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April 24, 2006

Dr. Per Pinstrup-Andersen
Chair
CGIAR Science Council

Dr. Francisco Reifschneider
Director
CGIAR Secretariat

Dear Dr. Pinstrup-Andersen and Dr. Reifschneider,

On behalf of the CIFOR Board of Trustees and Management, it is our pleasure to submit our response to the recommendations of the Second External Program and Management Review of the International Centre for Forestry Research (CIFOR), attached.

The report is very encouraging to the Board, Management and Staff of CIFOR in its endorsement of CIFOR as a leading international forest research centre, in its recognition of the relevance and credible high quality of the Centre's research, and in its acknowledgement of CIFOR as a lead CGIAR Centre with respect to communication strategies and outreach activities. The report thus provides us with a strong platform from which to further develop our research and communication agenda, with a strong pro-poor approach.

The Panel has made 17 major recommendations, and an equal number of major suggestions. We appreciate that these recommendations and suggestions are clearly aimed at strengthening the research, governance and operations of the Centre, an objective which we share. The report also provides some important pointers in terms of developing a new strategy, priority setting, impact pathways and regionalization. In the main, we are pleased to accept and endorse these recommendations, with some explanation.

We express our admiration to the EPMR panel, led by its able chair Dr. Niels Elers Koch, for its professionalism as well as our gratitude for its positive and constructive report. We thank you, the Secretariat and Science Council staff, particularly Sirkka Immonen, for your assistance in ensuring the success of CIFOR's Second EPMR. And we look forward to the discussion of the report with you so that we might further enhance our collective efforts in the interest of forests and people who directly depend on them for their well-being.

With kind regards,

Angela Cropper
Chair, CIFOR Board of Trustees

David Kaimowitz
Director General

CIFOR RESPONSE TO THE 2nd EXTERNAL PROGRAM AND MANAGEMENT REVIEW PANEL RECOMMENDATIONS

The CIFOR Board and Management take this opportunity to thank the 2nd EPMP Panel for their time, effort and recommendations. Their report comes at a particularly appropriate time in CIFOR's history, as we about to select a new Director General and prepare a new strategy for the center. Throughout, this response is a collective response of the Board and Management unless otherwise noted.

This EPMP report strongly reaffirmed the need for an international center focused on research about how forest policies can reduce poverty and manage forests more sustainably. The center is proud that the report concluded that "CIFOR's research and policy-oriented outcomes are significant and in many cases outstanding", our communications strategy is "very successful and could serve as a model for other CGIAR centers", and the center "conducts its research through appropriate partnerships". We note the report generally endorsed CIFOR's current strategic vision and work program. We are also satisfied to see the EPMP Panel found CIFOR's management processes are generally "logical, thorough, appropriate to the business and programmatic needs, inclusive, flexible, adaptive, and transparent" and CIFOR's Board of Trustees "exemplifies the expression 'high performing board'".

CIFOR concurs with the EPMP Panel's conclusions that two of the center's highest priorities going forward are to formulate a new strategy and to clarify and successfully implement CIFOR's recently-adopted approach to regionalization. In our view the Panel's recommendations and suggestions are very useful and the center will implement most of them. This should allow us to improve our mechanisms for ensuring data quality, setting priorities, and reviewing research proposals. The center's responses to each of the individual recommendations follow.

CIFOR's strategy and priorities

1. The Panel **strongly recommends** that, after the new Director General is in place, a CIFOR strategy be developed through a consultative and participatory process that builds on its current strengths and brings staff and management together with key stakeholders to agree on shared vision, mission, values and strategic goals.

AGREED. It has now been ten years since CIFOR produced its last strategy, and many things in both CIFOR's external environment and internal functioning have changed since that time. No one document adequately summarizes CIFOR's current thinking about strategic issues, and this is an appropriate time for a systematic and inclusive process to define the center's future direction. CIFOR had planned for some time to develop a new strategy but felt it was important to wait for the results of the EPMP before doing the strategy. A participatory process involving staff and external stakeholders will help to ensure that the new strategy has their full understanding and support. CIFOR has already produced a number of strategy documents that can contribute to the new strategy, including program strategies, regional strategies, a communications strategy, and a capacity building strategy. The center has also held a workshop on the main global and regional trends likely to be important for the center in the future. These will be useful inputs to the new strategy, although the center fully expects to re-assess all the material they contain.

2. The Panel **recommends** that as a first step towards a more transparent and systematic priority setting process, CIFOR needs to formally document its current practice better by developing an integrated framework that consolidates the steps followed at CIFOR for exclusion and inclusion of projects, giving a full description of criteria, quantitative or qualitative scoring and aggregation methods used.

AGREED. CIFOR will formally document its current approach to priority setting, compare that approach with those used by other CGIAR centers, and review options for improving it. The center notes that priority setting within the CGIAR is a complex process that operates at multiple levels, including CG-wide priorities, center-wide priorities identified by the Board of Trustees, EPMRs, CCERs and scoping exercises, management directives on priorities, internal programmatic discussions of priorities, and the priorities of donors that fund restricted projects, and that any approach it comes up with will have to be flexible. CIFOR's new strategy should also provide the basis for its future priority setting exercises.

3. The Panel **recommends** that CIFOR review its resource allocation processes in order to use objective information to support the rationale for decisions on quantitative allocations of research funds between Programmes and regions, and ensure consistency in resource allocations with the Centre's approved strategic priorities and related BOT decisions.

AGREED. CIFOR is committed to increasing its efforts to collect and analyze objective information that can contribute to its decisions about resource allocation to ensure those decisions reflect the Centre's strategic priorities and related Board decisions. This recommendation is closely linked to the previous two and the actions to be taken will help to operationalise the new strategy and associated priorities.

4. The Panel **recommends** that the Programme objectives be refined jointly rather than individually, in full consultation with major stakeholders and staff, in order to minimize duplication and use effective mechanisms and incentives to enhance synergies among the Programmes.

AGREED. CIFOR acknowledges that it is necessary to minimize inappropriate duplication between its three research programs and to identify more effective mechanisms and incentives for increasing the synergies between them. The process of formulating a new strategy, which will be undertaken at a center-wide level and will involve both major stakeholders and staff, will include revisions to the program objectives. At regular intervals, reviews of the programs' objectives and thematic content with stakeholders and staff will help the center to avoid duplication and create synergies. Some thematic overlap between the programs may be desirable, but where it exists CIFOR agrees that it will need to fully clarify the specific role of each program and how the related activities will interact with each other. CIFOR has already taken steps to encourage synergies between the three programs, including the creating of a center-wide Program Advisory Group, encouraging multi-program restricted projects, and replacing week-long annual Program-specific meetings with center-wide meetings. However, CIFOR fully agrees with the Panel that it needs to do more in this area.

5. The Panel **recommends** that CIFOR's Programmes and Projects, in their diagnosis, design and implementation, increase attention to gender, especially in regard to poverty alleviation.

AGREED. CIFOR is grateful the EPMR panel acknowledged that the center already carries out substantial research related to women and gender, which has produced many useful outputs. In the last two years CIFOR has carried out multiple gender-related activities at the global and national level. However, given the strong global trend towards the feminization of poverty and the particular importance to poor women of fuelwood collection and sale, the collection, processing, and sale of non-timber forest products, and the role of forests in protecting clean water, CIFOR fully agrees that it can and should be doing more. The center acknowledges that it needs to be more systematic about prioritizing, highlighting, and tracking its work on gender. Specifically, the center commits itself to: doing an inventory of all its existing activities with significant attention to women and gender; ensuring that gender issues get adequate attention in the formulation of CIFOR's new strategy, explicitly incorporating gender considerations into its priority setting, checking all project proposals to make sure they adequately address aspects

related to gender, and making greater efforts to highlight and disseminate CIFOR's research on gender.

The quality and relevance of the science undertaken

6. The Panel **recommends** that in the absence of rigorous technical quality review of research proposals by donor or grant agencies, appropriate peer reviews of all proposals/study plans be undertaken prior to approval by Programme Directors.

AGREED. CIFOR agrees that it should formalize and seek to improve its approach to reviewing the scientific quality of its research proposals. In implementing this recommendation it will give particular attention to larger proposals.

7. The Panel **recommends** that CIFOR establish a policy and develop protocols for research data quality control and assurance to be applied to all of its field research projects.

AGREED. CIFOR will review its current practices regarding how it ensures the quality of its research data and establish an appropriate center-wide policy and associated protocols.

8. The Panel **recommends** that Programme Directors and scientists be strongly encouraged that, of the research publication effort aimed at the global forest science community, a greater share be focused on higher-impact refereed journals, rather than publishing in lower impact and non-refereed journals.

AGREED. CIFOR believes in the importance of being strategic and systematic in its efforts to ensure that its research gets published in the venues through which it will have the greatest desired impact. With regard to work designed to influence the global science community, the center will strive harder to publish in more prestigious journals in relevant fields and less in journals that have limited distribution and influence. At the same time CIFOR will continue to try to make sure that a substantial share of its publications are readily available to developing country researchers. That often requires publishing in languages other than English, prioritizing non-commercial journals with wide circulation in developing countries, and publishing in places that allow the material to be down-loaded from the web free-of-charge. CIFOR will also continue to devote substantial energy to producing publications in styles and formats that are most likely to reach and appeal to policymakers and forestry practitioners.

The effectiveness and efficiency of management, including the mechanisms and processes for ensuring quality

9. The Panel **recommends** that CIFOR's Board adjust its procedures as necessary to ensure that its Finance and Audit Committee can carefully review the audited financial statements with the External Auditor before consideration by the full Board. The Panel further **recommends** that the Board actively seek to add to its membership someone with substantial accounting and financial management expertise.

AGREED. CIFOR agrees that the Finance and Audit Committee should review the audited financial statements with the External Auditor before the full Board approves them. Therefore the Board will explore cost-effective options for doing so.

CIFOR's Board of Trustees agrees it would be desirable to add someone with the qualifications described in the recommendation and will work to identify and select good candidates who meet those criteria.

10. The Panel **recommends** that in accordance with its Capacity Building Strategy, CIFOR prepare monitoring and evaluation guides for measuring the effectiveness and impact of its capacity building activities, improve capacity building management processes, and that Senior Management increase their commitment to capacity building.

AGREED. The Panel has correctly noted that CIFOR has made less progress on implementing its capacity building strategy than it originally hoped. That is partially, though not entirely, due to lack of resources. The center has also had difficulty reaching agreement internally about the appropriate Terms of Reference for hiring a new staff member for capacity building. The role of capacity building within CIFOR is an issue that should and will get special attention in the formulation of the center's new strategy and in the decisions it makes regarding regional offices. In any case the center is committed to improving the way it handles capacity building activities and its efforts to measure the effectiveness of the capacity building it does. It will also review the roles of the Assistant Director General, Program Directors, and Regional Coordinators with regard to capacity building to ensure each person has a clear and appropriate role.

11. The Panel **recommends** that an internal policy be developed that includes incentives and opportunities to strengthen capacity of its own researchers and support staff.

AGREED. CIFOR agrees this is an important area to revisit, particularly since the size of the institution and the proportion of junior to senior research staff has risen steadily in recent years. CIFOR has sought to give younger staff members opportunities to attend international conferences and meetings, actively participate in the courses organized by the CGIAR Gender & Diversity program and HR-SAS; it has offered courses to improve the writing skills of junior staff members, and has sponsored the participation of various staff members in training courses directly related to their work. The center has also encouraged junior researchers to obtain graduate degrees in various ways, although it does not provide funding for tuition. Given that unrestricted funding is required to finance most of these activities and such funding is becoming increasingly scarce, it is unlikely the center will be able to greatly increase the resources available for this type of activities. Nonetheless, that is all the more reason for the center to have a clear, consistent, and appropriate policy about how to use most effectively the resources it can provide. CIFOR is committed to developing such a policy that will demonstrate management's commitment to staff development (not just training) at all levels, promote informal training and mentoring, ensure that the performance management system encourages development and ensure adequate incentives are in place.

12. The Panel **recommends** that CIFOR become more proactive in identifying strong women candidates for future staff vacancies.

AGREED: CIFOR appreciates the panel's recognition that the center already makes active efforts to locate, attract, hire, and retain female staff members. The center participates actively in the CGIAR Gender and Diversity Program, regularly uses its databases, and has adopted practically all its suggestions regarding best practices in recruitment. The center regularly uses recruiters and its own managers and staff to identify good female candidates and encourage them to apply, tries to design its advertisements to attract them, makes sure women are represented on its search committees, allows both spouses to work for the center when appropriate positions exist, has a fair amount of flexibility in work arrangements, devotes considerable time during the selection process to work/life issues, and regularly seeks to identify the reasons why women professionals leave the organization.

However, we agree that even though CIFOR is already above the CGIAR average with regards to the proportion of women professionals we are still not where we need to be. As part of its review of internal training and career development opportunities CIFOR will assess options for career development for more junior women scientists within the organization. It will formalize the existing practice of including women on all interview panels, and will have further discussions with the CGIAR Gender and Diversity Program to examine CIFOR's approach to recruitment and suggest areas for improvement. CIFOR's network of partners has yielded good candidates in the past. We will increase our efforts to tap that diverse pool more effectively for women candidates.

We will also regularly track our progress and discuss ways to improve it in both CIFOR Board meetings and within CIFOR's Management Group.

13. The Panel **recommends** that CIFOR develop a policy and clear standards regarding ownership and archiving of research data. The Panel further **recommends** that CIFOR establish a records management system.

PARTIALLY AGREE. CIFOR already has a clear policy that all data produced by staff and consultants belong to the organization. All staff and consultancy contracts it signs state that. It also has a clear policy regarding the ownership, use, and acknowledgement of all research results emanating from activities CIFOR conducts together with its partners. The center has done a good job of documenting and archiving most of its spatial data through the efforts devoted to producing its Forest Spatial Information Catalog. Much less effort has gone into similar efforts for non-spatial data. The center has also experienced difficulty getting some consultants and staff members to hand over their data when they stop working with us. The center agrees that it needs to review its current staff, Intellectual Property Rights, and data management policies and procedures to adequately ensure all of its research data is properly captured, documented and archived.

CIFOR recognizes that its growing complexity and geographic scope has made it increasingly necessary to establish a more formal system for handling all its institutional documents. At the moment, the center has relatively reliable procedures for tracking and archiving agreements, MOUs, contracts, project proposals, financial records, and certain other documents. However, it would be useful to systematically identify the different types of records CIFOR needs and define a set of center-wide procedures for handling each type. With the help of external expertise, we will develop a records management strategy, with particular emphasis on electronic records management, which will enable us to manage our records (including vital email correspondence) in a way that supports our work routines, operational needs and legal requirements. This will be led jointly by our Corporate Services Division and Information Services Group.

14. The Panel **recommends** that CIFOR work with other CGIAR centers, in consultation with the Science Council, to take appropriate measures to institute appropriate modalities for a predictable funding environment for centers.

AGREED. The Panel correctly notes that it is increasingly difficult to set priorities and conduct rigorous strategic research designed to achieve impact under the current funding arrangements. Centers' heavy and growing reliance on restricted projects that last three years or less and inability to get most CGIAR members to pay anywhere near the true full costs of the restricted projects they fund is not compatible with the type, quantity, and quality of outputs CGIAR members and the Science Council expect centers to generate. CIFOR has been able to achieve the excellent results the EPMR report has acknowledged largely as a result of its previous high proportion of unrestricted funding. Without that, it will be very difficult to sustain these results over time. CIFOR is committed to working with other CGIAR centers and whoever else may be appropriate to try to overcome this fundamental constraint on the center's operations.

Regionalization

15. The Panel **strongly recommends** a further clarification of the objectives of the Regional Offices, the respective roles of Regional Coordinators and Programme Directors, and an effort towards harmonization of Programme objectives and regional strategies. The Panel further **recommends** that the Regional Coordinators have adequate authority and resources to fulfill their Terms of Reference.

AGREED. Over the last two years CIFOR has taken significant measures designed to: move towards having full-time Regional Coordinators, increase the proportion of its staff based outside

headquarters, adapt its research program more closely to the needs of each region, disseminate its results more effectively in priority countries, efficiently administer the resources managed outside its headquarters, and increase the proportion of its funding generated from regionally-based sources. It has tried to do these things while still maintaining its global programs as its central mechanism for making programmatic decisions and supervising scientific staff.

The center is fully aware that this process involves inherent tensions and poses substantial risks for the institution and that many aspects still have to be clarified and worked out. These processes are extremely complex, the measures and hiring of new staff are both very recent and still incomplete. Thus, it is still too early to draw any clear conclusions about the results.

Nonetheless, the Panel is correct that these are among the most pressing institutional issues at CIFOR today and its recommendations reinforce the center's pre-existing commitment to give these issues the highest priority. The Panel's recommendations correctly identify many of the key specific issues that CIFOR needs to address, along with the issue of how to promote effective communication in an institution that is increasingly geographically dispersed. CIFOR is fully committed to reviewing and regularly monitoring all the points the Panel raised in its three recommendations related to regionalization. CIFOR's new strategy will address many of these issues, as will continuing intensive discussions on these topics by CIFOR's Board of Trustees, Management Group, and Program Advisory Group, and staff in the regional offices.

16. The Panel **recommends** that CIFOR proactively monitor and evaluate the progress of the regionalization process in order to avoid conflicts among Regional Coordinators, Programme Directors, and regionally based staff, and to further assess the feasibility of establishing and maintaining the planned number of Regional Offices.

AGREED. See response to Recommendation 15.

The accomplishments and impact of the Centre's research and related activities

17. The Panel **recommends** that CIFOR devote more effort in its project and strategic planning to clearly identify and assess impact pathways in ways that are more closely linked to the CGIAR poverty priority and its own objectives.

AGREED. CIFOR will give attention to this in the context of its new strategy. CIFOR has recently hired a new scientist responsible for impact assessment, who will support the efforts to identify and assess impact pathways. It has also begun to collaborate with IWMI and the World Fish Center on this topic.