

PROCEDURES FOR REVIEW OF CENTER PROGRAMS AND BUDGETS

1. As a result of discussions in Consultative Group meetings in 1972, it was agreed that the Consultative Group staff should institute, on an experimental basis, an annual review of the progress, the programs and the proposed budgets of the international agricultural research centers being supported by the Group.

2. To carry out these reviews, more staff was needed than was available in the Secretariat. Accordingly, the Secretariat retained, on a consultant basis, Dr. George Dion, adviser to the Canadian International Development Agency, and Mr. L. J. C. Evans, who until his retirement at the end of March 1973 had been Director of the World Bank's Agriculture Department, to conduct the substantive part of the reviews. In addition, a new post was established in the Bank's Programming and Budgeting Department to increase that Department's capacity to advise the Centers on budget practices and preparation, and to enable it to provide a budget specialist as a participant in the teams making Center reviews.

3. Reviews of the Center program and budgets were carried out between the beginning of March and early June 1973. The reviews of CIAT, CIP and CIMMYT were carried out by Dr. Dion and Mr. Andrew Urquhart of the Bank's Programming and Budgeting Department. The reviews of IITA, ICRISAT and IRRI were carried out by Mr. Evans and Mr. Urquhart.

4. In the Consultative Group's discussion of review procedures, stress had been put on the desirability of interfering as little as possible with the Centers' normal activities, and of conducting reviews at the time when the Centers themselves were most actively preparing review papers and budgets for their own purposes -- that is, for presentation to their Boards or Executive Committees of Trustees. Within these guidelines, the Centers were asked to suggest dates on which it would be convenient for them to receive review teams; and in each case, these suggestions were accepted without serious alteration. Broadly speaking, the earlier reviews were conducted just before or during meetings of Executive Committees, and the later reviews were conducted just before or during meetings of Boards of Trustees. Visits generally were limited to not more than five working days each.

5. The experience of Center reviews is quite short and, up to now, only partly satisfactory. It suggests a number of problems that need to be resolved, having chiefly to do with the content of reviews and the manpower requirements. Nonetheless, it is the recommendation of this paper that the review procedure, with such modifications as seem desirable in the light of Consultative Group discussion, be continued at least for another year.

Content

6. The purpose of Center reviews, as proposed in the Secretariat paper discussed by the Consultative Group at its meeting of November 1972, was to "present, by way of background, the main features and objectives of a Center's program,... to indicate the achievements and state of progress reached during the year, to describe significant changes of program and staffing that have occurred [in the past year] or are planned for the coming year, to analyze the budget for the coming year in terms that relate expenditures to the substantive program of research and training, and to examine the implication of current budget trends for future years."

7. With respect to program, it was expected that "the progress report would be expository and analytical in describing developments; it would not seek to evaluate the suitability of the program or to recommend changes."

8. On budgetary matters, the reviews were to be prepared "with particular attention to the cost effectiveness of the Center's activities." In addition, "The report could be expected to present comments on the budget proposals as related to the approved program and, if considered necessary, to make recommendations on the amount of support required."

9. Terms of reference representing these objectives were drawn up for each review mission, and were supplied to each Center in advance. A sample, for the visit to CIAT, is attached to this paper as Annex A. In addition, it was understood that the mission reports would be written so as to be of value not only to experts, such as the members of TAC, but also to administrators in donor organizations not necessarily familiar with the technical concepts and vocabularies of the Centers.

10. Members of the CG will judge for themselves the extent to which the progress reviews succeeded in achieving their purpose. As was to be expected, each of the six reports has its strong points and its weaknesses. Program description, as was foreseen, is by far the largest element in the six reports and, on the whole, seems to be valuable: it brings a good deal of material together in relatively brief compass and in language comprehensible to non-scientists. In any case, it also has potential value in being written from outside the Centers and of being, in that respect, objective.

11. The reviewers did not take an identical view of whether or to what extent to express judgments on the appropriateness of the programs being carried out or proposed by the Centers. Both reviewers offer some judgment, although necessarily not in quantitative terms, of the benefits that may be expected from some of the particular lines of research at the Centers. In recording critical evaluations, one reviewer limited himself to recording judgments by the Center staffs themselves (for instance, that the in-training population of CIMMYT should be reduced). Another did not hesitate to disagree with the decision of a Board of Trustees to extend the research program of a Center, albeit in a minor respect.

12. All in all, however, a reader looking for sharp judgments about the operations of the Centers, and especially about scientific content, will not find them in these reviews. This may reflect the fact that the work of the Centers gives much more cause for enthusiasm than for doubt. But it also reflects the fact that critical evaluation is a sensitive subject.

13. The Consultative Group itself recognized this sensitivity in its discussion of review procedures last year. It was pointed out that critical evaluation might in some sense infringe on the independence of Boards of Trustees; and that the sensitivities of the Consultative Group's own Technical Advisory Committee might be involved as well. The difficulty of any single examiner expressing judgment on the scientific merit of the broad range of work done by individual centers also was recognized.

14. For these and other reasons, evaluation of scientific programs was reserved for in-depth examinations to be made every three years or so by expert panels appointed by the Centers themselves in consultation with the Chairman of the Consultative Group acting with the advice of the Chairman of TAC. A four-year forecast of these external reviews (and of annual Board meetings), so far as planned, is attached to this paper as Annex B.

15. On the budget side, advances of considerable importance were made before the annual progress reviews. Following well over a year of consultations among the Centers, some donors and the Consultative Group staff, a greater degree of uniformity in presentation was established among Center budgets -- creating the possibility, in time, of comparisons among the Centers with regard to levels and trends in categories of expenditures. The presentations of all the Centers for 1974, for the first time, include expenditure budgets drawn up according to functions, so that the individual costs of particular programs and activities can be identified.

16. A beginning was made in another direction. The teams discussed with each Center whether the level could be foreseen at which the annual budget requests of the Center -- leaving aside increments for rising prices and for new programs accepted by the Consultative Group -- might stabilize. While as yet there is little to report, a dialogue has at least begun on points at which ceilings might reasonably be established on the budgets of the Centers. In the meantime, of course, it will be observed from budget projections that the prospective expenditures of the Centers do tend to reach plateaus in the next two or three years.

17. On the other hand, the members of the Consultative Group may have expected more in the way of comments on expenditure budgets, and on cost effectiveness, than the review teams actually were able to achieve. In the case of one large capital item, the team said it thought more study was needed by the Center involved; in a few other cases, the reviewers

indicated where they thought core expenditures could be reduced (or should be increased), but did not estimate how much.

18. The meagerness of comment on cost effectiveness seems basically to have been due to the intrinsic difficulty of the subject. The conduct of agricultural research is in some ways unique; and the Centers, as international concentrations of excellence, are, by definition, not strictly comparable even to other agricultural research institutes. Confident judgments about cost effectiveness (apart from the material costs of buildings and equipment) seem therefore to require the accumulation of more experience and, especially, of comparative data among Centers on which such judgments could be based.

19. To the extent that the relevant information is shown in the tables attached to each progress report, the reviews do meet the objective of analyzing Center budgets in terms that "relate the budget for the coming year to the substantive program of research and training." For the most part, however, the texts do not deal explicitly with this relationship, and they therefore do not sufficiently discuss proposed changes of staffing and expenditure levels in the 1974 programs and budgets in some instances where changes of interest may be in prospect.

20. Nor do the reviews provide any analysis of whether performance and expenditures in the period under review conformed to the programs proposed by the Centers and accepted by the Consultative Group. In the absence of comment to the contrary, it may perhaps be assumed that there were no significant departures from program intentions; but it would seem essential that the review teams specifically discuss this matter in future reviews.

21. With respect to expenditures, however, it must be noted that final audits are not available at most of the Centers until four or five months after the end of the calendar year, which constitutes the financial reporting period. There appears to be no reason why audits should not be available by the end of the first quarter of the new year, and there would be considerable advantage, from the standpoint of Center reviews, in having them available by that time.

22. For these and other shortcomings, the specific terms of reference given to the review teams may be partly to blame. Other serious difficulties, however, rose from shortages of manpower and exigencies of time.

23. In some instances, Centers did not have final proposals ready, and staffs were rather reluctant to give information on issues that had not been finally decided by managements and trustees. Audits, as just noted, were generally not available. Since all the Centers were preparing for the common deadline of International Centers Week, Trustees' meetings tended to fall close together; as a result, some visits by the review teams had to be crowded together, and did not allow sufficient time for considering the findings of one visit before proceeding to the

next. This added to another difficulty: the consultants, as it turned out, were not able to give the exercise in toto as much time as each of the teams might profitably have spent on consultation and on improvement of its reports.

Next Steps

24. Experience suggests that a number of modifications should now be made in the procedure of the annual progress reviews.

Budget

25. In recent reviews, the budget member of the review team, at a number of Centers, was involved in two different activities: he was giving the Center staff technical assistance in the preparation of the budget, and at the same time was obtaining information and justifications of the budget.

26. It seems desirable to continue these functions, but to spread them out over at least two visits. One would take place at a time, presumably rather early in the calendar year, when the budget reviewer not only could help to prepare the budget for the following year, but also could offer suggestions to the staff concerning the recommendation and justification of expenditures.

27. The second visit, as now, would come in relation to the finished budget, and would coincide with the budget meeting of a Center's Executive Committee or Board of Trustees. It would be desirable for the budget reviewer (and also the program reviewer) to be invited to an open part of this meeting, in order to present comments, answer questions concerning Consultative Group procedures, and otherwise be useful to the Committee or Board in its deliberations.

Program

28. While the next cycle of annual reviews presumably would be easier than the first, it appears that a lighter load per reviewer, and hence more reviewers, will be necessary. Two Centers may represent a feasible limit, especially with respect to program content, for coverage by a single individual; and it may be desirable, in the case of some of the more complex Centers, to have the program review done by two individuals rather than one. Next year, this would imply a complement of from four to six reviewers for program content, assuming that at least one of the livestock centers in Africa is in operation.

29. The problem would then arise of finding highly skilled examiners for highly seasonal employment. The Bank, in its role of providing the Secretariat, would be handicapped in meeting the problem, because the season, toward the end of the Bank's own fiscal year, is one when the demand for services of this kind in the Bank's normal operations is at a peak.

30. While the Secretariat can carry some part of the load, it appears that the staff will have to be augmented by consultants chosen from outside the Bank. It is hoped that the donors may help out in this regard by nominating experts on their staffs who would be available, if desired, for secondment to the Secretariat for periods up to two months to participate in the review process. The views of donors on this matter would be welcomed.

July 23, 1973

March 23, 1973

Terms of Reference of CIMMYT Review Mission

The following are the terms of reference for the mission, composed of Dr. George Dion and Mr. Andrew Urquhart, which is to visit the International Maize and Wheat Improvement Center (CIMMYT) near Mexico City.

1. The purpose of the mission is to report to the Chairman of the Consultative Group on the program and progress of CIMMYT. The report is intended to cover the Center's substantive activities, administration and financial requirements.
2. Dr. Dion is the leader of the mission.
3. The mission will visit CIMMYT for a period not to exceed six of the Center's working days, beginning on April 2, 1973. The members of the mission will attend such parts of the Center's Presentation Week program as seem useful for their purposes and, if time permits and it seems desirable, will attend the meeting of CIMMYT's Board of Trustees on April 9, 1973.
4. The mission will consult fully with the Director General of CIMMYT and his senior staff, and Dr. Dion, if possible, will discuss the conclusions and impressions of the mission with the Director General before the mission's departure.
5. With respect to over-all features of the Center, the mission will
 - a. describe the mandate of the Center; indicate what changes in mandate were made in 1972 or are contemplated for 1973 and 1974;
 - b. describe briefly the organizational structure of the Center; and indicate what changes in organization were made in 1972 or are contemplated for 1973 and 1974; and
 - c. describe briefly the physical facilities of the Center and the state of completion of the permanent facilities.
6. With respect to the research programs, the mission in its report will
 - a. succinctly describe the research programs of CIMMYT and the objectives of these programs; discuss the place in, or relation to, CIMMYT's mandated programs of the Center's work with sorghum and barley;

b. indicate any results of special interest which were achieved in these programs in 1972 or early in 1973 or any setbacks experienced in these programs;

c. report any significant changes of emphasis or any new directions proposed for these programs in 1974 or foreseen for later years;

d. indicate if any research results of special interest are expected in 1973 or 1974 and, if so, what;

e. taking the objectives and scientific content of the programs as given, offer any comment the mission may feel to be useful concerning the effectiveness with which the research effort is being executed within each program, in terms of quality, scale and organization of staffing and in relation to the volume of budgetary expenditures.

7. With respect to training programs, the mission will

a. briefly describe the training programs and the objectives of these programs. (Training integrated with the basic research programs of the Center and financed as part of the core budget, if discussed, should be distinguished from training undertaken as a special project or as an outreach activity and financed separately from the core program.)

b. report any significant changes of emphasis or any new directions proposed for these activities in 1974 or foreseen for later years, either in the content of training or in the countries of origin of trainees;

c. indicate any innovations in the format of training exercises or programs;

d. offer any comment the mission may feel to be useful concerning the effectiveness with which the training programs are being carried out, both in terms of administrative arrangements and in relation to the volume of budgetary outlays.

8. The mission will also take note of the outreach activities of CIMMYT. Even though these activities may be financed in whole or in part outside the core budget financed by members of the Consultative Group, they are essential to the purposes of the Center and may also have implications for core staffing and budget. To the extent that outreach activities are not dealt with under other topics in these terms of reference, therefore, the mission will

a. briefly describe the nature and extent of cooperative arrangements expected in 1974 with regional or national institutions, for research, training, extension or other joint activities, and should indicate how these compare with similar activities in 1973;

b. indicate what effect, if any, outreach programs have on staff requirements met out of the core budget; and

c. indicate any results of special interest from the application of CIMMYT research or the use of CIMMYT personnel or trainees in national programs of agricultural development in 1972 and the early part of 1973.

9. The mission will take note of the relation between the activities of CIMMYT and those of other international agricultural research centers being supported by the Consultative Group, including especially

a. any areas of ambiguity in the research mandate of CIMMYT as related to the mandates of other centers, or in the scope of outreach activities by CIMMYT in relation to the outreach activities of other centers.

10. With respect to administration, the mission will

a. briefly describe the operation of the Center's administrative and supporting services;

b. indicate any changes being made or planned in the organization and operation of these services; and

c. offer any comment the mission may feel to be useful concerning the efficiency of these operations, respects in which they might be improved, and concerning ways, if any, in which technical assistance from members or staff of the Consultative Group might contribute to such improvement.

11. With respect to budget and financial requirements, the mission will

a. analyze the core budget in terms of the distribution of manpower and expenditures among the program elements and administrative operations of the Center;

b. indicate levels of manpower deployment and core budget expenditures at the end of 1972 and at the end of 1973; and indicate, in some detail, changes proposed for the 1974 budget as compared to the 1973 budget, distinguishing changes due to program development from changes due to inflation;

c. ensure that the presentation of the budget is in accordance with the accepted paper on budgeting and accounting and arrange for prior years' figures to be adjusted to enable comparisons to be made between years;

d. examine methods used in determining the costs of programs and operations and the criteria used for allocating overheads;

e. briefly describe the capital plan of the center;

f. present a suggested 3-year projection of CIMMYT's core and capital budget, 1974-1976;

g. determine the usefulness of the system of planning and budgeting as a management tool;

h. identify financial issues (e.g., delay in receiving donors' contributions) and review operating policies to determine their effect on costs;

i. conduct preliminary discussions with the Director General of CIMMYT with respect to the financial level at which the budget of CIMMYT, apart from inflationary increases or new substantive programs endorsed by the Consultative Group, might ultimately be stabilized.

cc: Mr. Haldore Hanson

HGraves:apm

TENTATIVE CALENDAR OF CENTER EXTERNAL PROGRAM REVIEWS AND BUDGET MEETINGS OF TRUSTEES

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
CIMMYT: Program Review	Jan 6-10	-	-	-
IRRI: Program Review	Jan 31-Feb 6	Jan 30-Feb 5	Jan 29-Feb 4	Jan 28-Feb 3
CIP: Nematode Program Review	Feb 11-13	-	-	-
IITA: Program Review	Feb 17-21	Feb 16-20	Feb 22-27	Feb 21-25
CIP: Over-all Program Review	-	-	-	Feb 21-25
CIP: Cold-resistance Program Review	Feb 25-29	-	-	-
CIMMYT: Presentation Week	Apr 2-6	Apr 1-5	Mar 30-Apr 3	Apr 4-7
CIMMYT: Board of Trustees	Apr 7-9	Apr 6-8	Apr 4-6	Apr 8-10
CIAT: Board of Trustees	Mid-May	Mid-May	Mid-May	Mid-May
CIP: Board of Trustees	May 27-29	May 26-30	May 24-27	May 23-25
IITA: Board of Trustees	May 27-30	May 26-29	May 24-27	May 23-26
ICRISAT: Board of Trustees	May 30-Jun 2	May 29-31	May 27-29	May 25-27
IRRI: Board of Trustees	June 7	June 6	June 4	June 3
CIP: Review of Use of Genetic Resources	In August	-	-	-
ICRISAT: Millet & Sorghum Review	End August	End August	End August	End August
CIP: Review of Blight, Wilt and Adaptive Physiology	-	In September	-	-

CIAT has not set exact dates, but intends to have in-depth reviews of its administration and organization in 1974, of its legume program in 1975, of its training and communications program in 1976, and of its beef program in 1977.

July 23, 1973