes good use of its location in Washington and the opportunities this provides for interacting with international personalities in relevant fields of work, both those resident in the various institutions in Washington and those on short-term assignments or visits.

Research proposals and findings are exposed to debate and criticism before initiation or publication, through internal seminars to which external specialists are invited. These seminars, the external seminars organized by IFPRI in the developing countries and the numerous other conferences, seminars and workshops in which the research

staff participate, all provide mechanisms whereby IFPRI remains sensitive to changing perceptions and research requirements. In addition, preparation for the External Program Review and participation in discussion with its panel members has enabled the staff to check and modify their insights into the problems they are tackling. Consequently, IFPRI's long-range plan is seen as a forward projection of current thinking, rather than as a project plan that must be rigidly adhered to.

Evaluation and Conclusions

The Panel noted the complexity of the problems that IFPRI is tackling and their wide-ranging implications for policies affecting the availability of food to poor people in the developing countries. Having regard to the Institute's size and available resources, there is a limit to the extent to which it can reinforce its efforts to maintain the relevance and focus of its strategies. Against this background, the Panel commends IFPRI for the ways in which it remains alert to the problems it seeks to elucidate. As IFPRI gains in stature, however, it must guard against the danger of becoming authoritarian in its approach and must continue to ensure that it is a good listener as well as a good counsellor. One way of widening its contacts might be to exchange information on its programs for internal seminars with other institutions which are involved in similar and related fields of research, both outside and within the CGIAR system.

The Panel considered the question of the possible conflict of interest between IFPRI and other institutions working in similar fields of research. The management aspects of these relationships are concerned with the mechanisms used to encourage desirable interaction and those that might be necessary to identify and clarify possible areas of conflict, and hence to avoid their undesirable consequences.

From the limited ways in which the Panel could study the relationships between IFPRI and other institutions, we conclude that additional mechanisms are not required. The development of a new institute, such as IFPRI, is inevitably viewed by the staff of other institutions with some concern, in that they fear that the new institute may encroach on their perceived territory. Some misunderstanding is likely to arise until the benefits of co-operation override the fears of conflict. The Panel was told of some problems of this nature that had arisen in the past, but relationships are steadily improving and several areas of strong co-operation were described to the team.

Regarding relationships with other institutions within the CGIAR system, active co-operation is clearly strongest with IRRI, where an IFPRI member of staff is posted to the region. This mechanism is successful and economical partly because food policy in the ASEAN countries is dominated by rice. Posting of IFPRI staff to other regions, partly as a means of fostering closer co-operation with CGIAR institutes, is likely to be less cost-effective because of the greater

diversity of issues relating to food policy. It could not be contemplated without a substantial increase in IFPRI staff.

Although the Board and the Director are fully receptive to the need for greater cooperation with other CGIAR institutions, the reality is that the level of cooperation, as perceived by the staff themselves, has not yet developed very far. This comment applies, to a greater or lesser extent, not just to the IFPRI staff but to all staff in the CGIAR system. It arises both from the different roles of IFPRI and the other institutes, as well as from the different staff in the government services of the developing countries with whom the various CGIAR institutions wish to cooperate.

The Panel considers that relationships will continue to develop through an evolutionary process that is fostered by bringing together CGIAR staff to discuss issues of mutual concern. Some good examples of this process are provided by recent and proposed meetings. In March, 1984, IFPRI organized a workshop at ILCA on International Agricultural Research and Human Nutrition to which representatives from all the CGIAR institutions were invited. Delegates consisted of an approximately equal mix of social scientists and biologists. This workshop is to be followed by an IFPRI paper to be discussed with the Centre Directors at their meeting in June, 1984, with a view to transmitting a document for discussion by TAC. Other meetings are planned, such as an informal meeting at IFPRI of the CGIAR economists who will be visiting Washington in April, 1984, in connection with the CGIAR Impact Study. These types of meeting should assist IFPRI to clarify where greater cooperation is needed and to plan its work and the distribution of its staff accordingly. The Panel commends IFPRI for the action it is taking to strengthen cooperation with other CGIAR institutions.

CHAPTER 2.

THE BOARD OF TRUSTEES

Background

The IFPRI Board of Trustees comprises 16 members, including the Director of the Institute who is appointed ex officio. One member is nominated by the host country and eight are appointed by the CGIAR. The remainder are elected by a majority of the Board. The unusual feature of the appointment of Board members, compared with other CGIAR institutions, is the large number appointed by the CGIAR itself. This proportion of 50 percent is necessary to fulfil the requirements under legislation in the USA for recognition of the Institute as a "Public International Organization Entitled to Enjoy Privileges, Exemptions and Immunities."

Members of the Board are chosen from a wide range of disciplines and countries. In addition to the social sciences, the biological sciences are also strongly represented. Half the members traditionally come from the developing countries and are chosen primarily for the contribution they can make to the discussion of issues relating to food policy. Typically, they hold high office in their home countries and are consequently limited in the amount of extra time they can devote to IFPRI business, over and above their attendance at meetings. Partly for that reason, the Board has concerned itself more with matters relating to programs than to administration. Indeed, IFPRI is the only CGIAR institute in which the whole Board functions as the Program Committee.

The Board meets twice a year. The February meeting, devoted mainly to program matters, is held in a developing country and is preceded by visits and meetings aimed at facilitating interaction between members of the Board and policy-makers in the host country. The annual general meeting of the Board is usually held in Washington in September.

The administration of IFPRI is monitored by the Board's Executive, Finance and Audit Committee which usually meets twice a year in association with the Board meetings. There is also a Nominating Committee and, since 1983, a Development Committee. These committees meet once a year in conjunction with the September meeting of the Board.

The Development Committee was established to "review IFPRI's relationship to its constituency and funding sources, and to foster interaction with the donor community. Particular emphasis would be placed on interaction with its European constituency." The committee

is to function for two years initially, after which its continuation will be reviewed.

The Bylaws of the Institute prescribe that trustees shall hold office for three years. This statement is not amplified or qualified, however, so that trustees may be re-elected and hold office indefinitely.

Observations and Conclusions

From observation of one program meeting and study of the minutes of previous meetings, the Panel considers that discussion of program matters by the Board, though wide ranging, is sufficiently focussed to give strong guidance to the determination of strategies. For example, the Board had a substantial input into the formulation of the long-range plan. Moreover, its interaction with Program Directors and research fellows is vigorous and constructive. The meetings convened in developing countries enable members to gain a wider perspective of food policy issues and are regarded as extremely valuable. The practice of holding Board meetings in different developing countries is one that other Boards in the CGIAR system might consider, even though the costs of traveling would prevent large numbers of research staff from attending.

Discussion with members of the Board, and inspection of the minutes, suggest that financial and administrative matters are discussed fully by the Executive, Finance and Audit Committee before being presented to the full Board for further discussion. The Chairman of the Committee visits the Institute when meetings are held in Washington and communicates by telephone at other times. His appointment as Treasurer of the Institute was adopted by the Board in order to emphasize his availability to the Institute.

The current financial position is reported regularly to the Board and quarterly to the Executive, Finance and Audit Committee by the Director, with full supporting documents. The Board adopts contingency plans for possible short-falls in funding and determines deadlines for implementing fall-back positions, should these become necessary.

Deficiencies in core-funding have forced the Board to accept a relatively high proportion of funding by special projects. Members are aware of the imbalance that funding through special projects has caused to its perception of the optimum balance of programs. The imbalance is particularly noticeable in the high proportion of extra-core funding allocated to the Consumption Program. (These issues are discussed fully in the Report of the Program Review.) The Board considers that the position can be satisfactorily resolved only through the allocation of greater core-funding.

Although from a somewhat limited study of the minutes the Panel did not detect any gaps in communication between the Institute and the Board on financial matters, we consider that the Board should review whether it would be reasonable to expect the Chairman of the Execu-

tive, Finance and Audit Committee to visit the Institute more frequently in his capacity as Treasurer. In this connection the Board might wish to review the honoraria payable to its key officers in relation to the tasks expected of them, following the guidelines outlined in the draft paper prepared for the CGIAR Secretariat entitled: "Rules, Relationships and Responsibilities of Trustees of International Agricultural Research Centres." It might also wish to formulate guidelines for those who hold responsibilities, such as those of Treasurer, in future years.

The Board attaches great importance to the work of its Nominating Committee in identifying and attracting new Board members of high calibre. In considering the CGIAR guidelines for the term of office of Board members, the IFPRI Board has concluded that the advantages of continuity of membership may sometimes outweigh those of restricting members strictly to two, three-year terms of office. Consequently, the Board prefers to retain flexibility on this issue.

Table 2.1 lists the members since 1975, shows their country of origin, length of service and the composition of the various committees. It is clear that the Board has achieved a very reasonable balance between the need for continuity and the need for change in its composition. Nonetheless, in the light of the Report of the Second Review of the CGIAR, it would be prudent for the Board to keep this issue under review.

Minutes of meetings of the Board and its committees were made available to the Panel. They are comprehensive, clearly written and, with respect at least to the meeting in February, 1984, produced promptly.

The Board is very conscious of the need to widen its constituency of support. In this connection, the invitation extended to members of the CGIAR to attend a "visitors' day" preceding the Board meeting held in Washington in September, 1983, was valuable. Staff from African embassies in Washington were also invited and the main purpose was to discuss the outcome of a seminar held in Zimbabwe and co-sponsored by IFPRI and the University of Zimbabwe. The seminar formed part of a special project funded by the UNDP and the Government of the Netherlands and was entitled: "Accelerating Agricultural Growth in Sub-Saharan Africa." The idea of a visitors day represents one way of involving donors in IFPRI activities.

The Development Committee of the Board has been established specifically to strengthen IFPRI's relationships with the donor community. From discussions with members of the donor community, the Panel became aware of some misunderstanding that exists among them about IFPRI's role in the CGIAR system. The establishment of the Development Committee is therefore appropriate and timely.

The Panel sensed a strong and productive relationship between the Board and the Director and adequate interaction between the Board and senior research staff. It is clear that all enjoy mutual respect and

Table 2.1. Board of Trustees -- Historical Information

Board Member	Country of Origin	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	Total Years	Assignments- Current Members
Ruth Zagorin	U.S.A.	x	x	x	x							4	
Ralph Kirby Davidson	U.S.A.	x	x	x	x	x	x	x	x	x	x	10	Vice Chairman of the Board Chairman, E/F Comm. Chairman, Nominating Comm.
Sir John Crawford	Australia	x	x	x	x	x	x	x				7	
David Bell	U.S.A.	x	x	x	x	x						5	
Norman Borlaug	U.S.A.	x	x	x	x	x	x	x	x	x		9	
Ojetunji Abovade	Nigeria		x	x	x	x	x					5	
Mohamed El-Khash	Syria		x	x	x	x	x	x	x	x*		8	
Murul Islam	Bangladesh		x	x	x	x	x	x	x	x	x	9	Nominating Committee
Affonso Pastore	Brazil		x	x	x							3	
Andrew Shonfield	United Kingdom		x	x	x	x						4	
Puey Ungphakorn	Thailand			x	x							2	
Lucio Rea	Argentina			x	x	x	x	x	x			6	
Roger Savary	France			x	x	x	x	x	x			6	
V.S. Vyas	India			x	x	x	x	x				5	
Nicolas Ardito-Barletta	Panama					x	x	x	x	x	x	6	E/F Committee
Ivan Head	Canada					x	x	x	x	x*	x*	6	E/F Committee
Snroh Unakul	Thailand					x	x	x	x	x*	x*	6	Nominating Committee
Lowell Hardin	U.S.A.						x	x	x	x**	x**	5	E/F Committee
S. R. Sen	India						x	x	x	x	x	5	Chairman of the Board E/F Committee
Dick de Zeeuw	Netherlands						x	x	x	x*	x*	5	E/F Committee Chairman, Development Comm. Nominating Committee
T. Ajibola Taylor	Nigeria							x	x	x*	x*	4	Nominating Committee
Philip Ndegwa	Kenya								x	x*	x*	3	Development Committee
Saburo Okita	Japan								x	x*	x*	3	Development Committee
Anne de Lattre	France									x*	x*	2	Development Committee
Eliseu Alves	Brazil										x	1	E/F Committee Nominating Committee
Yahia Bakour	Syria										x*	1	
James McWilliam	Australia										x	1	

* Designates CGIAR appointee to Board

** Designates host government appointee to Board

Average term: 4.9 years

confidence in the Institute's potential for success. The Board gives clear guidance to the Director on research strategies and, under advice from the Executive, Finance and Audit Committee, monitors the financial affairs of the Institute. It does not become involved in the detail of the administration of the Institute, however, and maintains an appropriate distance from day-to-day management.

CHAPTER 3.

ORGANIZATIONAL STRUCTURE AND DEFINITION OF RESPONSIBILITIES

Background

IFPRI is a relatively small institute. Practically all of its staff, numbering about 80 individuals, are housed in somewhat restricted space on two floors of a single building in Washington. Its organizational structure and mechanisms for control and communication have evolved in an informal manner, reflecting the strong research interests and relaxed management style of the senior research staff.

The current organizational chart, prepared by the Institute, is shown on page 19. It illustrates the line management structure for the research programs and support activities. It does not indicate the staff responsibilities that run across the line management structure, giving a complex matrix of organizational relationships that are highly dependent on personal initiatives and goodwill. This matrix of working relationships, together with the collective input into the research strategies described in Chapter 1, is frequently referred to at IFPRI as a "collegial" approach.

Under the present structure the program directors report to the Director. The heads of the support services report, for administrative matters, to the Associate Director for Administration and Finance, but to the Director for matters pertaining to research. The Deputy Director was seconded to ISNAR in 1982 and the position has, in effect, been vacant since that time.

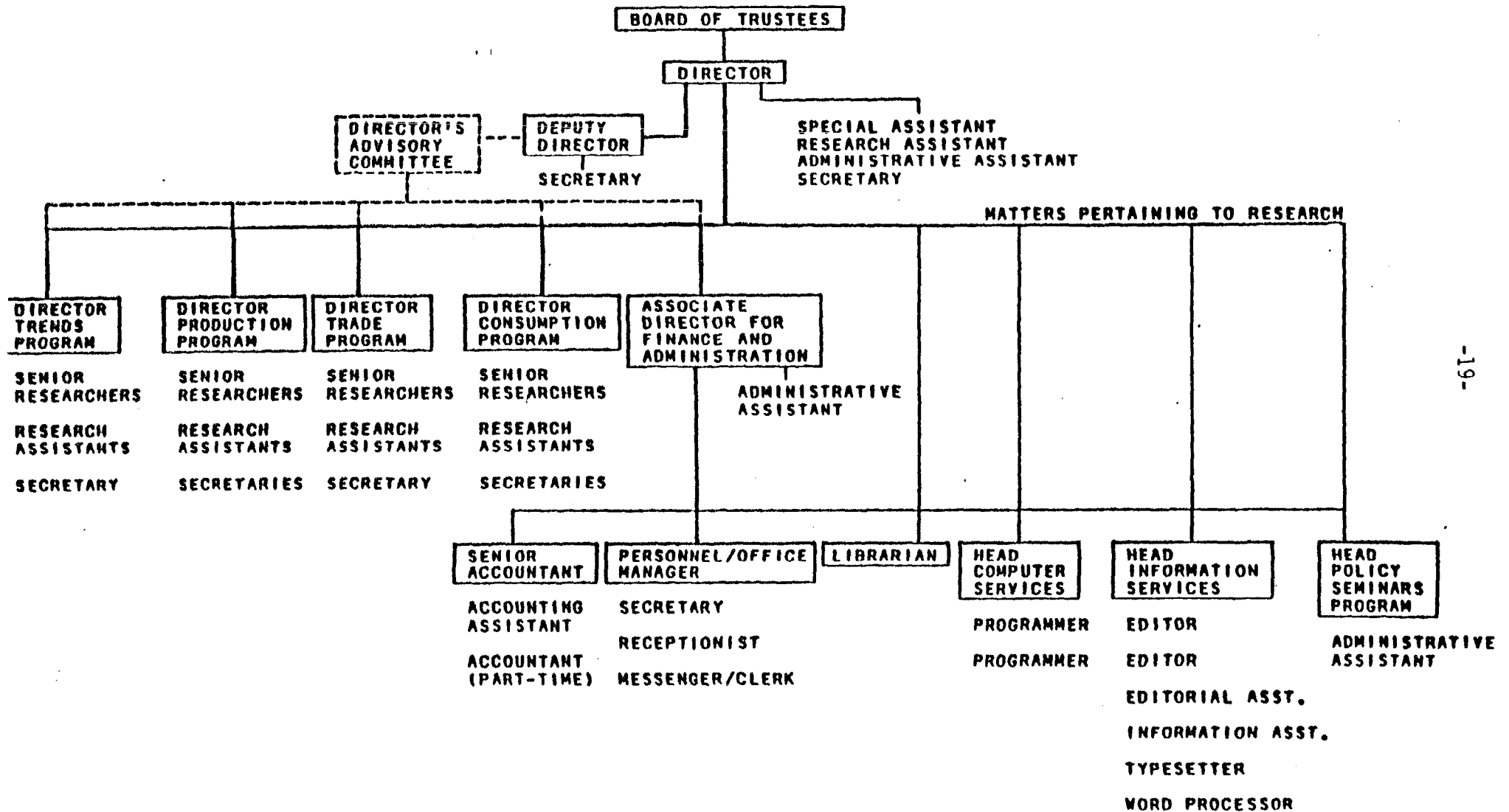
The Director's Advisory Committee meets informally once a week and forms an important part of the mechanism for communication among the most senior staff. Minutes are not recorded, however, and the Panel was not able to review the work of the committee in detail.

The individual research projects are determined in relation to the six questions that relate the four programs to food policy (see Chapter 1). The questions do not in themselves constitute the research projects. Rather, they are used to define smaller projects, each of which is relevant to, but does not totally embrace, one of the questions. Consequently the six questions do not have any direct relevance to the organizational structure.

Observations

The Panel considers that the strong team approach at IFPRI contributes greatly to the motivation of staff at all levels. The close

IFPRI ORGANIZATIONAL CHART



working relationships it engenders largely obviate the need for bureaucratic procedures that would inhibit prompt action and lead to frustration. Nonetheless, as IFPRI has expanded, a number of undefined areas of responsibility have arisen that may or may not be entirely filled through personal initiative and goodwill. As IFPRI continues to mature as an Institute, it will need to review its organizational structure and procedures to ensure that any gaps in the definition of responsibility are detected before they lead to inefficiency and discontent.

The senior research staff are strongly opposed to the introduction of procedures that imply greater bureaucracy. The majority do not wish to spend time on the paperwork of administration nor, in general, do they wish to become more deeply involved in management, even at the level of Program Director. With few exceptions, they see the absence of delegated responsibility for the management of budgets and expenditure as desirable and to constitute a valuable mechanism for freeing them from concerns that might otherwise divert them from their role of stimulating and doing research.

Conclusions

In the context of a small institution, the Panel sees the merit of these arguments and would not suggest changing the present style of management in any substantive way. Nevertheless, to prevent gaps in responsibilities from arising, the Panel considers that action should be taken to ensure a more systematic approach to mechanisms for internal communication and the definition of responsibilities. We develop this analysis and make recommendations in subsequent chapters of this report.

CHAPTER 4.

THE MANAGEMENT OF HUMAN RESOURCES

Background

The management of human resources at IFPRI can best be analyzed by examining the component parts of the organization, which are: the senior research staff, the scientific support staff, the senior administrative staff, and the administrative support staff.

Senior Research Staff. The senior research staff include research fellows and post doctoral fellows. Most decisions concerning the senior research staff are made by the Director. The Director makes the final decision on all senior research staff appointments, sometimes in consultation with the program director concerned. The Director evaluates all senior personnel and he alone determines their compensation and merit increases. No feedback is provided on the reasons for a merit increase. There is no direct performance appraisal, in that the Director and the researchers do not meet to discuss specifically the performance of the researcher. The senior research staff are all appointed for specific terms, ranging from one to five years.

Communication between the research staff and the Director and among senior research staff is informal with two exceptions: the Director's Advisory Committee (DAC) and regularly scheduled Friday meetings in the Consumption Program.

Scientific Support Staff. The scientific support staff include research assistants and computer programmers. Each senior research fellow is entitled to one-half of a research assistant's time. Research assistants are assigned to a program and, within the program, they are assigned to individual research fellows. Research assistants may be hired, evaluated, assigned, and terminated by the program director, in consultation with the research fellow, where appropriate. Research assistants are typically appointed for short periods, one or two years. There is a formal system of annual evaluation for research assistants, which is adequately documented.

Senior Administrative Staff. The senior administrative staff consist of the Associate Director and the heads of the six support services. The head of accounting services and the personnel and office manager report directly to the Associate Director, the other four heads of services report to her only for administrative matters and to the Director for matters pertaining to research.

The Director makes the final decisions on appointments of the senior administrative staff, in consultation with the Associate Director for Finance and Administration. He evaluates them and determines their merit increases in consultation with the Associate Director where appropriate. As with the senior research staff, there is no formal system of performance appraisal.

Administrative Support Staff. Administrative support staff include editors, assistants, typesetters, word processors, accounting assistants, secretaries, receptionists, and messengers. The administrative support staff are formally evaluated each year and this evaluation is documented. They are eligible for merit increases on their anniversary and a cost of living adjustment on January 1. Their compensation package is at least competitive and may be slightly above average because of favourable fringe benefits at IFPRI.

Observations

Senior Research Staff. Everyone in the research area with whom the Panel talked was enthusiastic about the collegial atmosphere that exists at IFPRI. Most expressed the belief that it is conducive to maximum output and job satisfaction. Most believe that the quality of their fellow researchers is high, that there is free communication and that there is little, if any, friction. All believed that the research atmosphere at IFPRI is a major factor in IFPRI's ability to recruit and retain top research staff. All expressed a very positive degree of job satisfaction. All indicated the highest regard for the Director both as a researcher and as a colleague, and found him reasonably available. In short, the picture presented to the Panel was one of a highly productive and very satisfied group of researchers.

The Panel considers that responsibility for search and recruitment of senior research personnel should be broadened to include, on a formal basis, more members of the staff. Although the final decision on employment must rest with the Director, there is a need for greater consultation with Program Directors before the appointments are made. Moreover, in view of the fact that vacancies are not advertised, it is desirable that the search for new staff is seen to be wide and objective.

At present, all senior research staff are appointed for a specific term, usually between one and five years. The Director has asked the Panel to consider the appropriateness of having some appointments for an indefinite period of time because it is desirable to have continuity in the research staff. This policy also has an advantage in recruiting staff because some people are reluctant to give up a permanent position to accept a temporary one. The disadvantage is that it is a simple matter to terminate a person at the expiration of a term appointment, while there can be considerable legal problems in terminating a person hired for an indefinite term.

On balance, the Panel considers that the disadvantages of indefinite appointments outweigh the advantages at this time and that IFPRI should maintain the present practice of offering only term appointments. Where appropriate, the Director can always assure a candidate that he intends to keep him or her on indefinitely. The Panel is also concerned that, if an indefinite appointment were an option, many people on term appointments would be unhappy and there would be pressure for indefinite appointments for all staff.

Scientific Support Staff. The only group of people at IFPRI that the Panel found to be discontented were the research assistants, a fact that is well-known to the administration. The dissatisfaction arises from several causes. First, the scientific support staff have an ambiguous position in the organization. They are more highly paid than clerical staff, yet most can never hope to be promoted to research fellow. There is, in effect, no clearly-defined career path. Second, some research fellows are more satisfactory to work for than others. Since the relationship between the researcher and the assistant is the most important single factor in job satisfaction, it is inevitable that some of the research assistants will be unhappy. Their condition is made worse in some instances because most research assistants work for more than one researcher. Third, many of the research assistants are overqualified for the particular jobs they are asked to do. Fourth, the final resort for dealing with most of their problems is the Director. Since it is inappropriate for the Director to have to deal with their concerns except on a policy level, there is a visible gap in the communication process and this creates a leadership vacuum. Research assistants for the most part are not part of the collegial atmosphere and, thus, they require a more structured administration.

The Panel understands that methods to alleviate the problems of the research assistants have been under consideration for over two years. It is the opinion of the Panel that the problems have become acute because no one in the organization, except the Director, has the authority to address the job-related concerns of the research assistants as a group. Someone on the research side of the Institute is needed, not only to address the specific needs of the research assistants, but to review policies for recruitment, promotion, compensation, assignment and so forth.

Senior Administrative Staff. All the senior administrative staff are highly motivated and enjoy good relations with the research staff. Direct interaction with the Director and Program Directors is variable and some gaps in communication were detected. Job satisfaction was generally high but might be improved in some instances by greater interaction with the senior research staff.

Administrative Support Staff. There are two problems that the Panel observed in the management of the secretarial staff. First, each research fellow is entitled to one-quarter of a secretary's time. This inevitably leads to problems of uneven workloads both because researchers vary in the amount of secretarial time that they require

and, also, because the timing of research effort may be uneven. This results in periodic work overloads for some secretaries at certain times and underloads for others. On the basis of interviews with the staff, the Panel estimates that, on average, 75% of the secretaries' time is spent in typing. The second difficulty occurs because the secretaries, as a group, have no individual to address their common problems. The circumstances are similar to those encountered by the research assistants.

Conclusions and Recommendations

Performance Appraisal. While not wishing to disrupt the collegial atmosphere (see also Chapter 7), the Panel considers that job satisfaction at all levels of staff could be raised even higher through the introduction of a modest degree of formality into the entirely informal atmosphere that currently exists at IFPRI. Structured discussions between staff and more senior members of management, such as those that form the basis of "performance appraisal review," can have benefits that are not always achieved through entirely informal communication. Concerns may be expressed during formal interviews that might not be expressed during normal working relationships. There are also opportunities for more penetrating analyses of ways of achieving desired goals. In our view, the process of performance appraisal is a necessary and positive part of management procedures.

Accordingly, we recommend that performance appraisal reviews be introduced into the management procedures of IFPRI and that they should cover all staff up to and including senior research staff.

In order to implement this recommendation the Panel suggests that the Institute obtain professional assistance in setting up a system for performance appraisal. It will also be necessary to ensure that staff assigned the responsibility for appraisal are adequately trained in the accepted techniques.

Management Training. The Panel noted that the Institute has no structured program for management training. In addition to the need for training in methods of performance appraisal, the Panel considers that senior staff would benefit from wider exposure to management issues. Senior staff should be encouraged to participate in management seminars such as those proposed by the CGIAR Secretariat, and to attend courses to improve their management skills, where appropriate.

Support Staff. The problems of job satisfaction and career development, that were expressed to a greater or lesser extent by various categories of support staff at IFPRI, are common to most research institutes. There is no easy solution to them. The process of performance appraisal would help to identify particular problems on a regular basis. It is possible that some re-organization might also help.

With the secretarial staff, for example, it might be worth assessing whether the problem could be alleviated by assigning one secretary to each research program and organizing the remainder on the basis of a secretarial pool. With the more general use of word processors, a scheme of this kind might have advantages in smoothing out the demand for work and improving job satisfaction. The Panel considers that the maintenance of an overview of the concerns of all secretarial staff is desirable and that this responsibility should be assigned to the Personnel and Office Manager.

As far as research assistants are concerned, it may be necessary to review the standards of recruitment in relation to job prospects. We consider that the concerns of research assistants should be kept under review and we recommend that the Deputy Director be assigned responsibility for dealing with problems related to research assistants and for establishing policies for guiding and administering them.

CHAPTER 5.

MANAGEMENT OF FINANCIAL RESOURCES

Background

The Director has final authority for the management of IFPRI's financial resources. The administration of financial affairs is the overall responsibility of the Associate Director for Finance and Administration, supported by the section for accounting services, which is staffed by a controller, an accountant and a bookkeeper. The Chairman of the Executive, Finance, and Audit Committee of the Board serves as Treasurer.

Financial management at IFPRI includes the budgetary process, cash management, contract management, and accounting services. The Associate Director and the Controller prepare the budgets and financial reports that are sent to the Director and to the Board of Trustees. The Controller is responsible for the accounting services and for the supervision of the accounting staff.

The financial plan for the ensuing year is submitted for approval to the Board in September, following the receipt of the approved core budget from the Technical Advisory Committee of the CGIAR. Subsequent to approval of the budget, the accounting services provide monthly statements showing the actual expenditure compared with the budgeted amounts assignable to the period being reported. Financial reports analyzing the financial status in depth are reviewed by the Director on a quarterly basis. These reports compare actual expenditure for the period with the forecast. Each quarter the Director is provided with an updated forecast of the balance for the year.

The controller prepares subcontracts and other agreements initiated by IFPRI and is also responsible for meeting the contractual requirements of special projects and for providing those responsible for special projects with current levels of expenditure.

In addition to financial planning and contract control, the controller is responsible for the usual accounting functions, such as the maintenance of the general ledger, the preparation of financial statements, cash management, and liaison with the external auditors.

Observations and Conclusions

The Panel reviewed the financial reports and procedures and discussed the system for accounting and internal control with the

external auditors. In former years, IFPRI has experienced problems with both the accounting records and the system of internal control. Beginning in 1982, corrective action was started. It is our opinion that the problems experienced in former years have now been entirely corrected. The Panel considers that the accounting, reporting, financial analysis, and internal control are excellent. The manning of these functions (a controller, an accountant and a bookkeeper) is minimal but adequate. Nevertheless, we identified the following areas in which financial management could be strengthened: cash management, particularly with respect to the excess of expenditure over income, the budgetary process, and the costing of special projects.

Cash Management. In the Panel's opinion, cash management should be improved and expenditure should not continue to exceed income. Because these two areas are interrelated and are the result of the same circumstances, we discuss them together.

The problem of cash management occurs because at certain times the required disbursements of cash exceed the amount of cash on hand. This is particularly true in the early part of the year. For example, in 1982 and 1983, the proportion of the core income received during the first quarter was 17% and 16% respectively, compared with a need of 25%. The cash shortfall amounted to \$240,000 in 1982 and \$300,000 in 1983. As a result, it was necessary to defer some disbursements and to borrow money from commercial sources as well as from the World Bank, in order to buffer the differences in timing between receipts and payments.

Expenditure has exceeded income for the past two years by \$35,943 in 1983 and \$22,302 in 1982. Although these amounts are not large, the potential for a much greater shortfall exists. Furthermore, a shortfall can necessitate emergency measures at the end of the year to minimize its effects.

There appear to be three reasons why expenditure has exceeded income in the past two years. First, there is considerable uncertainty with respect to the potential income in any particular year, resulting from two causes: the relatively small number of major donors and the heavy reliance on special project income. With a small number of donors, a difference between the amount expected and the amount actually received could have an important impact on the funds available. Also, as described above, the timing of the receipt of contributions can affect the cash balance.

Second, the management at IFPRI has chosen to adopt a "risky" financial strategy in that forecasts of income have tended to be optimistic, whereas forecasts of expenditure have included little allowance for unplanned commitments. This strategy has proved successful in the past because a more conservative policy would have resulted in less research. Further, the financial situation at IFPRI has been carefully monitored by the Board to ensure that any shortfall would not exceed clearly-defined limits.

Third, compared with other CGIAR institutions, IFPRI has only a very small capital budget. Consequently, it has negligible internal resources that can be used to buffer the effects of variable cash flow. Members of the CGIAR should take this into account when reviewing IFPRI's budget.

Although the financial strategy of IFPRI has proved successful in the past two years, it is the opinion of the Panel that it should gradually become more conservative. First, IFPRI should specifically plan for income to exceed expenditure each year until it has a sufficient cash reserve to buffer adequately the timing differences between income and expenditure. Second, planned expenditure should include greater allowances for contingencies.

In addition, IFPRI should make a concerted effort to increase the number of donors. The Panel realizes that this is easier said than done and we recognize that considerable effort along these lines has already been made. Now that IFPRI has developed to the point where increased donor participation is feasible, however, the Panel considers that the importance of increased donor support justifies a structured plan of action with broad participation by appropriate staff and Board members. Accordingly we support the inauguration by the Board of a Development Committee (Chapter 2).

The Budgetary Process. The Panel considers that the budgetary process and subsequent reports of actual receipts and payments compared with budget forecasts are very good. There is, however, a somewhat unusual feature in financial management. That is the high degree of centralization in financial planning and control.

Within the support area, Heads of sections participate in the budget preparation and are held responsible for staying within their budgets. For the research work, however, budgets are not even prepared by program. Consequently, the Program Directors have no responsibility (in fact little input) into the budgetary process for core funding in their programs and no reports on their expenditure relative to budgetary allocations. Most Program Directors are satisfied with this arrangement because it minimizes the time spent on administrative matters.

This lack of delegation is seen as part of the Director's strategy to minimize the bureaucracy at IFPRI. It is the Panel's opinion, however, that decentralization should gradually be incorporated into the budgetary process. Consequently, we recommend that responsibility for administering the core budget for research be assigned to the Deputy Director and that, at his discretion, he further delegate responsibility for budgetary control to those Program Directors who wish to accept such responsibility. Although budgetary control of core projects may be premature at present, it is our opinion that, as budgetary control is decentralized, IFPRI should gradually move towards analysis and control over core funding at the level of individual research projects.

Control of Special Projects. In addition to the uncertainty of the income from special projects, described in a previous section, there is also a problem with the allocation of overhead costs. Cost accountants typically classify costs into three categories:

- (i) "direct" costs, which include all costs that would not have been incurred had the special project not been undertaken, such as salaries, computer time and travel expenses;
- (ii) "common" costs, which include all costs that would not have been incurred had no special projects been undertaken, such as occupancy costs and support costs, that are related to the level of activity; and
- (iii) "joint" costs, which include costs that are not affected by the level of activity, such as the cost of the Director's office.

The distinction between direct costs and common costs is in timing. The former vary immediately with the level of activity; the latter with the level of activity over a longer period of time.

The funding of a special project should always include direct costs, usually include common costs, and sometimes include joint costs. Clearly, there is a net out-of-pocket cost if all direct costs are not funded and this amount will have to come out of core funds. To the extent that common costs are not funded, there will be a long-run shortfall that will have to be covered by core funding. To the extent that the overhead allocation includes joint costs, the special project will contribute to core funds.

The Panel has examined the overhead allocation rates used by IFPRI and concludes that they are reasonable approximations of common costs. (Direct costs are charged directly.) These rates are charged where indirect costs are accepted by the contracting organization. One difficulty with special projects at IFPRI is that some contracting organizations accept no overhead allocations. Superficially it might appear that such special projects should never be undertaken. There are, however, mitigating circumstances that make undertaking such projects desirable. For example, in a joint project the other participant may pay the entire amount of some direct costs such as computer time or consulting. In other instances, a special project may directly support a core project. The merits of each project must be decided individually and, therefore, an across-the-board policy proscribing the acceptance of special projects that do not fund overhead costs is inappropriate. Table 5.1. shows an analysis of direct research costs by program. Overall, the proportion of these costs funded through special projects in 1983 was 35%, with the highest proportion (60%) in the consumption program. We conclude that IFPRI is justified in undertaking special projects that may not fully fund common costs but that such projects should be carefully screened to insure that core funds are not being used to supplement them without at least a corresponding benefit.

Direct Research Costs by Program

1983

	Consumption			Production			Trade			Trends			Total		
	Core	Special	Total	Core	Special	Total	Core	Special	Total	Core	Special	Total	Core	Special	Total
Salaries	\$255,271	\$166,672	\$421,943	\$478,561	\$105,181	\$583,742	\$281,963	\$ 51,827	\$333,790	\$221,855	\$ 54,415	\$276,270	\$1,237,650	\$ 378,095	\$1,615,745
Benefits	71,312	46,239	117,551	133,690	29,180	162,870	78,769	14,378	93,147	61,976	15,096	77,072	345,747	104,893	450,640
Field/Collaborative Research	3,050	--	3,050	80,544	--	80,544	18,700	--	18,700	3,000	--	3,000	105,294	--	105,294
Consultants/Subcontractors	--	168,436	168,436	--	46,850	46,850	--	25,450	25,450	--	--	--	--	240,736	240,736
Travel	24,551	135,216	159,767	85,105	31,873	116,978	27,430	25,464	52,894	8,893	2,000	10,893	145,979	194,553	340,532
Computer	47,691	82,847	130,538	68,340	14,653	82,993	20,587	22,176	42,763	3,035	10,201	13,236	139,653	129,877	269,530
Total	\$401,875	\$599,410	\$1,001,285	\$846,240	\$227,737	\$1,073,977	\$427,449	\$139,295	\$566,744	\$298,759	\$ 81,712	\$380,471	\$1,974,323	\$1,048,154	\$3,022,477
Ratio of Core and Special Projects within Programs	40% + 60%	= 100%		79% + 21%	= 100%		75% + 25%	= 100%		79% + 21%	= 100%		65% + 35%	= 100%	
Ratio of Core Costs by Program	20%			43%			22%			15%			100%		
Ratio of S.P. Costs by Program		57%			22%			13%			8%			100%	
Ratio of Program Costs to Total			32%			36%			19%			13%			100%

CHAPTER 6.

SUPPORT SERVICES

Background

The six support services include accounting, personnel and office, library, computing, information and seminars. The head of accounting services and the personnel and office manager report directly to the Associate Director, the other four heads of support services are coordinated by her for administrative matters, but report to the Director for matters pertaining to research. The work of the accounting section was described in Chapter 5. The functions of the other support services are described briefly below.

Personnel and Office Management. The section providing personnel management and office services currently involves a staff of four. The personnel manager is responsible for recruiting and hiring support staff and for coordinating the hiring and relocation of senior research and senior administrative staff. IFPRI's comprehensive benefits program is also administered by the personnel manager. Office management functions include support services to staff, such as providing supplies, equipment, office space, and other administrative services.

Library Services. The library provides information to the staff through interlibrary loans, current awareness and reference services, and through the regular acquisition of publications in the fields of agricultural economics and rural development. The library contains over 3000 research reports, 3000 monographs, and 165 periodicals. Geographically, the collection covers the Third World, especially India, China, Southeast Asia, and Sub-Saharan Africa.

Computer Services. The computer services department provides IFPRI research personnel with computational advice and programming assistance. Since a large part of IFPRI's work is quantitative, computing services are particularly important and all programs are dependent on them. Currently, a staff of three provide technical support and training for some 28 research economists (some of whom are part-time) and 16 research assistants. Questions of priority are determined on the basis of common sense and negotiation with the individuals concerned.

Information Services. IFPRI publishes a series of research reports, a series of abstracts of the reports, a newsletter, an annual report, journal reprints, and other miscellaneous material. These

publications are distributed to 6,600 individuals, government officials, members of national research agencies, institutional and educational libraries, and international organizations concerned with food policy and agricultural development.

Information services are provided by a staff of seven, including the department head, two editors, an editorial assistant, an information assistant, a typesetter and a word processor. In addition to the full-time staff there are, on a part-time basis, one free-lance artist, two free-lance translators (Spanish and French), and a free-lance editor.

Policy Seminars Program. IFPRI disseminates its research findings to administrators and policymakers and others who influence national and international food policy by publishing important research findings, and by convening national and international conferences, seminars, and workshops. In June 1982, IFPRI created the Policy Seminars Program with the purpose of facilitating the flow of information generated by IFPRI research to decision-makers in developing countries. The Policy Seminars Program has a staff of two.

Observations

The quality of the support services was universally praised by members of the research staff in response to questions by members of the Panel. Even where it was believed that the service was not as prompt as would have been preferred, it was stated that the people were good but that there were not enough of them. Regarding the administrative services, a generally expressed need by the senior research staff was for more easily accessible information on routine administrative matters, such as travel arrangements and expense allowances.

Heads of several of the support services mentioned the potential benefits to be derived from greater investment in computers and information technology, for which they had already made provisional proposals.

Within the section covering personnel and office management, separation of the responsibilities of the personnel manager from those of office supervision has been under consideration as a means of covering gaps in the existing structure. This section carries a heavy load of day-to-day responsibilities with the consequence that longer-term projects, such as the preparation of administrative manuals, have not yet been completed.

Conclusions and Recommendations

The Panel commends the staff of the support services for their competence and dedication and for the excellent rapport they have established with the senior research staff. Although, in the allocation

of resources, the support services have usually taken second place to the main research programs, the support services are now adequately, though minimally, staffed. Nonetheless, the Panel considers that efficiency and output could be increased by a relatively modest increase in investment in computer facilities and information technology. We also consider that some organizational and operational changes are desirable.

Computer Facilities and Information Technology. A preliminary study has been made by IFPRI staff to evaluate the feasibility of acquiring a mini-computer for the computing services, instead of hiring computer time in a nearby building, as at present. The Librarian has expressed a need either for a micro-computer or for access to a computer to assist with cataloging and retrieval. A similar requirement for access to computing exists for the accounting section. An additional need in the Library is for a terminal to give access to a main cataloging data-base.

The Panel strongly endorses all of these needs and considers that the provision of appropriate facilities should not be unduly delayed. A decision on how best to meet these needs would be dependent on evaluating a range of possible options in relation to the Institute's overall requirements, and to the extent to which networking with other institutions would be desirable and feasible. Accordingly, we recommend that IFPRI employ a consultant to review the Institute's requirements for computing facilities and information technology and that meeting these needs should be accorded high priority in the internal allocation of resources.

Organizational and Operational Changes. In order to strengthen the association between the research support services and the research programs we consider that the four heads of these services should report to the Deputy Director (see also Chapter 7). We would expect the Deputy Director to have more time than the Director to maintain an overview of the research support services and their relationships with the senior research staff. He could also be called upon to arbitrate on matters of priority.

We also consider that contacts with the research staff in respect of the library and computing services should be further strengthened by establishing two small "user" committees to be chaired by the Deputy Director. Each should comprise representatives from the research programs and should meet at least twice a year to consider priorities and to exchange information in a more structured way than is currently practised.

Within the administrative services, the Panel endorses the views of the Associate Director for Finance and Administration that the section dealing with personnel and office management should be split into two, to be headed by a personnel manager and office supervisor respectively. The personnel department would be responsible for the usual

personnel functions that are now being undertaken, including coordination of the secretaries, as recommended in Chapter 4. The office supervisor would be responsible for such things as purchasing equipment and supplies, supervising the copying machine, arranging space and furniture, dealing with vendors, assisting in logistics arrangements for conferences and board meetings and in travel coordination. This division of responsibility is required because, in the opinion of the Panel, the personnel functions require the full-time assignment of one administrator and the office management that of another.

The Panel noted the need, expressed by the senior research staff, for easier access to information on travel. Travel agents have proved unsatisfactory. And the Panel suggests that IFPRI develop a central mechanism for providing assistance in this area.

Furthermore, IFPRI needs more structure in its administrative procedures. This applies principally to personnel and accounting where manuals are already in preparation. The Panel recommends that IFPRI formulate a procedure for approving and reviewing its operating manuals and ensuring that they are made available as soon as possible.

The space that IFPRI currently occupies is inadequate. The Panel suggests that additional space be acquired on the fourth and eighth floors as it becomes available.

CHAPTER 7.

FUTURE MANAGEMENT OF THE INSTITUTE

Style of Management

At IFPRI, the term "collegial" is used to imply a process of arriving at decisions through consensus among colleagues, rather than in the context of its wider meaning: "of or pertaining to a college or university." It may be that the use of this term has contributed to the impression of some donors and others that IFPRI's approach is too academic and not closely related to the applied research for which the CGIAR institutions were created. As we have seen, however, IFPRI's research, though emphasizing strong disciplinary backing, is focused on applied problems, and is continually subjected to scrutiny through collective discussion (see Chapter 1).

Although the value of the informal style of management was evident in the vigour and enthusiasm of the staff, some potential dangers were also apparent. For example, the term "bureaucratic" is used frequently by the Director and the senior staff, but invariably in a strongly pejorative sense. Consequently, there is a danger of dismissing as unwanted bureaucracy all of the more formal aspects of management, some of which might lead to a more systematic definition of responsibilities and a more disciplined approach to various aspects of management.

Management Issues

In Chapter 4 we have identified some of the gaps in the management of human resources; in Chapter 5 financial management within the research programs is discussed; and in Chapter 6, the need for resolving issues of priority is mentioned. There are additional needs for monitoring and co-ordination that occur in the research programs, whether supported by core funding or special projects. Some of these are discussed in the Report of the Program Review. For example, in the larger research projects, which involve individuals from several programs, there is no formal assignment of a coordinating role in circumstances where joint action is often essential. The problem could easily be overcome if one senior individual, such as the Deputy Director, had responsibility for maintaining an overview of this type of requirement and took action accordingly. There is a similar need for monitoring coordination among the increasing number of special projects, especially when several projects are undertaken in the same country.

To summarize, potential gaps in communication and administration, arising from the informal style of management, were noticed in several areas, including the following:

- (i) the appointment of senior research staff (Chapter 4),
- (ii) performance appraisal of staff (Chapter 4),
- (iii) the maintenance of an overview of support staff across all research programs and support services (Chapter 4),
- (iv) the administration of budgets at the program level (Chapter 5),
- (v) the determination of priorities for the use of support services, such as computing (Chapter 6), and
- (vi) coordination within and among research projects (Report of the Program Review).

Under the present organizational structure, the co-ordination of research and administration places a heavy burden on the Director himself, in addition to his primary role of intellectual leadership. In response to this pressure of work the Director's office has expanded to include a special assistant, a research assistant and an administrative assistant, as well as a secretary. Consequently the individuals reporting to the Director include four Program Directors, four Heads of support services (on research matters only), as well as his own three assistants. All of these contacts are additional to the direct interaction it is important for the Director to maintain with the research fellows individually.

Proposals for the Future

Our proposals for the future place considerable emphasis on re-establishing the post of Deputy Director. Having regard to the heavy responsibilities currently being carried by the Director and the other senior management staff, we consider that a Deputy Director could play a key role in the future management of IFPRI. The Deputy Director should be either a social scientist or a natural scientist and should have an active involvement in research. His or her primary responsibility should be to monitor staff relationships and to co-ordinate research activities.

In the spirit of IFPRI's management style, we considered re-designating Program Directors as "co-ordinators," "leaders" or "chairpersons." However, having regard to their need to interact with officials at relatively high levels in donor agencies and in developing countries, we thought it preferable to leave their titles as "Program Director." Commensurate with her responsibilities, we consider that the Associate Director for Finance and Administration should be re-designated "Director of Finance and Administration."

Looking to the future, the Panel considers that the Institute must move gradually towards greater delegation of authority and responsibility and less involvement of the Director General in day-to-day administration. In many institutes this would be accomplished by greater delegation to the Program Directors. For the reasons already discussed in the previous chapters, however, we favour assigning most of the responsibility for administration to a reinforced central management group. Because it is essential that research and administration should be closely integrated we consider that the Deputy Director should play a central role in overseeing the administration of research and related activities, while the Director of Finance and Administration should continue to play a central role in the administration of finance and personnel. Both would have strong coordinating roles. They would identify gaps and allocate responsibilities to re-inforce communication and coordination whenever necessary.

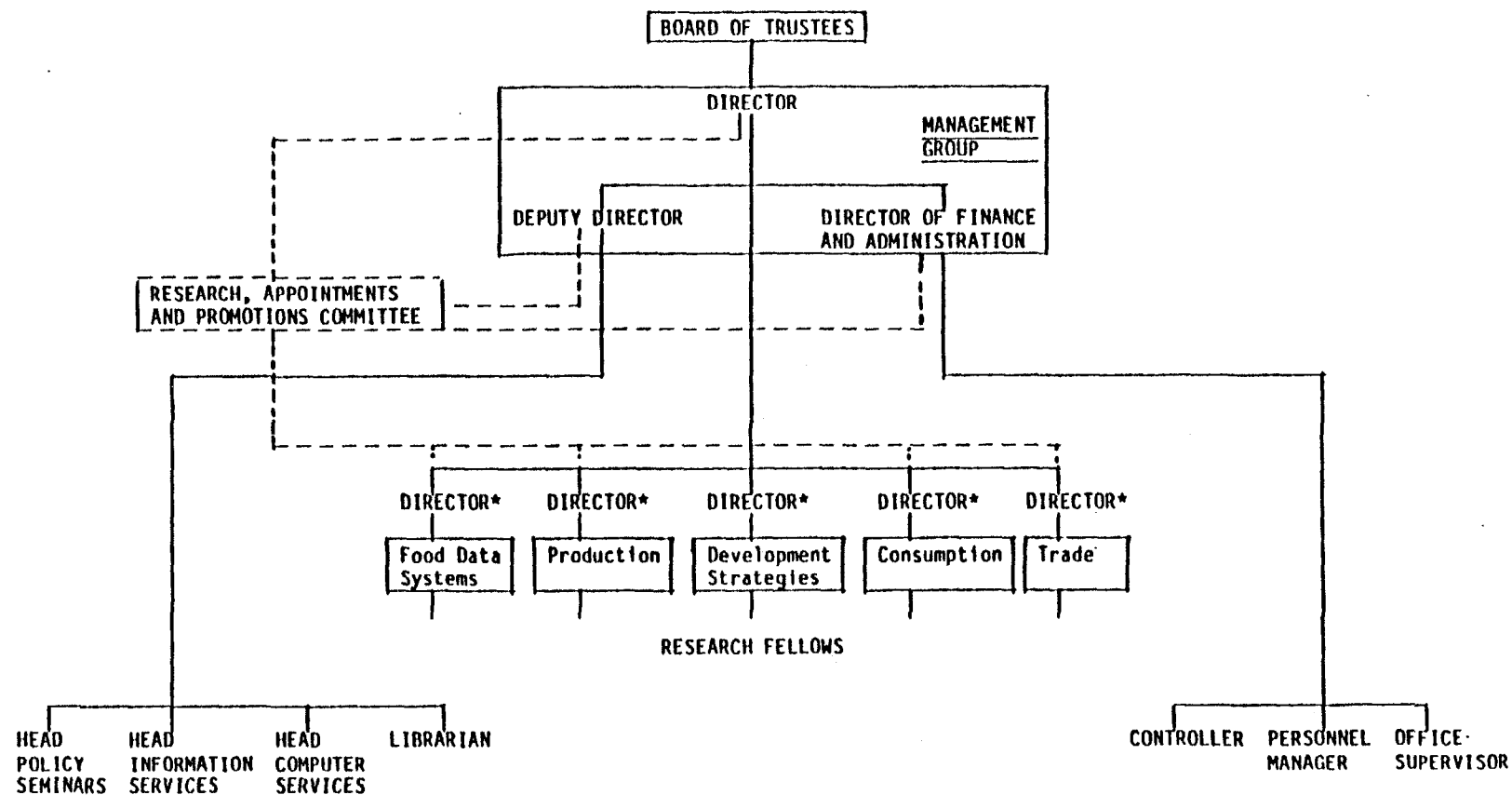
The Director, his Deputy and the Director of Finance and Administration would constitute the Management Group. It would meet on an informal basis whenever necessary. Continued communication among all three of its members would be essential and, in order to fit meetings into a crowded schedule, we envisage that some meetings would be called at short notice. A preferred day and time could be reserved to ensure that at least one meeting were held each week whether or not all three members were present. The meetings would be kept short and informal and each member would keep his or her own notes of items for the agenda and action to be taken.

The revised organization chart, implied by these proposals and others discussed in earlier chapters, is illustrated on page 38. It also shows the changes in the organization of programs recommended by the Program Review Panel. It does not, however, illustrate the informal working relationships discussed in Chapter 3. Many of these relationships run across the line management structure, covering both research and administration. Our proposals do not imply that we wish to diminish the effectiveness of these relationships nor to discourage others from arising. Rather, we see our proposals as reinforcing the framework within which more systematic procedures can be developed that are designed to detect deficiencies in management before they give rise to inefficiency and discontent.

In addition to the line-management structure, the organizational chart shows a "Research, Appointments and Promotion Committee" similar in composition to the existing Director's Advisory Committee (see Chapter 3). We see this committee as functioning along somewhat more formal lines than the existing advisory committee to discuss issues relating to research and the management of human resources. The agenda should be compiled systematically and circulated before the meetings. Comprehensive minutes should not be necessary, but summaries of the main conclusions should be recorded, disseminated and acted upon.

With this type of structure, its central leadership of research, central financial management and largely informal management within

PROPOSED ORGANIZATIONAL CHART



*The programs are structured to correspond to the EPR recommendations, and the titles of programs may be subject to change. For further clarification, the reader should consult the EPR Report.

programs, there is clearly a limit to the number of senior research personnel who could function effectively within it. We see no criteria that could be used to define that limit in absolute terms. The present research group works well together and clearly a few more senior staff would not destroy its cohesion or unity of purpose. Our view is that from 20 to 30 senior research personnel is reasonable for this type of structure. The "optimum" number would be dependent on the personal perception of the Director and on the definition of the future areas of research to be tackled. In this respect the recommendations of the External Program Review Panel will be crucial. The present basis of management, together with the modifications we have proposed, could evolve in a number of different ways to meet possible future changes in the size of the Institute and its patterns of work.

What is vitally important is that the critical mass of staff, their international experience, their multidisciplinary mix and their dynamic approach should be preserved. Given the critical mass at headquarters, other groups could be built up on a de-centralized basis as funds and opportunities permit. The administrative structure needed at headquarters to support them might well not be substantially greater than at present. The existing structure has the advantage of minimal commitment to capital investment and consequent flexibility. It could easily respond to the changes implied by building up additional, de-centralized staff.

Conclusions

The proposals brought together in this chapter are designed to reinforce the mechanisms already in place at IFPRI and to preserve the informal management style of its staff. The Panel commends the Associate Director for Finance and Administration for the key role she has played, and the heavy load of responsibility she has successfully carried, in the efficient management of the Institute.

Looking to the future, we recommend that the organizational structure be amended so that the heads of the support services for research report to the Deputy Director and that his or her responsibilities be redefined to include a strong coordinating role in all matters relating to the administration of research. We further recommend that the Director's Advisory Committee be renamed the Research, Appointments and Promotions Committee and that it should operate on a more formal basis to resolve issues relating to research and the management of human resources.

LIST OF ISSUES
IFPRI EXTERNAL MANAGEMENT REVIEW
MARCH 26 - APRIL 6, 1984

I. IFPRI's mission, objectives and strategy

- o Does IFPRI have a clear, concise, written mission statement? Has this been communicated effectively to staff? Have areas of conflict with other institutions within or outside the CGIAR system been clarified and communicated to staff?
- o To what extent does IFPRI's long-range plan serve as a management tool? How were the long-term goals identified?
- o Has a clear strategy been developed to reach the long-term goals? Have these been translated into operational, short-term objectives for the center and for units within the center? Are these clearly understood and accepted by the staff? To what extent were the staff and the Board involved in their preparation?
- o Are these (i.e., mission statement, long-range plan, goals, strategies, and objectives) reviewed periodically?

II. Board of Trustees

- o What distance does the Board maintain between itself and the Institute's management?
- o To what extent does the Board get involved with determining the Institute's policies, long-term plans, budgets, salary levels, and other policy and matters? To what extent is management per se left to the Board's Executive Committee? What implications do the practices of the IFPRI Board have for the Institute's management?
- o IFPRI's Program Committee is composed of the Board as a whole. What are the advantages and disadvantages of this arrangement?
- o Each year IFPRI usually holds one of its Board meetings in a developing country. What are the advantages and disadvantages of this practice? What implications can be drawn for other centers?
- o What means does the Board employ to ensure accountability of the Institute's management and staff for their performance?

III. Organizational Structure

- o What pattern of internal organizational structure exists on paper? What is the perceived pattern? What are the reporting relationships?
- o Does the organizational structure differentiate clearly between staff/line authority? Is functional responsibility pinpointed clearly by work unit? Is there clear delegation of responsibility to the management layers below the Director General?
- o What is the span of control of key managers? Is the distribution of managerial responsibilities balanced?
- o IFPRI's research is organized along the lines of the six questions noted in the long-term plan. However, the Institute is managed along functional program lines which its projects/programs cut across. How effective is this structural arrangement?

IV. Management Style and Internal Communications

- o How is communication, trust, morale and cooperation perceived within IFPRI? How satisfied are staff with their jobs?
- o How effective is communication among staff in different disciplines and programs?
- o What is the level of delegation and participation in decision-making? Is the management style conducive to innovation, creativity and effective scientific research?

V. Human Resource Management

- o Is IFPRI able to attract and retain competent senior staff? How fast are key vacancies filled with competent staff?
- o The IFPRI Board believes that the "minimum efficient size" necessary for the Institute to best fulfill its mandate and to meet the goals of the CGIAR system is about 25 senior researchers. How strongly is this argument justified, taking into account complementarities and management efficiency? What is the scope for IFPRI to contract some segments of the research it conducts to outside individuals or organizations, rather than increasing the size of its senior staff?
- o Some have suggested that IFPRI seems to pick strong individuals and let them largely define their own areas of work, rather than selecting individuals who will most appropriately fit in with IFPRI's designated lines of work. Is the selection of individual staff members sufficiently related to team program requirements?

- o What are the gaps between current skills mix and future needs?
- o Does IFPRI need a full-time personnel manager? Does it need written personnel rules and regulations for internationally- and locally-recruited staff?
- o How attractive are IFPRI's compensation packages for staff recruited from the local area?
- o Are appraisals and promotions based on merit and performance (for both internationally- and locally-recruited staff)? Has a clear link been established between incentives and performance? How effective is the performance appraisal process?
- o What is the need for management training, especially among staff occupying key management posts? Is there need for training at the middle- and lower-management levels? What other needs exist in the areas of career development and staff training?

VI. Financial Management and Budgeting

- o How effective is the budget process? How well is budgeting linked with program planning? Is the staff responsible for budget execution involved in budget preparation? Do budgets serve as a device for financial and managerial control?
- o What are the implications of the Institute's heavy dependence on a few donors for the stability of its future funding? What are the alternatives to expand the number of major donors?
- o Does IFPRI use special projects to fill out the gaps in its program and bring it up to the minimum critical level? How well does this practice work? Does it allow reduction of core requirements and their replacement with special project finance which may be easier to obtain? Should IFPRI consider doing more special projects which do not overlap its core program, but support it less directly?
- o The rigidity of IFPRI's budget structure (proportion that is restricted), unavailability of a working capital, and funding uncertainties the Institute faces point to the need for generating short-term sources of budget flexibility. How could IFPRI best approach this problem?
- o Does IFPRI need to operate more conservatively, establishing reserves, and enabling it to respond to crises more readily? Or should it continue to follow the apparent high-risk policy of starting activities before they are fully financed? How much risk-taking is wise for IFPRI?
- o How efficient is the allocation of resources between research and support activities?

- o How much progress has IFPRI made in developing a cost accounting system which allows costing of programs, projects, and activities performed by the support units?
- o How effective is external and internal auditing? What is the role and quality of the external auditors?
- o How is overhead charged to special projects calculated?
- o How much cost-consciousness is there among staff?

VII. Other Issues

- o How effectively is IFPRI able to communicate the results of its food policy research to decision-makers in developing countries? What mechanisms exist for decision-makers in developing countries to communicate their needs and problems to IFPRI?
- o How effective are IFPRI's communications and linkages with other CGIAR centers, donors, and other related agencies? What can be done to improve them further?
- o Should IFPRI consider purchasing or leasing computer hardware for its research and administrative operations?
- o In what areas does IFPRI need written policies and procedures?
- o How appropriate is IFPRI's pricing policy for its publications?
- o How much performance- and efficiency-consciousness is there throughout the Institute? What management processes have been instituted to guard against inefficiency? Are these appropriate? Is there need for more?

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3/21/84

BIOGRAPHICAL INFORMATION ON THE PANEL MEMBERS

Dr. Michael H. Arnold, Chairman of the panel, is the Deputy Director of the Plant Breeding Institute in Cambridge, England. He has been closely associated with the CGIAR since 1978, first as a member of the ICRISAT Quinquennial Review Panel, next as the Study Director of the Second Review of the CGIAR and most recently as the Chairman of the IITA External Program Review Panel. Dr. Arnold had a twenty-year term with the Cotton Research Corporation (1952-72), initially as cotton breeder/pathologist at Ikiriguru, Tanzania and later as Deputy Director (1963-65), Director (1966-72) of the Cotton Research Station, Namulange, Uganda. He was educated at Cambridge University, England (BA-1952, MA-1954, PhD-1969).

Professor John Dearden, the Herman C. Krannert Professor of Business Administration, has been on the faculty of the Harvard Business School for the last twenty-five years. He spent two years at the Indian Institute of Management, Ahmedabad (1966-67) as a Ford Foundation Consultant. Prior to his tenure at Harvard, he was on the financial staff at the Ford Motor Company, latest as the manager of the Financial Systems Department. Professor Dearden was educated at the American International College and at the University of Pennsylvania. He is the author of eleven books and many articles on management information systems.

ITINERARY OF THE IFPRI EXTERNAL MANAGEMENT REVIEW PANEL

Feb 4-8, 1984	Field Trip to Manila and Bangkok (Arnold)
Feb 9-12	Board of Trustees Meeting, Bangkok (Arnold)
Mar 14	Briefing of the CGIAR Secretariat (Dearden)
Mar 22	Briefing at the CGIAR Secretariat (Arnold-Dearden)
Mar 23	Briefing at IFPRI (Arnold-Dearden)
Mar 26-Apr 6	Main Phase of the Review in Washington (Arnold-Dearden)
Apr 5	Presentation of EMR findings to the Executive/Finance Committee of the Board of Trustees (Arnold-Dearden)
Apr 6	Presentation of EMR findings to the Board of Trustees (Arnold-Dearden)

LIST OF INDIVIDUALS INTERVIEWED AT IFPRI

Raisuddin Ahmed, Director, Food Production Policy and Development
Strategy Program

Harold Alderman, Research Fellow

Barbara Barbiero, Head, Information Services

Romeo Bautista, Research Fellow

Robert Bordonaro, Head, Policy Seminars Program

Matthew DeVol, Controller

Robin Donaldson, Head, Computer Services

Neville Edirisinghe, Research Fellow

Jackie Gilpin, Personnel/Office Manager

Suzanne Gnaegy, Research Assistant

Loraine Halsey, Associate Director for Finance and Administration

Peter Hazell, Research Fellow

Tricia Klosky, Librarian

Darunee Kunchai, Research Assistant

John W. Mellor, Director

Cornelia Miller, Research Assistant

Leonardo Paulino, Director, Food Trends Analysis Program

Per Pinstруп-Andersen, Director, Food Consumption and Nutrition Policy
Program

J.S. Sarma, Research Fellow

Ammar Siamwalla, Research Fellow

Bruce Stone, Research Fellow

Thongjit Uy, Research Assistant

Alberto Valdes, Director, International Food Trade and Food Security
Program

Sudhir Wanmali, Research Fellow