

15 March 2006

Dr Per Pinstrup-Andersen
Chair,
Science Council

Dr Francisco Reifschneider
Director
Consultative Group on International
Agricultural Research

Dear Drs Pinstrup-Andersen and Reifschneider,

The Board and management of the World Agroforestry Centre would like to convey their appreciation to the EPMR panel for preparing a detailed report on the Centre's performance over the past seven years. We are confident that their report will be useful to the Board and management in guiding the Centre. The panel's efforts to identify issues that require attention in strategy, science, and management are greatly appreciated.

We note the panel's strong support for the Centre's vision to achieve an *agroforestry transformation in the developing world*, and our mission to *advance the science and practice of Agroforestry*. We note also that the Panel fully endorsed ICRAF's four strategic goals and that the panel found that they align well with the MDGs and the CGIAR priorities. We are pleased with their conclusion that "ICRAF is well positioned to address the new CGIAR priorities...and can contribute to each of the five CGIAR system priority areas". We agree that this places the Centre in a highly favorable position to play a major role in achieving the CGIAR's updated mission.

The panel made 15 recommendations in its report. The Centre's Board and management fully agree with 11 of these recommendations and will now be moving to implement them. The remaining four recommendations will require further analysis, and we have provided our rationale for the current positions we have taken on them in the attached response document.

We note a stated opinion of the panel in the cover letter that the Centre has lost focus, direction, and scientific reputation. We believe there is a serious disconnect between this opinion and the analysis by the panel of the Centre's scientific achievements in the body of the report. In preparing this cover letter, we have therefore drawn attention to the issues that illustrate this disconnect. We have gone to some length in quoting the analysis provided by the panel in the text of the different chapters of the report because they stand in contrast to the negative tone of the message conveyed in the covering letter.

Our concern is that many stakeholders will read no further than the cover letter or the summary and will take away an inaccurate view of the centre's achievements and a less than complete appreciation of the panel's analysis and helpful conclusions. Indeed, we find the cover letter and summary of the document to be out of sync with the report as a whole. Given the positive assessments that are cited below in the very words of the panel, we find some serious contradictions in the language and conclusions.

Evaluation of the Centre's Science

We were pleased with the panel's many positive and laudable conclusions about the substance, salience, and quality of the scientific work in each of the four global themes that match our four strategic goals. We note with satisfaction the panel's conclusion that "ICRAF has a solid record of achievements in agroforestry research and development that integrates the production, environmental services and governance-policy aspects of agroforestry as a land use in an INRM framework" and that "with its cadre of outstanding scientists, ICRAF's research has a good record of accomplishments in moving towards systems solutions". We noted that the panel found "the approach to integrated natural resource management at the watershed scale with agroforestry systems incorporating multipurpose trees is innovative and does promise a major transformation".

The Centre pursues its scientific research through the three global themes of Trees and Markets, Land and People, and Environmental Services, and a theme on Institutional Strengthening. In their evaluation of our work in the Trees and Markets Theme we note the panel's observation that "since the last EPMP, ICRAF has led a strong, well-focused effort in the participatory domestication of indigenous fruit, nut, and medicinal trees". In addition, the panel reported that "ICRAF has developed a research agenda around the tree biodiversity of agroforestry landscapes, and has published strongly in this area in recent years".

We also note the panel's observation that Land and People "has had several notable achievements" and that it "has comparative advantages in several areas including excellent staff skills in soil-related work, modeling and property rights" We agree with their conclusion that this theme has "demonstrated ability to generate IPGs and deliver impact to smallholder farmers." We also concur with their conclusion that ICRAF's achievements in policy research "have been remarkable, judging from the outputs, publications, and impacts since the 1990s."

We are gratified to note their conclusion that "ICRAF is to be commended on the success of Environmental Services Theme research...with IPGs that have the potential for broad application", and with their observation that "there is a good mix of journal articles with many in top quality journals of high impact (eg *Science, Nature, and Bioscience*)". We acknowledge the statement that our watershed management work "has produced high quality and relevant research" and that our team in climate change research has produced high quality research and publications. We agree with their conclusion that "Environmental governance is a highly productive focal area of research." And we are likewise pleased with the panel's conclusion that ICRAF's senior scientists "have high credibility in their respective science disciplines" and exhibit a publications record comparable to that of scientists in other centres in the CGIAR.

We are also pleased with the panel's recognition of our capacity building efforts, especially in strengthening the capacity of tertiary education to integrate agroforestry into teaching and learning programmes, and the establishment of successful partner networks that are playing a major role in scaling up agroforestry science.

Strengthening Strategic Research

The panel did not allude to an erosion of scientific substance or quality in any specific area of the Centre's work. Thus, we are puzzled by the statement that "ICRAF has lost much of its earlier reputation as a research organization". Likewise, there is no indication of this from the results of the partnership surveys or CGIAR surveys that the panel reviewed in the report. We therefore wonder if the panel is alluding to this loss in a *relative* sense: i.e. relative to the

strengthening of our reputation in the area of research-development linkages. We would take issue with the premise that an increase in research-development linkages translates into a loss of scientific reputation.

Our previous EPMR had recommended that the Centre expand its work in a number of strategic areas, including policy research, nitrogen fixation in agroforestry systems, vegetative propagation and nursery management, tree product market analysis and post-harvest technologies, and extension methodology for dissemination approaches for the Centre's innovations. The Centre has diligently and successfully addressed these gaps in the intervening years. The current EPMR has further urged the Centre to strengthen work in 'research on development', particularly on scaling-up methodologies.

ICRAF staff, management and board are sensitive of the need to sustain and strengthen strategic research in the agroforestry sciences. We are also painfully aware of the tradeoffs in making investments in newly recommended areas while sustaining strength in our current areas of scientific leadership. The fundamental constraint boils down to funding realities.

The panel noted that "ICRAF, like all CGIAR centres, conducts mid- to long-term research with short-term funding". The trend in the Centre's unrestricted core income has been flat since the mid-1990s in nominal terms, meaning that the real value of the pool of core resources has declined by more than a quarter during that time period. We appreciate the panel's recognition of this fact, and their appeal to the donor community to increase their unrestricted contributions to the Centre, in order to lift the current ratio of unrestricted to restricted funding from 30%:70% currently, to a level closer to the CGIAR average of 44%:56% (or higher). But we would have hoped that the panel had also recognized the need for the significant tradeoffs that were mentioned above.

Balance of research and development-support

The previous EPMR noted ICRAF's "laudable commitment to taking the process of research into the development end of the R&D continuum". Thus, we appreciate the current panel's observation that the Centre's reputation in connecting our science with development has increased during the past seven years. We are proud to have fostered strong linkages between our strategic research and development-support for our partners. Moreover, we are gratified that "the panel noted with satisfaction the involvement of ICRAF in regional and global agendas" and that the panel "supports ICRAF's effort devoted to strengthening awareness of agroforestry in global and national fora." We were also pleased that the EPMR panel "endorses the integration of training of NARS and other developing-country scientists into ICRAF's research projects", and that "the panel believes that targeted capacity building in collaboration with local institutions is a justifiable and important activity for the Center."

The panel's evaluation of our partnerships noted that "60% of survey respondents considered that ICRAF made a very significant global contribution to agroforestry research while 90% considered ICRAF made a highly positive or positive contribution to NARIs, universities, resource networks and NGOs operating in their countries". Sixty-two percent believed that ICRAF should allocate more of its resources to scaling-up of agroforestry innovations. With regard to investment in the scaling-up of agroforestry innovations, we note that the panel's views are in contrast to those of our partners.

Our donors were likewise pleased that the Centre has strengthened its capacity to link its research with development, which has been recognized through the Centre's success in

“...being one of the top four centres in mobilizing restricted funding”. The panel correctly noted that the Centre accomplishes its development-support agenda with restricted grant sources, thus freeing ICRAF’s limited unrestricted funding for long-term strategic research.

There are widely disparate views within and outside the CGIAR community about what is the correct balance between strategic research and development-support linkages. This is *the* central issue currently being vigorously debated throughout the CGIAR, and a particularly challenging one for centres. We appreciate the panel’s views that ICRAF ought to strengthen its strategic science, a conclusion with which we fully agree. However, we disagree strongly with the panel’s notion that ICRAF must choose between being a development NGO or a CGIAR research institution. This is not an either or proposition. Rather, it is a false dichotomy in the context of doing agroforestry science for development. ICRAF’s work provides a platform for developing the tools, approaches, and frames of analysis for a more integrative approach to managing agricultural and natural resources systems at scale. This follows advances in theory and practice related to improving the management of complex adaptive systems, as exemplified by smallholder farming systems in the tropics.

We also wish to point out that the 1998 EPMP had noted that “it is not a matter of one (science) or the other (development-support), but rather the balance between the two that should be important to ICRAF.” This hasn’t changed. ICRAF will continue to pursue its mission to advance the science and practice of agroforestry simultaneously in a mutually complementary fashion, and with equilibrium dictated by the needs of our partners and the interests of the poor. That said, neither the Board nor management has ever contemplated transforming the Centre into a development NGO. ICRAF recognises that, in attempting to bring agroforestry benefits to rural people, we have engaged in activities which are not fully integrated into substantial research strategies that will generate IPGs. We also recognise that where locally-based activities have contributed to IPGs we have not always adequately emphasized sometimes emphasised the strategic research result. Our response will be to pay more careful attention to both the logic and articulation of the connection between research outputs and development-directed outcomes.

Centre Management

We appreciate the panel’s attention to the centre’s management challenges. We agree with its observations about the difficulties a global centre such as ICRAF faces in building and adjusting its management systems to accommodate a highly complex institutional ecology.

We appreciate that “the panel was pleased to note the prudent financial management practices at the Center in a time of increasingly difficult and uncertain funding environment”. The panel observed that the Centre’s financial reserves have increased substantially during the EPMP review period to a satisfactory level, and its liquidity ratio has risen to 152 days of expenditure, and that this is a healthy status. We should note, however, that our financial health is in large part due to the value derived from restricted grants.

We agree with the panel’s concern that the management of our human resources has been problematic and that a revamp of our approach to HR is an urgent priority. Our recent experiment to manage our complex human resources with a nationally-recruited team leader has not worked well, and we are moving expeditiously to put in place an internationally-recruited HR professional to provide strategic leadership in this area.

We look forward to continuing our efforts to develop a joint services platform with ILRI. In addition, we will be taking up the other elements of the panel's recommendations on streamlining our management processes and structure, including the consolidation of regional programmes.

We note that the panel stated that some necessary processes for monitoring the health of organization were not observed. They stated that they searched for this evidence in the minutes of the Senior Leadership Team (SLT) meetings. The reason why they did not find this evidence there was that most of the regular institutional performance reviews as shown in Annex 14 are conducted through formal processes, bodies, and reviews separate from the SLT, but in which the SLT participates. These include the Resource Mobilization Group, Publications Advisory Group, Programmes Committee, annual review of regional programmes, centre budget reviews, etc. We regret that the panel didn't cross-check with the SLT on this matter, or meet with management on this or other panel concerns related to management. We regret also that the text of this chapter was not shared with management for any useful clarifications before the final report was issued. An external review is meant to be instructive for the Centre. Thus, it is a basic tenet of every audit and consulting review that the facts are checked and a robust discussion held between reviewer and reviewee about the observations, prospective conclusions, and recommendations. We believe that such a dialogue would have been useful. Regrettably, this was not adequately pursued by the panel in this particular review.

Centre Governance

ICRAF trustees are pleased with the panel's efforts to understand the structure and functioning of the Board through its committees and their activities. The Board is particularly pleased with the panel's commendation of the Board "...for adding to its membership a trustee with certified professional and extensive experience in financial and risk management." We believe we have a strong board with members who are world class in their fields of expertise and who have extensive experience in management of both the programmatic and financial systems of their home institutions.

The Board appreciates the panel's comments relating to how much the Board relies on management to provide information that is appropriate, accurate, complete, intelligible, and timely. The Board confirmed to the panel that it has some concerns about provision of timely information, and had in fact voiced its concerns. However, the Board wants to put on record that in most respects management is highly responsive to Board requests for information and studies. A major part of the difficulty experienced in this particular Board meeting can be attributed to the fact that the Board and management made many adjustments in areas of the board meeting preparations, including the timely preparation of documentation, in order to accommodate the EPMP by convening fully three months earlier than its regular meeting schedule.

The Board acknowledges the panel's good intentions in recommending that more attention be paid to the efficient use of the Board's time for meetings. All Board deliberations at committee level, plenary sessions, and retreats, are dedicated to and fully focused on ICRAF business. This is so, despite the panel's comment that the retreat held during the January 2006 Board meeting "was undoubtedly useful but not directly focused on ICRAF business". In fact, the Board found the retreat so valuable that it requested to include this in every board meeting. Two of the most important items dealt with during this retreat were science quality and risk management at ICRAF.


Further, in its commentary and comparisons with how other Boards utilize their time during meeting days, it would have been useful for the panel to acknowledge its limited experience with how the ICRAF Board meetings have generally been structured (this panel only attended one board meeting). The Board has been moving the more detailed items of discussion to its committees for more in-depth analysis. We appreciate the panel's intention to emphasize the fact that some other centre boards schedule evening sessions, to be able to cope with the volume of their tasks. The ICRAF board meeting lasted six days and also included an evening session of four hours devoted to Resource Mobilization, which was attended by one of the panel members.

Panel Recommendations

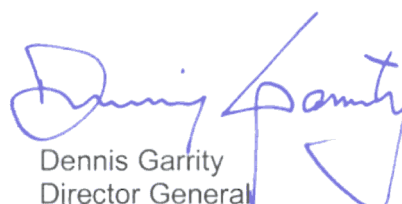
We note with satisfaction that the Panel has concluded that "the Centre has implemented all recommendations and taken constructive action on all suggestions" from our previous EPMR in 1998. Similarly, Board and management will ensure that ICRAF carefully addresses the recommendations put forward by this panel. Attached you will find the ICRAF board and management's responses to the 15 recommendations in the report. We find the recommendations constructive and helpful.

Once again, we want to express our appreciation to the EPMR panel chair and members for their effort in conducting this review, and for the service they have rendered ICRAF through the detailed report. We are convinced that its insights will provide guidance as the Centre reflects on how best to deliver on the Centre's considerable potential to address the new CGIAR priorities, and contribute to the eventual elimination of desperate poverty in the world.

Yours sincerely,



Eugene Terry
Chair, Board of Trustees



Dennis Garrity
Director General