

1 BACKGROUND AND CONTEXT

1.1 CIFOR's platform

1.1.1 *The need for CIFOR*⁵

CIFOR was established in 1993 in response to global concerns about massive deforestation in the tropics. It is the only institute in the world with a global mandate for International Public Goods (IPG) research and its dissemination that focuses on sustainable management and use of forests for poverty reduction and sustained well-being of people in developing countries. CIFOR is - like the other CGIAR Centers - less subject to political influence than fully intergovernmental organizations and does not have a predetermined set of policy prescriptions like many NGOs⁶; these characteristics lend credibility to CIFOR's research results. There was, and continues to be, a need for an institution such as CIFOR that combines biological, physical, economic and social variables in an integrated approach towards sustainable forest management and sustainable livelihoods. CIFOR's research includes strategic and comparative research as well as synthesis work.

The need for effective and influential research and communication about sustainable management of forest and other natural resources with a strong pro-poor approach is beyond measure. Hundreds of millions of people rely on forests for their survival. Forests yield everything from food and medicinal plants to fiber and building materials; protection and enhancement of environmental services (soils and water resources, biodiversity, climate and carbon cycles); as well as employment and other socio-economic benefits.

There is a great need for an international forest research institute such as CIFOR to conduct high quality research with its main aim to impact on international, regional and national forest policies to achieve poverty alleviation. In response to these needs CIFOR conducts research to improve the capacity of decision makers and users to manage forest resources sustainably. Due to the weakness of most forest research institutes in addressing far-reaching policy failures and other institutional shortcomings, there is also a great need to build research capacity, particularly in developing countries.

1.1.2 *The history and evolution of CIFOR*

CIFOR was established as a 'center without walls' soon after the 1992 Earth Summit in Rio de Janeiro, when the world was heavily concerned with massive destruction of tropical forests. Understandably, much of its original focus was on finding ways to avoid such destruction. Consequently, the Center gave greater priority to work in regions with large areas of intact forest and high levels of biodiversity with emphasis on protection and conservation of these values.

This evolved into the perception that in many, if not most, cases maintaining healthy forests would best be achieved by using them sustainably for productive purposes. Such approaches would also make it possible to use forest resources to meet human needs, both from natural

⁵ The 15 years of discussion in a range of international fora that led to the creation of CIFOR in 1993 was presented in the EPMR-1 report (refer Annex 6, Document 2, section 1.1 and 1.2).

⁶ "The Center shall operate as a non-profit autonomous organization, international in status and non-political in management, staffing and operations." (Article 2i in the Constitution for the Center for International Forestry Research).

forests and plantations. This was developed into a new forest management philosophy in which forests and people who depend on them are considered as a single complex integrated system.

The initial vision of the sustainable use of forests as a way to preserve them has gradually shifted towards one of using forests sustainably as a way to reduce poverty and improve rural people's health and well-being. In order to achieve this there is a need for forest policies to support not only improved sustainable forest management but also improved livelihoods. The Center has shifted its focus from the humid tropics to give more attention to the drier, less biologically diverse and more heavily disturbed forests that hundreds of millions of poor people depend on to meet basic needs. It has also focused more on the changes in policies, institutions, and practices required to use forest resources effectively to help lift people out of poverty.

The 1992 Earth Summit also marked a time when global environmental processes and actors were at their peak. The summit helped to give birth to the United Nations Framework Convention on Climate Change (UNFCCC), the Convention on Biological Diversity (CBD), the Global Environmental Facility (GEF), and the Intergovernmental Panel on Forests (IPF)⁷, and the adoption of a more conservation oriented forest policy by the World Bank. International assistance for forestry activities reached unprecedented levels at that time. International environmental NGOs such as WWF, Greenpeace, IUCN, and Friends of the Earth were increasingly influential in defining the global forest policy agenda.

Such a context provided an opportunity for a relatively small Center such as CIFOR, with a global mandate to do strategic research that produced International Public Goods, to influence these processes and actors. These global processes and actors, in turn, could reasonably be expected to influence the behavior of national governments and private companies in developing countries. Working with partners in national research institutions in the tropics would also provide avenues for influencing national policymakers, as well as building local research capacity and leveraging CIFOR's limited resources. Publishing books and articles in the international literature could influence global thinking and environmental education, and that would also eventually translate into policies that transform lives and landscapes in developing countries.

This strategy proved successful. CIFOR was able to establish a high level of international credibility and influence in a short period of time, in part through innovative communications initiatives such as the Forest Policy Experts (POLEX) Listserv and, especially in the last five years, successful outreach to the international media. This contributed to policymakers paying greater attention to the social aspects of forestry, the sustainable use of forests (as opposed to strict conservation), governance issues, non-timber forest products (NTFP), and non-forest sector policies that impact forests.

Subsequent developments required CIFOR to modify its strategy and find other ways to influence outcomes more directly at the regional, national, and local levels. International funding for forestry declined. The slow progress of the global processes in forest policy frustrated many stakeholders. Government officials and donors pressed for evidence that CIFOR could achieve demonstrable impact on the ground. Meanwhile, new opportunities for policy reform opened up in major forestry countries such as Brazil, China, Democratic Republic of Congo, and Indonesia.

⁷ IPF later became the IFF (Intergovernmental Forum on Forests) and then the UNFF (United Nations Forum on Forest).

In response, CIFOR gave greater attention to developing regional and national strategies and placed more of its staff outside its headquarters in Indonesia. The increased commitment of CIFOR's resources and activities to Africa reflects its recognition of the importance of forests to the livelihoods of the poor.

Since its inception CIFOR has steadily grown and become more complex. That and growing demands for accountability have encouraged the development of more formal mechanisms and systems. CIFOR now has permanent staff in over a dozen countries supported by Regional Offices and Regional Coordinators. Like other CGIAR Centers, CIFOR has been forced to increasingly rely on restricted projects for its funding. That has required more systematic efforts to raise funds for projects and to handle the administration and reporting.

According to the Panel's surveys of, and interviews with, stakeholders and donors (cf. Annex 12 and 13), CIFOR is considered to be the leading international forest research center within its pro-poor mandate and is highly appreciated for its credibility and relevant high-quality research. CIFOR is also considered to be a lead CGIAR Center in terms of communication strategies and outreach activities.

For further details of 'CIFOR's History and Evolution' refer to Document 49: CIFOR's Evolution (*Management at CIFOR: The Way Forward* and *The Evolution of CIFOR's Institutional Model*), cf. Annex 6.

1.2 CIFOR's context

1.2.1 CIFOR's shifting donor priorities and the CGIAR

In the last ten years, CIFOR's revenues have doubled. While there has been an increase in unrestricted funding during this period, the growth has primarily been through restricted Project funding. Currently about half of CIFOR's revenue is through restricted funding with ten donors providing about 70% of the total annual revenue. While there have been changes in the relative ranking of financial contributions, seven of the ten countries have been partners during the last ten years. The primary changes have been the diminished role of Japan and the addition of the Scandinavian countries, Norway and Sweden.

Although restricted funding creates opportunities, high dependency on restricted funding also creates potential pitfalls. While CIFOR would not be able to conduct its current level of research without restricted funding, there is concern that the focus of the research is unduly influenced by the respective donors' priorities rather than reflecting CIFOR's mission, objectives, and comparative advantages.

This review of CIFOR Programs and quality of research (see section 5) confirms their relevance to its mission and objectives. However, the tension between conducting research guided by CIFOR's priorities and research that *can* be conducted because of availability of funding will continue. The reality is that for CIFOR to continue the breadth and quality of its research it will continue to be dependent, as are the other CGIAR Centers, on restricted funding from its donors. In order to fulfill its mission, CIFOR's research is dependent on identifying donors that are not only financial partners, but also share its priorities and commitment. Currently there is a convergence of interest among the donors, CIFOR and the CGIAR on poverty alleviation. The ways in which poverty alleviation will be interpreted and highlighted in forestry is, however, still

evolving. Other areas of important research will not be conducted because of the lack of donor interest.

CIFOR's research is also influenced by the Science Council and the CGIAR's vision and priorities (see 4.1.1 and 4.2.1). The increased emphasis of the CGIAR on poverty alleviation has supported CIFOR's focus on people-centered forestry research. From its inception CIFOR was mandated to be a 'center without walls' that relied heavily on partnerships and focused on policy issues to enable more 'informed, productive, sustainable and equitable decisions about the management and use of forests.' This policy focus demands strategies, research activities, partners, and measures of success that are different than those of many other CGIAR Centers which are primarily concerned with improving livestock and crop production. These differences have not always been adequately recognized by the Science Council and CGIAR.

1.2.2 CIFOR's partners

Since 1998, CIFOR has been very successful in continuing to build productive partnerships with a broad range of institutional and individual partners, including national forest and natural resource research centers, NGOs, universities and the Private Sector, regional and sub-regional organizations, bilateral and multilateral agencies and advanced research institutions. These partnerships have contributed significantly to CIFOR's ability to mobilize research funding and complementary scientific expertise, enhance its scientific quality, output of International Public Goods, impact, relevance, and capacity to inform and sometimes influence decision-making processes. CIFOR has been particularly successful in its partnerships aimed at informing and influencing major global policy actors. While CIFOR's partnerships have had significant impact on sustainable forest management at the local level in many cases, there is potential to further develop the linkages and synergies between global influence, national level changes and local impacts. CIFOR's partnerships have resulted in significant capacity-building of individual scientists, but building institutional capacity in partner organizations continues to be a challenge.

The Panel members' field visits to the Regional Offices in Central Africa and Latin America found CIFOR working with appropriate partners. In Central Africa partners for the Model Forest Project, for example, include international and local NGOs and local government supporting the development of multi-stakeholder platforms. At the regional level in Latin America, CIFOR currently works closely with the Amazon Initiative (see 3.2.3), the Organization of the Amazon Cooperation Treaty (OTCA) and the Association of Amazonian Universities (UNAMAZ), and with CATIE and the Inter-American Institute for Cooperation in Agriculture (IICA), which is particularly important for networking between Central America and the Amazon region. In both regions, CIFOR is developing closer linkages with other members of the CGIAR, specifically with ICRAF, and in Latin America with CIAT, and seeks to expand its collaboration with UN agencies (i.e. FAO and UNDP), and with multilateral and inter-governmental agencies with significant influence over forest and land-use policies in the region (World Bank, COMIFAC, Inter-American Development Bank), as well as bilateral development agencies.

Panel members were not able to visit the Malinau Research Forest in East Kalimantan, a FORDA (research department of the Ministry of Forestry) research site primarily funded by ITTO⁸ where CIFOR has been conducting research since the mid 1990s for a variety of projects, 'ranging from basic anthropological and forestry research to research on decentralization.' While there are relatively few research and development institutions that have a permanent regular presence,

⁸ Some of CIFOR's funding came from the DFID Multistakeholder Forestry Project.

CIFOR reports a wide range of partners that greatly enhanced its ability to produce International Public Goods from the research in Malinau. Partners include WWF, the major international partner prior to 1998 and recently reengaged through a joint WWF-Tropenbos-CIFOR⁹ project that includes activities in Malinau. FORDA implemented some of the research activities and participates on the steering committee. The Indonesian Institute of Science (LIPI) was involved in much of the taxonomic work in one of the projects. The research on Reduced Impact Logging (RIL) included a national parastatal (Inhutani) and the Tropical Forest Foundation (TFF). A number of publications published by various partners have resulted from the Malinau work.

Local government agencies and communities also have been partners, and these value the information sharing and exchange, training and capacity building and access to CIFOR's wide network. There were strong expectations by local government agencies, cited in the CCER report on Partnership, that CIFOR's role would not be limited to that of a research partner with its own global and Program interest to pursue in Malinau, but that it would also become involved in 'more downstream work for local impact'.

CIFOR appears to have been very strategic in its selection of partners in all of the projects reviewed, and while supporting and managing/networking research with numerous partners, the Center rarely if ever undertakes research activities that can or should be done by local or national partners.

Increasing national forestry research capacity is one of CIFOR's primary objectives (see also 4.1 and 5.3). In developing countries, forestry and forest research is generally weaker than agricultural research, and forest policy research receives comparatively little attention within forest research institutions. A number of the countries in which CIFOR works do not have functioning forest research institutions.

CIFOR's approach has been to develop full institutional partnerships where there has been mutual interest, to complement more traditional forestry research, and to encourage more policy-oriented multi-disciplinary research. In Latin America, for example, CIFOR is working on collaborative activities with research institutions in several countries, including Brazil, Peru, Bolivia, and Costa Rica as well as being a partner with other CGIAR Centers (CIAT, ICRAF), research institutions and universities through a variety of collaborative arrangements, including the Amazon Initiative.

However, reflecting the relative weakness of forest research institutions, many of CIFOR's partnerships are with individual scientists who may not be in forest research institutions, but in universities, national NGOs, and Projects. Through collaborative research with CIFOR, both individual scientists and institutions become part of larger research networks and share in the dissemination of its results. The Panel finds that CIFOR's niche relative to the NARS and the NGOs is clear – complementing their work, encouraging research, building networks, and disseminating results.

1.2.3 Partnerships with other CGIAR Centers

Of the CGIAR Centers CIFOR has had the longest and closest collaboration with ICRAF. Since CIFOR was founded CIFOR and ICRAF have had joint members on their Boards of Trustees. There has been a noticeable increase in collaboration over the last few years, a result in part of

⁹ Tropenbos International is an NGO and it has an Indonesia Program, TBI.

CIFOR's increasing focus on Africa and ICRAF's changing research interests. Within Africa coordination between CIFOR and ICRAF has been primarily in the humid forest areas of Central and West Africa.

To facilitate collaboration the Director Generals and Board Chairs of CIFOR and ICRAF have met several times over the last few years and established a joint working group composed of four assistant Director level staff. CIFOR houses ICRAF's Southeast Asia Regional Office and the two Centers share many support services on the Bogor campus. CIFOR assisted ICRAF in establishing its office in Brazil. The two Centers also share an office in Vietnam and will be housed together in Guinea.

The CIFOR-ICRAF Biodiversity Platform for rural landscape mosaics is a promising step towards enhanced collaboration and synergy between CIFOR's three research Programs and ICRAF. As currently formulated, it is well-conceptualized and presents opportunities for fruitful collaboration, with a large number of local, regional and international partners and initiatives such as the Global Partnership for Forest Landscape Restoration. As with many other Projects, this initiative is very broad in scope. CIFOR and ICRAF will need to more clearly define their respective roles and more sharply focus their research activities in order to complement, rather than duplicate, on-going or completed research worldwide related to tropical landscape ecology and forest landscape restoration and management. This will require a more in-depth review of the literature to identify significant knowledge gaps, careful prioritization of study topics and site selection, and strategic partnership development. In its choice of partners, the joint initiative should look beyond the large conservation NGOs like CI, TNC and WWF. It should work more closely with communities, local universities, national forest research organizations, and other relevant organizations that may have complementary expertise (including local and traditional ecological knowledge), and those that are in a position to translate and transfer the project's findings into improved landscape management practices on the ground, and inform decision-makers at local and national level.

CIFOR and ICRAF have joint research Projects in the Amazon, Cameroon, DRC, Guinea, Indonesia, and Liberia. These joint Projects include activities covering non-timber forest products, community forestry, biodiversity, payment for environmental services, and the Clean Development Mechanisms (CDM). In the Alternatives to Slash and Burn (ASB) consortium a good balance is reached with ICRAF coordinating the consortium and CIFOR chairing the steering committee. *The Panel suggests that in the upcoming Projects in Guinea and Liberia, CIFOR carefully assesses its role to ensure that it does not become an implementing agency for development projects which would lie outside both its mission and comparative advantages. CIFOR should focus on systematizing the lessons learned and by doing so support development projects.*

In Latin America the Amazon Initiative, in which CIFOR, ICRAF, CIAT, and IPGRI are key members, provides a multidisciplinary framework for regional collaboration on a range of issues aimed at preventing, reducing and reversing land degradation and poverty alleviation in the Amazon. The Initiative, established in 2004, enjoys considerable political support from governments in the region. Its four thematic areas largely encompass CIFOR's current Program and Latin America regional priorities¹⁰. It has the potential to serve as the primary vehicle for the

¹⁰ The four thematic areas of the Amazon Initiative are: (1) diagnostics and monitoring of degraded areas and degradation processes; (2) sustainable land use systems for prevention and recovery of degraded lands; (3)

proposed CGIAR Amazon Eco-regional Program. It could also help strengthen regional scientific collaboration among CGIAR Centers, promote synergies among Centers and NARS, and enhance international donor support for CIFOR's work within the framework of the Initiative and proposed Eco-regional Program. The Panel commends CIFOR's important role to date in the development of the Amazon Initiative, and encourages CIFOR to take full advantage of the opportunities the Initiative offers as a unifying framework for its Programs and Projects in the region.

The Panel finds that there is increasing collaboration between CIFOR and ICRAF that attempts to capture the comparative advantages of the respective Centers to create important synergies.

The Panel suggests that CIFOR and ICRAF move forward in implementing a stronger alliance as described in the joint paper: "ICRAF and CIFOR: Building on Past Experience for a Stronger Alliance" (Oct. 2005). As long as the collaboration and the capture of synergies continue, and duplication of work is avoided, the Panel finds no reasons for a merger of the two Centers.

The Challenge Programs could provide an excellent opportunity for CIFOR to collaborate with other CGIAR Centers in research activities. However, the approved and funded Challenge Programs reflect the agricultural bias of the CGIAR which in turn has resulted in CIFOR playing only a minor role in the Challenge Program Projects. Nonetheless, CIFOR has worked in partnership with other CGIAR Centers in the development of Challenge Program proposals such as the climate change and coastal zones. The proposed Rainforest Challenge Program, with proposed research sites in Indonesia, Cameroon, and Brazil, is the most central to CIFOR's research priorities and was developed in partnership with ICRAF, IUCN and WWF.

CIFOR played a leadership role in the CGIAR working group on Integrated Natural Resource Management, including the lead in developing the guidelines: *Navigating amidst complexity: Guide to manage R&D interventions for improving livelihoods and the environment*, which have been adopted by the Challenge Program on livelihoods in Sub-Saharan Africa among others.

CIFOR is also an active participant in various Systemwide Programs, including those on common property (CAPRI), gender and diversity, Information and Communications Technology and Knowledge Management (ICT-KM). CIFOR, ICRAF, and IPGRI have held several joint meeting to discuss how to work together on forest genetic resources. CIFOR's Regional Office for Central Africa is housed at the IITA facilities in Cameroon.

An e-mail survey of the Director Generals of the 14 other CGIAR Centers, combined with telephone interviews, was carried out by the Panel Chair in January - February 2006. The aim of the survey and interviews was to seek the views on the performance of CIFOR since the First EPMR in 1998, their collaboration with CIFOR, and any other important issues that they wanted to bring to the attention of the review Panel. Responses were received from all of the other CGIAR Centers, and these were generally positive.

CIFOR has good working relationships with other CGIAR Centers, e.g. IFPRI, IPGRI, WorldFish, IWMI, and IITA. CIFOR, WorldFish and IWMI have in 2005 started discussions on how to help each other in doing their cooperative services better (e.g. a joint Project on the future of research

processes supporting sustainable land use, with a focus on production chains; and (4) public policies for sustainable use of natural resources and recovery of degraded lands.

libraries) and impact assessment where the three Centers have discussed setting up a joint group on NRM impact assessment. *The Panel suggests that the three Centers continue to work together to better manage their cooperative services.*

1.2.4 Host country partnerships and relations

As much as 30% of CIFOR's research has been focused on Indonesia. The majority of this research is in multi-country projects whose primary emphasis is on production of International Public Goods. Even if Indonesia was not the host country, it would be important in CIFOR's research since it plays a major role in international tropical forestry by providing a large share of all tropical forest products exports, both legal and illegal, and is experiencing the second highest level of forest loss in world. Until recently there were substantial amounts of donor funding available to CIFOR for work in Indonesia.

The Indonesian Ministry of Forestry has strongly encouraged CIFOR to increase its research activities in Indonesia. CIFOR collaborates with a wide range of partners, including the Ministry of Forestry (MoF) and its research department (FORDA), the Bogor Agricultural University, LIPI, and various regional universities. As do other international research centers and bilateral Projects, CIFOR has an office in the Ministry of Forestry in Jakarta. The relations with the MoF are generally positive. There is, however, Indonesian concern about some aspects of CIFOR's research. While there is an appreciation of its past work on sustainable plantation forest management and reduced impact logging, there is concern about its policy work, especially on decentralization, forest tenure, illegal forestry and money laundering. Rather than becoming involved in policy issues, the MoF would prefer that CIFOR continue its work on technical topics, such as practical tools for sustainable forestry management. This view is not shared by CIFOR's donors for its Indonesia research. DFID, for example, strongly supports CIFOR's research on policy issues such as forestry trade and money laundering, and considers this to be its strength and comparative advantage rather than its action research activities in the Malinau District in East Kalimantan.

Not surprisingly, there is pressure by the MoF on CIFOR to contract more Indonesia scientists and MoF staff in Program Director, research and consultant positions. CIFOR has been effective in balancing its working relationships with the MoF and maintaining independence in its selection of research topics and personnel. The challenge will be to continue to do so in the future, especially with the foreseen decline in research activities in Indonesia as a consequence of CIFOR's regionalization and growing focus on Sub-Saharan Africa.

The Panel finds that CIFOR's past research activities in Indonesia represented an appropriate share of its total portfolio. The Panel also finds that given its global mandate and ongoing regionalization, CIFOR's anticipated reduction in research activities in Indonesia is justified. Further, the Panel finds that CIFOR generally maintains good cooperation with the Indonesian government, NARS and NGOs.

2 CIFOR'S AGENDA

2.1 Objectives

2.1.1 CIFOR overall objectives (purpose)

The purpose of CIFOR was defined in the "Constitution for the Center for International Forestry Research" (appendix to the March 1993 "Establishment Agreement for the Center for International Forestry Research") and reads:

"The purpose of the Center is to contribute to the sustained well-being of people in developing countries, particularly in the tropics, through collaborative strategic and applied research and related activities in forest systems and forestry, and by promoting the transfer of appropriate new technologies and the adoption of new methods of social organization, for national development".

This statement of purpose is translated in the constitution into guiding principles, activities and four strategic problem-solving research objectives:

- Objective 1. Understanding the biophysical and socio-economic environments of present and potential forest systems and forestry, and their functional relationships.*
- Objective 2. Creating the potential for sustainable improved productivity of forest systems for the benefit of people in developing countries.*
- Objective 3. Providing analysis, information and advice to assist in making policy decisions about forests and land use.*
- Objective 4. Increasing national forestry research capacity.¹¹*

All CIFOR research activities have been carried out fully in accordance with its Constitution. They are also consistent with the mission of the CGIAR, stressing the role of sustainable management of forests in reduction of poverty, hunger and malnutrition in developing countries where forests provide wide-ranging livelihood benefits for poor rural households such as wood and non-wood forest products for consumption and cash income, protection of soils and water resources for agricultural and urban benefits, and many more environmental services.

CIFOR research activities also fall within the 20 System Priorities, structured around 5 major areas, outlined in the SC October 2005 Report on System Priorities for CGIAR Research 2005-2015¹², cf. Annex 7 and Table 1. CIFOR's main interests are to be found in CGIAR priority area 4: *Poverty alleviation and sustainable management of water, land, and forest resources* and area 5: *Improving policies and facilitating institutional innovation to support sustainable reduction of poverty and hunger*, but other System Priorities such as 1B (biodiversity conservation) and in particular 3D (income generation from forestry) have had and will continue to be relevant to CIFOR's work.

The table below indicates where CGIAR (+ and ++ indications) and CIFOR (shading) in particular can meet the Millennium Development Goals (MDG) and where CIFOR can meet the priority areas for CGIAR research.

¹¹ CIFOR's website and presentation brochure has condensed the four objectives into three: (1) To improve the scientific basis that underpins balanced management of forests and forestlands. (2) To develop policies and technologies for sustainable use and management of forest goods and services. (3) To assist partner governments to improve their capacity to research and support the optimal use of forests and forestlands.

¹² Refer <http://www.sciencecouncil.cgiar.org/activities/spps/pubs/Priorities%20Oct%2005.pdf>

Table 1. Current Alignment of Millennium Development Goals, CGIAR and CIFOR Priority Areas

Millennium Development Goals		System Priority Areas for CGIAR Research				
		1	2	3	4	5
1	Eradicate extreme poverty and hunger	+	++	++	++	++
2	Achieve universal primary education		+	+		
3	Promote gender equality and empower women		++	++	++	++
4	Reduce child mortality	+	+	+	+	+
5	Improve maternal health	+	+	+	+	+
6	Combat HIV/AIDS, malaria, and other diseases		++			++
7	Ensure environmental sustainability	++	++	+	++	++
8	Develop a global partnership for development	++	+		++	++

CGIAR Research Priority Areas:

1. Sustaining biodiversity for current and future generations;
2. Producing more and better food at lower cost through genetic improvement;
3. Reducing rural poverty through agricultural diversification and emerging opportunities for high-value commodities and products;
4. Poverty alleviation and sustainable management of water, land, and forest resources;
5. Improving policies and facilitating institutional innovation to support sustainable reduction of poverty and hunger.

CGIAR versus MDG

(++) denotes direct impact; (+) denotes indirect impact (from the SC Report on System Priorities)

CIFOR versus CGIAR and MDG

	CIFOR core areas and top priority
	CIFOR areas of high priority or sub-area of top priority
	Areas where CIFOR products may have indirect effects

2.1.2 CIFOR Program objectives

CIFOR presented its revised Center Project Portfolio and its strategic context in the Medium-Term Plan (MTP) 2005 to 2007. Minor changes in the Projects and Project sub-theme titles and objectives took place in the MTP 2006-2008. CIFOR staff and stakeholder representatives developed the objectives and strategies of the three Programs. The overall goals are:

*The overall goal of the **Forests and Livelihoods Program** is to enhance livelihoods by contributing to improved policies and practices related to the management and use of forests and forested landscapes.*

*The overall goal of the **Environmental Services and Sustainable Use of Forests Program** is to enhance sustainable use and conservation of forests and forested landscapes through the generation and dissemination of best practices for the management of forest ecosystems for the benefit of rural poor.*

*The overall goal of the **Forests and Governance Program** is to promote good forest governance for the sustainable use and equitable sharing of benefits from forests and forested landscapes.*

As will be discussed further (in section 4.3 below), the Panel finds that the regrouping of CIFOR's research activities from ten¹³ to three Programs is an improvement and provides much better understanding and communication with stakeholders on CIFOR's mission and work that clearly benefit the poor.

The three Programs are discussed in more detail in section 5.1 below.

2.2 Strategy

It has been ten years since the previous CIFOR strategy was adopted. During this period the CGIAR has adopted a new vision, goal, and mission and the external environment for forestry and the environment has undergone significant changes. While retaining its mission and objectives, CIFOR has changed its research priorities and Programs, developed regional strategies and offices, and increased its commitment in Africa.

The 1996 Strategy reflects CIFOR's response to what it perceived as a demand for a 'new forestry' based on 'a more comprehensive view of the forest ecosystem that combines biological, physical, economic and social variables.'¹⁴

It puts forward CIFOR's strategic approach that includes:

- Working through research partnerships – with a partnership process essential to not only produce high-quality research, but also for the adoption and use of the research results at the policy level;
- Being a 'center without walls' with a holistic, inter-disciplinary, approach to solving general or widespread problems;
- Focusing on policy issues to enable more informed, productive, sustainable and equitable decisions about the management and use of forests;
- Conducting approximately 70% of the research away from its Headquarters in Bogor, through collaborative arrangements with national scientists and institutes with results that reinforce the work of national, regional and international research and development agencies.

The Strategy includes a prioritization of research in seven focal ecological regions¹⁵ that were selected in consultation with research partners. These ecological regions encompassed the locations of field research by partners in the CGIAR Systems, priority research areas for partners in national research systems, and sites of bilateral and multi-lateral forest research and conservation initiatives. CIFOR's approach was that by working at these sites it would optimize its range of collaborators.

¹³ Refer Annex IV in CIFOR's Strategy for Collaborative Forestry Research (Annex 6, Document 11).

¹⁴ CIFOR's Strategy for Collaborative Forestry Research, p. vii.

¹⁵ The Seven Focal Ecological Regions are

- Tropical moist forests in Central-West Africa and the Congo;
- Drier forests of eastern-southern Africa;
- Rainforest-dry forest continuum in southern India (e.g. Western Ghats)
- Tropical moist forests in insular Southeast Asia;
- Uplands of mainland Southeast Asia;
- Tropical moist forests of the western Amazon; and
- Mixed forest systems of Central America.

Three of the ecological regions – Amazon, Central-West Africa and insular Southeast Asia - were selected because of scale (major tropical moist forest regions) and high rates of forest clearance. The other four ecological regions are also of very high ecological and biodiversity significance and are undergoing rapid or sustained disturbance or clearance. Even ‘more importantly [they] are the home of hundreds of million of people – CIFOR’s main target beneficiaries - whose livelihoods depend significantly on forests.’¹⁶

Priority research themes in the Strategy reflect an inter-disciplinary and inter-sectoral approach that includes both social and life scientists. Comparative international research was a key element in the selection of research themes with forests placed in a ‘flexible pattern of evolving natural resource and land users’. In the Strategy, ten priority research Projects (‘suite of research activities’) were identified. While specific Projects may have focused on a single country or region there was already growing emphasis on identifying lessons and approaches that were applicable in other countries and regions.

The first EPMR (see 4.3 below) was conducted in 1998. Among its findings was that CIFOR’s research Program was focused on the relevant and priority themes or topics needed to address its mission, but that there was not explicit links between the activities in the ten Projects and CIFOR’s mission and objectives. The first EPMR Panel recommended that *CIFOR should evolve its current grouping of research activities into a framework that links more closely and clearly its research activities and their outputs to CIFOR’s mission and to the broad thematic needs implied by it*. While noting its reservations about the ‘alternative research organizing framework’ proposed by the first EPMR, CIFOR did agree that it was likely that it would move towards a smaller number of Projects.

Since the first EPMR, both CIFOR and the CGIAR have undergone substantial changes. Recognizing the need “to sharpen the poverty focus of the CGIAR’s work with a view to addressing the problems of the very poor people where they live”, the CGIAR adopted in 2000 a new strategic framework¹⁷ emphasizing poverty alleviation.

To further align its research to attain its poverty alleviation goal, new CGIAR priorities were adopted in 2005 that reflect the System’s contributions, directly or indirectly, to the Millennium Development Goals (see Table 1 above). While maintaining its emphasis to help smallholders produce more staple food and fodder per unit of land, labor, and water in an environmentally sustainable manner, the new priorities place greater emphasis on research to:

- enhance incomes of smallholders through the production of high-value commodities and products, including non-timber forest products, on which the rural poor, especially women and minorities, commonly depend,
- support sustainable management of natural resources to achieve poverty alleviation goals,

¹⁶ Strategy, p. 38

¹⁷ The CGIAR 2000 new strategic framework consisted of the following:

Vision: A food secure world for all.

Goal: To reduce poverty, hunger and malnutrition by sustainably increasing the productivity of resources in agriculture, forestry and fisheries.

Mission: To achieve sustainable food security and reduce poverty in developing countries through scientific research and research-related activities in the fields of agriculture, livestock, forestry, fisheries, policy and natural resources management.

- facilitate effective production, market development, trade, and related institutional and policy changes needed to enhance the benefits to the rural and urban poor.

Being a ‘center without walls’ with a policy-oriented mandate, CIFOR was able to effectively reframe its Programs to address the 2000 CGIAR Vision and Strategy and the growing international concern and commitment to poverty alleviation¹⁸. Its reorganization in 2002 resulted in three Programs with a more explicit emphasis on poverty alleviation. As noted in section 4.1 above, CIFOR contributes to a number of the CGIAR’s major priority areas of 2005 and to the attainment of the MDGs. CIFOR’s approaches, Programs, Regional Offices and planning activities continue to reflect the seven planks¹⁹ of the CGIAR’s 2000 strategy. Within the last three years, new Program, regional, capacity building, and communication strategies have been designed and implemented.

Given the changes that have occurred in this relatively brief period, it is not surprising that a recent external review found that there were different perspectives by present staff as to ‘what the organization really wants to achieve and is valuing most’.²⁰ *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 a shared vision, mission, values and strategic goals.* See also section 6.3.7.

2.2.1 Present Program strategy

Since the previous EPMR, CIFOR has undergone a restructuring from a relatively flat organizational structure of 9 research Projects, consolidated in 1999 into six Projects, and subsequently regrouped into three Program areas. These now reflect the major institutional research themes: Forests and Livelihoods; Environmental Services and Sustainable Use; and Forests and Governance. Approved by the BOT in 2002, and formally implemented in January 2003, this Program structure supports a new framework to improve the linkages between research activities and outputs and CIFOR’s mission. All three Programs explicitly link to the MDGs and are consistent with CGIAR priorities and strategies (see Table 2 below). The Panel finds CIFOR’s Program structure and its alignment with the CGIAR Priority Areas to be an improvement.

¹⁸ Plantation research, for example, one of the initial 10 Projects, discussed at length in CIFOR’s 1996 strategy, is far less prominent in CIFOR’s portfolio while research emphasizing poverty alleviation has significantly increased.

¹⁹ The seven planks are: people and poverty focus; to bring modern science to bear on the causes of poverty and food security; geographic priorities with the highest priority to Sub-Saharan Africa and South Asia; adopt a regional approach to research planning and implementation; increased emphasis to new types of partners and new forms of partners; task force approach to addressing major, clearly identifiable problems; and strengthen the role of the CGIAR as a catalyst, integrator and disseminator of knowledge.

²⁰ Report on the Center Commissioned External Review (CCER) on Partnerships, Final Draft, November 2005, p. 2, prepared by Jürgen Hagmann.

Table 2. Current Alignment of CGIAR Priority Areas and CIFOR Programs

CIFOR Programs	CGIAR Priority Areas			
	1. Sustaining Biodiversity for current and future generations	3. Reducing rural poverty through... high value commodities and products	4. Poverty alleviation and sustainable management of... forest resources	5 Improving policies and facilitating institutional innovation to support sustainable reduction of poverty and hunger.
Livelihoods	X	X	X	X
Environment	X		X	X
Governance			X	X

2.2.2 Decentralization and regional strategies

With the new Program structure in place, CIFOR is now undergoing further decentralization with Regional Offices having greater responsibility for regional planning, developing Projects and obtaining resources. Regional Offices are located in West Africa, Central Africa, Southern and Eastern Africa, and Latin America. Regional strategies have been approved for Africa and drafted for Latin America. Regional Offices have not been established in Asia nor has an Asia strategy been prepared. Headquarters in Bogor continue to provide management and support services for the Asia region. The Regional Offices support not only the CGIAR 2000 strategy and priorities, including the prioritization of Africa, but also reflect the CIFOR's priorities of 1996 by supporting research in four of the seven ecological regions.²¹ Reporting to the Assistant Director General, the Regional Coordinators²² have explicit responsibilities, including Program integration, donor relations and fundraising.

2.2.2.1 Africa Strategy

CIFOR's "Strategy for engagement in Sub-Saharan Africa to contribute to Africa development through forests" includes the necessary components of a comprehensive strategic plan. The objectives of the Africa Strategy (AfS) are clearly defined, sound and well aligned with CIFOR's

²¹ The Central Africa office focuses primarily on tropical moist forests in Central Africa and the Congo; the Southern and Eastern Africa office focuses primarily on the drier forests of eastern-southern Africa; the West Africa office on the tropical moist forests and drier forests of West Africa; and the Latin America office on the tropical moist forests of the Amazon. Since CIFOR does not have an 'Asia Regional Office' or an Asia strategy the three remaining ecological regions which are in Asia are not included in the mission of a Regional Office.

²² According to the Terms of Reference, the Regional Coordinator (RC) 'will facilitate the efficient and effective implementation of CIFOR's global Program at the regional level. This entails developing and maintaining functional partnerships and supporting capacity building initiatives, donor relations, providing scientific leadership, identifying strategic opportunities and developing and implementing efficient administrative systems. Where regional or bi-lateral funding opportunities exist, the RC will be expected to facilitate fundraising. The RC will support research efforts of international scientists and ensure coordination with regional activities as well as between Programs'.

overall mission and strategic objectives. It is based on appropriate guiding principles, an understanding of the environmental and socio-economic contexts, implied challenges, and opportunities for contributing to improved well-being of forest dependent people in Africa. The strategy was developed through an inclusive and consultative process that included key local, national and regional stakeholders, partners, and donors with common interests as well as CIFOR staff.

The four identified priority ecological regions (dry forests of East and southern Africa, dry forests of West Africa, moist forest of West Africa and moist forests of Central Africa) were selected through consultation with key stakeholders and partners, and are based on:

- a clear objective assessment of their significance for CIFOR's mission;
- the conditions of the forests and the communities dependent upon them;
- previous CIFOR research and expertise; and
- the capacity of institutions in Africa.

The priority research areas are well aligned with the strategies and objectives of CIFOR's three global research Programs. They are also consistent with the Panel's consultation with key stakeholders, partners and donors in the region. The current and planned set of research activities and their broad geographic coverage in Africa supports CIFOR's capacity to generate International Public Goods (IPG). CIFOR's decision to increase its investment in Africa to 40% of its total budget reflects the growing importance of poverty alleviation not only for CIFOR, but for the CGIAR and the international community.

The AfS vision for capacity building and partnership in Africa is clear and builds on its past experiences. Although the strategy does not explicitly identify impact pathways to poverty alleviation in the Africa region, it has defined a good set of indicators for monitoring and evaluating performance of its work in Africa that are of high relevance to its mission.

The largest investment of CIFOR in Africa is currently in the moist forest of Central Africa, consistent with the relative importance of this ecological region. While the AfS notes that multidisciplinary teams will be deployed in each ecological region, the Panel found that at this time not all Programs have staff based in each of the Regional Offices. The Environmental Services and Sustainable Use of Forests Program²³, for example, was absent in the Central Africa Regional Office yet there was a high demand expressed by potential partners and donors for the research activities it could provide.

Partners' have expressed high regard for CIFOR's research in Central Africa and appreciation of its support. The Panel finds that although CIFOR has significantly increased its investment in Africa, the Center has not yet been able to take full advantage of its reputation and experience because of insufficient staffing and research infrastructure in Central Africa. The sharp decline in funding for the ACM Project in Cameroon, for example, resulted in small short-term Projects as senior researchers had to quickly generate funds to retain staff. From discussions with the donor and international NGO community in Cameroon, funding and commitment to the Congo Basin

²³ Environmental Services Program activities in Central Africa are managed and monitored from CIRAD and CIFOR headquarters with little involvement of Cameroon-based CIFOR research staff or the acting RC. It is surprising that the Environmental Services Program has not yet appointed an African IRS, particularly since the Program has had substantial involvement in Africa over a very long time.

will sharply increase. Based on its comparative advantage - including an appreciation of its past and current work - there are major opportunities for CIFOR to play a critical role in these new initiatives. For example, the Central African Forest Commission (COMIFAC) has expressed the important role CIFOR could play in harmonising national forest policies in the region. However, given the current level of staffing and the incomplete representation of all three Programs in each Regional Office, CIFOR may not be able to capture these emerging opportunities²⁴, nor build on its own achievements.

2.2.2.2 *Latin America Strategy*

The draft strategy for Latin America ("Balancing Conservation and Development in Latin America" September 2005) does a good job of describing the environmental, social, economic and political context in which CIFOR is working in the region. It describes, in general terms, its major country and regional partners, objectives regarding collaboration among regions, goals for institutional and human resource capacity development, plans for participation in regional and global debates on forest policy, enterprise development, finance and business management. Major components of the strategy, including operational plans and performance measurements, have yet to be completed.

Development of the strategy was an open, consultative process led by the Regional Coordinator and senior scientists working in the region. It has involved CIFOR's Director General and Assistant Director General, the Project Development Unit (PDU), Program Directors and scientists, other scientists from the region, and several key partners. Currently in revision, it will be discussed further with regional partners and the Management Team before being finalized and presented to the BOT for their approval in late 2006. If approved, further discussions with regional partners will focus on implementation of the strategy in coordination with EMBRAPA (starting in January 2007), with plans for periodic review and updating built into the strategy.

The draft strategy is largely built upon past and ongoing CIFOR activities within the three Programs and outlines activities addressing the following topics:

- *Environmental Services and Sustainable Use of Forests*: biodiversity and sustainable forest management; methods and instruments for forest landscape restoration; climate change and adaptation;
- *Forests and Livelihoods*: enhanced livelihoods from tangible benefits from forests; forest markets and productive chains;
- *Forests and Governance*: decentralization and forest governance; experiences and lessons of community-based forest management; informal institutions and local forest governance; systems of forest vigilance and control; policies that work for forests and people.

The draft strategy proposes a number of appropriate criteria to be used in the development of the regional agenda, *i.e.* high potential for successful completion of studies and dissemination of results; potential for widespread application and benefits to targeted clients; potential to enhance research capacity among partners and to promote south-south cooperation; compatibility with available human and financial resources.

²⁴ It should be noted that while CIFOR is listed as a partner in the Central Africa Regional Program for the Environment (CARPE) and the Congo Basin Forest Partnership (CBFP), the current phase of the CARPE Program funding was restricted almost exclusively to Washington-based conservation NGOs and their national partners.

The strategy is realistic in its assessment of risks, which include:

- failure to mobilize new and additional funding;
- lack of legal status for the Regional Office;
- maintaining a critical mass of senior researchers in the region;
- developing solid networks of partners to implement the strategy;
- small staff limiting effective communication with rural stakeholders.

There are concern as to how the Regional Office and its coordinator will articulate and support the Programs, and vice-versa. The development of the regional strategy appears to have been useful for building a shared vision, between and among Program Directors and the Regional Coordinator. Regular and open communication and close collaboration between the Regional Coordinator and Program Directors is and will continue to be critical as the regional Program further develops and implements its strategy, and as Program scientists working in the region seek to strike an appropriate balance in their time commitments between regional and global research and development priorities, and fund-raising efforts. The Panel has concerns, shared by partners, about the future representation and priorities of the Environmental Services Program in the region, if the current level of expertise related to sustainable forest management and forest landscape restoration is discontinued.

2.2.2.3 Conclusions regarding regionalization

The Panel finds the regionalization process a positive step towards linking Projects and Programs to CIFOR's mission and objectives and supporting the CGIAR strategy. The Panel also finds support and goodwill for the new role of the Regional Offices both at headquarters and in the regions. However, there are concerns expressed by staff and shared by the Panel as to the overlapping responsibilities of Regional Coordinators (RC) and Program Directors. While the Regional Offices (RO) provide opportunities for CIFOR to build stronger partnerships and strengthen its Programs to better address its research priorities, the ROs also present an organizational challenge.

Based on visits to two of the ROs, the Panel has strong concerns that the RCs will have neither the human and financial resources, nor adequate authority, to fulfill their duties as outlined in their terms of reference. Program staff based in the region, in many instances, are already overstretched and overcommitted. The RCs will therefore not be able to draw upon them to build the cross-Program Projects that are central to the regional strategies. There is ambiguity as to the roles of the RCs and the Regional Strategies in Program development and priority setting, and lack of clarity regarding mechanisms for integrating regional and global priorities. There is a need to ensure that the Regional Coordinator and the Regional Offices have the resources needed for success.

The Panel strongly recommends a further clarification of the objectives of the Regional Offices, the respective roles of Regional Coordinators and Program Directors, and an effort towards harmonization of Program objectives and regional strategies. The Panel further recommends that the Regional Coordinators have requisite involvement and roles, be closely involved in major work processes and information flows, and have adequate authority (see 6.3.4) and resources, to enable them to fulfill their Terms of Reference. Finally, the Panel recommends that CIFOR proactively monitor and evaluate the progress of the regionalization process in order to avoid conflicts among the Regional Coordinators, Program Directors, and regionally based staff,

and to further assess the feasibility of establishing and maintaining the planned number of Regional Offices.

2.2.3 Capacity building

The CIFOR (Strategy 1996) approach to training was 'learning by doing', in which collaborator/partners research capacity would be strengthened through working with CIFOR and participating in research workshops and seminars.

The first EPMR Panel suggested that while the recognition of training needs and selection of candidates would remain with the scientists, that CIFOR consider establishing a separate training unit that would assume the primary responsibility from scientists and establish uniformity in quality. This suggestion was rejected by the CIFOR management and the Board of Trustees.

A Capacity Building (CB) Strategy was developed in 2003.

The Strategy's *Goal* is to improve the capacity of developing country partners (individuals and institutions) to plan and implement high impact forestry research for development.

The Strategy's *Objectives* are:

- To support developing country scientists' and groups' abilities to use new methods, approaches, tools and skills to organize and conduct high quality and relevant forestry research.
- To influence how bi-lateral and multi-lateral funding can be directed at building research capacity in developing countries.
- To ensure that CIFOR's research results provide relevant and credible information to policy regulatory debates.
- To provide CIFOR management and scientists with clear guidelines and systems on implementation and reporting of capacity building initiatives and to document achievements and impacts.

The Capacity Building Strategy includes additional staff (a national CB coordinator based in Bogor), processes (each Program selecting a scientist to coordinate), guidelines for improved reporting, monitoring and evaluation, potential partners and potential funding sources. It was later decided not to have a designated CB coordinator.

Capacity Building in CIFOR is largely undertaken by the research Programs as an element of collaborative Projects. This model is unique among the CGIAR Centers in having no CB unit and no CB designated staff. CB is managed by the scientists with help from various units in CIFOR corporate services. Joint/collaborative implementation of Projects continues as the primary mechanisms for capacity building. Other capacity building activities include workshops, supervising graduate students, mentoring, promoting south-south cooperation, and providing scientific information and publications.

Since most of the capacity building and related impacts are directly associated with collaborative research, the location of capacity building activities reflects the countries/regions associated with collaborative research.

The Panel finds that the Capacity Building Strategy overall constitutes a good basis for these activities.

2.2.4 CIFOR's Communication Strategy (2003-2005)

The strategy recognizes the 'key role of communication in achieving impact and mobilizing resources'. By identifying key target audiences at the beginning of a research process and working out a clear dissemination plan to reach these audiences, CIFOR's Communication Strategy has been highly successful in 'getting the message out' about CIFOR²⁵ and its high impact research results. One of its achievements can be seen in the sharp increase (from 170 in 2002 to 520 in 2004) in the number of media stories related to CIFOR and their frequency in high profile media outlets that influence policy decisions. POLEX (Forest Policy Experts Listserve) highlights forestry research results of international interest to a distribution list of over 17,000 people, primarily forestry decision makers, professionals, and practitioners, in five languages. Beyond media, the communication strategy includes outreach activities, such as sponsoring and giving presentations at international, national, and local workshops.

Publications are of special importance to a research center to not only disseminate information, but to establish and maintain its reputation as a center of excellence. CIFOR produces a high number of peer reviewed publications, comparing favorably with other CGIAR Centers. In addition to publishing in scientific journals and books CIFOR makes a special effort to produce its own publications aimed at opinion leaders in the policy world. CIFOR also makes a special effort to publish its results in other institutions' publications, particularly those that are influential among policymakers.

The Regional Offices will be developing regional communication strategies. These will assist in getting the message out internationally and regionally of CIFOR's and its partners' achievements. The Panel commends CIFOR on its very successful communication strategy.

2.2.5 Impact pathways to poverty alleviation

While much of the earlier work at CIFOR was more focused on environmental objectives, there is now a greater emphasis on poverty alleviation and the conditions which promote poverty alleviation. All three CIFOR Programs include a commitment to the CGIAR 2005 Priority Area 4, although the importance of poverty alleviation oriented research within the Programs vary, which is appropriate given the range of research topics and their potential for direct poverty alleviation impact. While specific Projects may focus on a single country or region, the emphasis is on identifying lessons and approaches that are applicable in other countries and regions.

Identifying and assessing clearly defined impact pathways have proven problematical in the Programs. While this is understandable for preexistent project activities, not all recent activities have sufficient emphasis on poverty alleviation and clear impact pathways. The Livelihoods Program has the clearest identification of impact pathways to poverty alleviation; the other two Program less so. Governance Program's second theme on international trade (Project 5: *Forest Finance and Trade, Law Enforcement and Corporate Accountability* in the MTP), which the Panel

²⁵ Underlying themes in these messages include: CIFOR achieves impact by helping to reduce poverty while protecting forests; CIFOR is a global center of excellence researching the challenges facing tropical forests and assisting the people who depend on them; CIFOR values its partnerships with stakeholders, including governments, the private sector, non-government organizations and the donor community.

agrees is an important research Project, still requires more rigorous analysis and articulation of its poverty alleviation impact pathways. While CIFOR can readily define its general impact pathways (see below), specific impact pathways for poverty, especially at the Project level, are not always clear and convincing.

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.

The Panel also suggests that CIFOR invests more in improving its current definition and mapping of pathways to better define milestones and intermediate outcomes for improved monitoring and evaluation of progress towards achieving intended impacts.

CIFOR's predominant 'impact pathway' strategy is to influence policymakers²⁶ to change their policies, and how these policies are implemented, which in turn are expected to impact on livelihoods and landscapes. CIFOR also has impact strategies designed to directly influence the practices of forest managers. CIFOR is aware that this is a long-term approach – that it may take years before an impact occurs (changed livelihoods and landscapes) and that attribution and measurement of impact and influence will be difficult.

CIFOR's impact pathway strategy, however, includes more specific *influence* pathways that provide measurable indicators of performance and outcome and impact that can be *directly* linked to CIFOR's activities (see Annex 8, summarized from information provided by the DG and the MTP).

Given the nature and long-term focus of its research, the complex interactions between forest and people, the multitude of organizations and agencies involved, and the dynamic and political nature of international forestry, the Panel finds that CIFOR's strategy to focus on indicators that reflect its influence and indirect impact rather than direct impact is reasonable.

2.3 Follow-up on the first EPMR

CIFOR has addressed all the EPMR-1 recommendations as explained by CIFOR in document 21: *Summary of actions taken in response to the last External Program and Management Review* (refer Annex 9). Nevertheless, some issues raised by EPMR-1 are still highly relevant and have called for the Panel's attention.

EPMR-1 recommendation 1: *CIFOR should evolve its current grouping of research activities into a framework that links more closely and clearly its research activities and their outputs to CIFOR's mission and to the broad thematic needs implied by it.*

The Panel finds that the regrouping of CIFOR's research activities from six Projects plus several groups operating outside Projects, to three Programs that are better aligned with its mission, is an improvement and provides much better understanding and communication with stakeholders on CIFOR's mission and work that clearly benefit the poor.

²⁶ CIFOR uses the term "policymakers" in a *very* broad sense. For CIFOR policymakers include not only those who develop and implement policies of national governments, but also those of international organizations and processes, local governments, Non-Governmental Organizations, and large companies. "Decision-makers" might be a more commonly understood term for this audience.

The issue is further discussed in section 4.1.2 on CIFOR Program objectives, and section 5.1 on CIFOR's three research Programs.

EPMR-1 recommendation 2: *CIFOR should develop a more formal, transparent and systematic priority setting process that includes an explicit set of criteria for (1) judging exclusion or inclusion: appropriateness to mission, cost-effectiveness, International Public Goods contribution; and (2) setting priorities among the group of included Project activities and among Projects.*

The Panel notes that many attempts have been made to improve priority setting of CIFOR's research Projects and related activities (capacity building, regionalization and others). The MTP includes what is referred to as a project logframe which, the Panel notes, does not include all the components of a logical framework, such as overall institutional goals, objectives, risks and assumptions. There is room for improvement. The wide-ranging character of CIFOR's mandate makes the task challenging but also so much more needed. The three Programs' overlapping Project activities can be improved as recommended below (refer 5.1). Increasing demands from donors promoting their own institutional priorities complicates priority setting relative to CIFOR's overall goals. Meeting donor demands uncritically can divert limited research resources from high priority areas to less needed fields. The Panel finds that CIFOR has actively tried to balance the demands of the donors and its own core priorities.

The Panel suggests that CIFOR continue to address this issue and consider using tools such as the Logical Framework Approach (LFA)²⁷ in a more comprehensive manner for mapping and prioritizing problems and transform them into research objectives; for identification and prioritizing of target groups and stakeholders; and for identification and attention to external and critical assumptions for success.

The issue is further discussed in section 5.2 on CIFOR's research Projects.

EPMR-1 recommendation 3: *The BOT should seek Trustees who, between them, have broad managerial and financial competencies, familiarity with the CGIAR System, and with the private sector.*

The Panel finds that CIFOR has responded well to the recommendation and members of the BOT (Finance and Audit Committee) now have broad managerial and financial competencies. However, there is still need for stronger accounting and financial management expertise, which is discussed further in section 6.1.1.2.

EPMR-1 recommendation 4: *CIFOR should carefully consider re-establishing the link between performance evaluations and salary increases.*

The Panel finds that CIFOR has responded appropriately to the recommendation.

Human resources-related challenges are discussed in section 6.4.2.

EPMR-1 recommendation 5: *Management should develop and implement an organizational arrangement that (a) filters all potential and present Projects and their component activities through an*

²⁷ Successful LFA workshops depend profoundly on the skill and experience of the facilitator. Refer for example the NORAD (Norwegian Agency for Development Cooperation) handbook on the subject.

organizing framework such as that outlined in Chapter 2 to ensure consistency with CIFOR's mission and strategic objectives; and (b) maintains the essential underpinnings of good management processes.

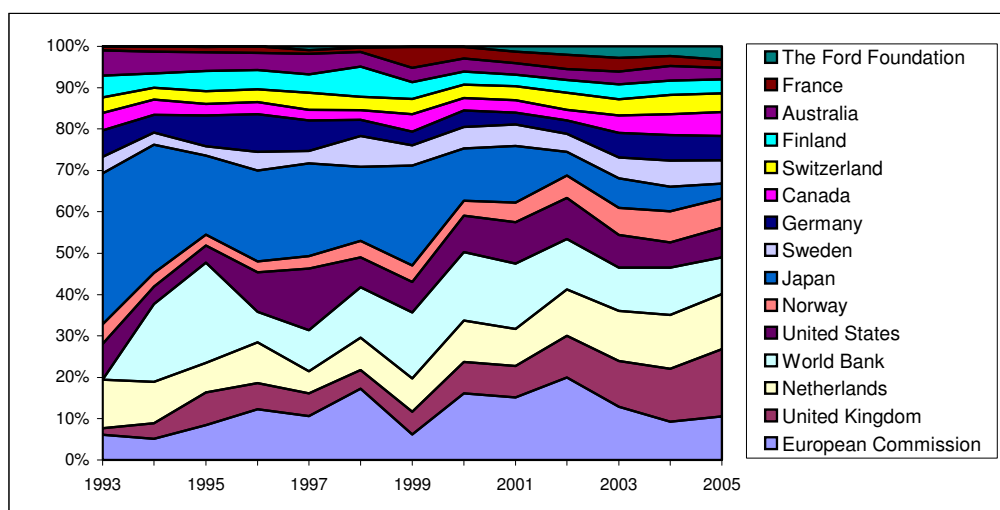
The Panel agrees that the recommendation has been addressed with respect to organizational arrangements and management processes. However, the issues of Project prioritization and Program mandates as discussed above needs continued attention.

These issues are further discussed in section 5 on research and related activities and in section 6 on organization and management.

2.4 Financial framework

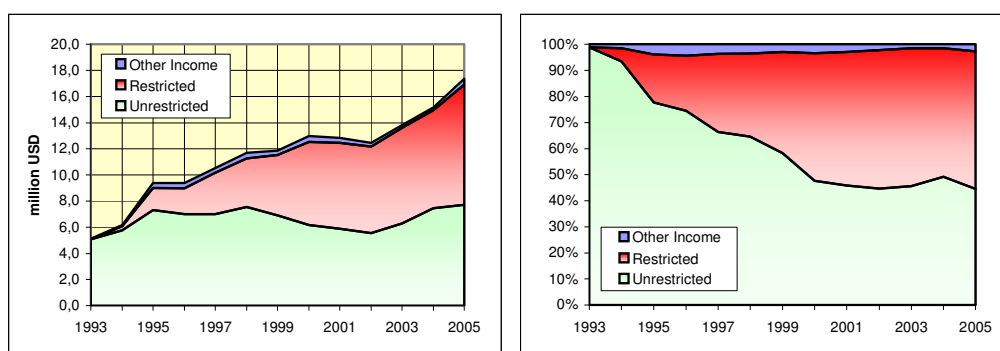
Total revenue increased from US\$ 5.1M in 1993 to a Projected US\$ 17.4M in 2005. More than 97 % are donor contributions, the balance being mostly interest payments. The details are presented in Annex 10. The relative importance of donors has changed over the years as can be seen in Figure 1. Only the top-15 donors from the last four years (2002-2005) have been included.

Figure 1. The Relative Importance in the Period 1993-2005 of the Top-15 Donors from the Last Four Years (2002-2005)



2005 are Projections

Figure 2. The Development in the Period 1993-2005 of Unrestricted and Restricted Grants in Absolute and Percentage Terms



2005 are Projections

Unrestricted grants had a low period around 2002 but both total grants and unrestricted grants were higher in 2005. Unrestricted grants are diminishing in percentage terms, cf. Figure 2.

The growing dependence on restricted grants is a matter of concern to some staff members at CIFOR who fear that the research agenda may be “driven” by donors. As long as donor funding priorities are compatible with the CIFOR mandate and its obligation for IPG research, the risks associated with dependence on restricted funding may not be high. After all, willingness to pay is real world prioritization. However, as stated in 4.3 above, responding to donor priorities uncritically can divert CIFOR’s limited research resources from higher to lower priority areas and should be avoided.

While growth in restricted funding is likely to continue, it may come as a result of decrease in unrestricted funding and with more donor focus on specific regions, countries and issues more akin to development Projects with quick results at the local level rather than strategic and applied research designed to produce International Public Goods.

CIFOR has had - and should have - discussions about the extent to which they should engage in development work and technical assistance: Where should CIFOR position itself on the research-development continuum? CIFOR’s comparative advantage is *not* technical assistance and implementation of development Projects. CIFOR’s strengths are collection, analysis, synthesis and dissemination of research results to policy makers, natural resource managers and field practitioners. Therefore, CIFOR *can* provide high quality scientific and technical information to development Projects, which can contribute to improved livelihoods amongst the forest dependent poor. It is the Panel’s view that CIFOR recognizes its comparative advantages, and limitations, and is currently appropriately positioned on the research-development continuum.

The Panel suggests CIFOR continues to engage in partnerships for development Projects in which they can play their appropriate role as providers of high quality scientific and technical information to development Projects consistent with CIFOR’s mandate and IPG obligation.

Another matter of concern is that at least 10% of the unrestricted grants are being used to subsidize restricted projects. This is due to a number of external causes such as non-negotiable donor overhead rates, unwillingness to “pay twice” if donors already provide unrestricted grants (and many do as can be seen in Annex 10), donor policy of “recipient” contribution, donor unwillingness to support fundraising, donor demands for outputs beyond what could be expected from their funding, and donors’ unwillingness to pay the full costs of the staff time of internationally recruited scientists. In addition, it is more difficult to capture overheads for research than it is for development projects. CIFOR has in some cases accepted to co-finance restricted projects for strategic reasons: to maintain existing un-restricted donor support, to attract new donors, to engage in work of strategic interest for CIFOR, and to contribute to recovery of fixed costs.

CIFOR will always need to spend some unrestricted funds on restricted projects for the strategic reasons mentioned. CIFOR is very much aware of the problem and have improved indirect cost recovery over the years. The creation of CIFOR’s new Project Development Unit (PDU) will allow for more systematic fundraising generally and specifically to cut CIFOR’s subsidization of restricted projects even further. The Panel is pleased to note the attention CIFOR is giving to the problem and urges CIFOR and its donors to continue to address the problem.

CIFOR, like other CGIAR Centers, faces the challenge of conducting long-term research on short term funding. The Panel recommends that CIFOR work with other CGIAR Centers, in consultation with the Science Council, to take appropriate measures to institute, to the extent possible, appropriate modalities for a predictable funding environment for Centers so that researchers can spend more of their time doing research rather than chasing restricted project funding, which may or may not be fully in line with CGIAR's agreed research agenda.

3 RESEARCH AND RELATED ACTIVITIES

3.1 CIFOR's three research Programs

In response to recommendations of the EPMR-1 and evolving global, regional and national conditions, as discussed in sections 4.1.2 and 4.3 above, CIFOR reorganized its portfolio of research activities into three new research Programs better linked to CIFOR mission and strategically oriented toward output and impact. Among the key global trends influencing these changes at CIFOR were the increased awareness of the serious consequences of environmental degradation for human well-being, especially for forest dependent poor communities in the developing world, and developments within global environmental conventions and protocols, reorientation of global priorities to poverty alleviation and the implications of the MDGs. The Panel finds that CIFOR has come a very long way in changing its original emphases on environmental protection and conservation to make poverty reduction and sustainable use of forests and forested landscapes its central focus.

CIFOR has made significant progress in reorganizing research activities to better link with its mission and to be more output - and impact-oriented, as reflected in the current Program strategies. According to the 2006-2008 MTP CIFOR's research activities are currently organized into 7 Projects under the three new Programs: Environmental Services and Sustainable Use of Forests (ENV), Forests and Governance (GOV) and Forests and Livelihoods (LIV), and various research support activities in the Assistant Director General office (International Public Goods and impact assessment). See Table 3.

This section evaluates the structure, objectives, relevance and quality of the three new research Programs given CIFOR's mission and objectives, CGIAR goals and System Priorities and emerging demands from new global, regional and national policy environments.

CIFOR's three research Programs all aim to increase the benefits forest-dependent people derive from forests, especially the poor and vulnerable in developing countries, and sustain and enhance the capacity of forest ecosystems to continue providing those services in the future. Significant overlaps among research projects within the three research Programs is to be expected given the high interdependence of biophysical and socioeconomic processes in the management and use of forests and forested landscapes. The challenge for CIFOR has been to design a structure that promotes complementarity and cooperation among Programs and minimizes the risk of internal competition.

The report then assesses the current Program structure and its merits, strengths, and areas of concern demanding further attention.

Table 3. CIFOR Research Programs and Projects (MTP 2006-2008)

Program	Theme/Project (Number)	Sub-theme (Number)
Environmental services and sustainable use of forests (ENV)	Sustainable use of forests (P1)	Best practice for forest and plantation management (P1.1)
		Sustainability of forest-based industries (P1.2)
	Biodiversity in fragmented landscapes (P2)	
	Forest ecosystem services (P3)	Integrated planning and management of forest ecosystem services (P3.1)
		Forests and climate change (P3.2)
		Rehabilitation of degraded forest landscapes (P3.3)
Forests and governance (GOV)	Governance of multi-stakeholder forested landscapes (P4)	
	Forest finance and trade, law enforcement and corporate accountability (P5)	
Forests and livelihoods (LIV)	Managing landscapes for sustainable livelihoods (P6)	Conservation and development (P6.1)
		Landscape dynamics and livelihoods (P6.2)
	Improving human well-being through forests (P7)	Forest biodiversity, household livelihoods, local practices and health (P7.1)
		Forest industry and local livelihoods (P7.2)
		Poverty alleviation policies, strategies and Programs (P7.3)
Research support activities	International Public Goods and impact assessment	

3.1.1 Environmental Services and Sustainable Use of Forests Program

The overall goal of this Program is to enhance sustainable use and conservation of forests and forested landscapes through the generation and dissemination of best practices for the management of forest ecosystems for the benefit of the rural poor. Program activities are structured within three main themes and five sub-themes (Table 3).

Overall, the Panel considers the ENV Program to be well-organized, with clear, significant, objectives that are closely tied to CGIAR priorities. Program activities are logically organized around relevant themes, build on CIFOR's strengths and past research accomplishments related to sustainable forest management and biodiversity conservation, and venture into key issues for the future that merit CIFOR's attention. Ongoing and planned activities are well-distributed geographically, most involve established research networks involving studies in multiple countries/regions (on of CIFOR's strengths), and appear to be designed to yield impacts at multiple scales (local, national and global). The Program is well-positioned to continue to produce high-quality International Public Goods in the form of scientific publications, models, practical tools and state-of-knowledge syntheses for forest managers and decision-makers, and training materials for capacity building. Impact pathways for poverty reduction, though indirect, are clearly described for some of the Projects and sub-themes within this Program, although further work is needed on this for Project 3 (*Forest Ecosystem Services*), especially its sub-themes P3.1 and P3.2.

Although the Panel considers the objectives and structure of the ENV Program to be generally strong, there is room for significant improvement in the development of the rationale, goals,

objectives and activities within sub-theme P2 (*Biodiversity in Fragmented Landscapes*), P3.1 (*Integrated Planning and Management of Forest Ecosystem Services*), and P3.2 (*Forests and Climate Change*). Further, the Panel notes that most of the topics within this Program are already the focus of considerable research attention within the global forest science community. Therefore, special efforts should be made to take advantage of both existing sources of information when developing specific studies to avoid unnecessary duplication of effort, as well as making use of existing expertise in developing research outputs (*i.e.* co-authorship of publications, etc.).

3.1.2 Forests and Governance Program

The overall goal of the GOV Program is to promote good forest governance for the sustainable use and equitable sharing of benefits from forests and forested landscapes. The initial GOV Program included five pre-existing Projects,²⁸ elements of which are now included within the two Projects in the current GOV Program (Table 3). The goal of the *Governance of Multi-stakeholder Forested Landscapes* Project (P4) is to strengthen multi-stakeholder processes, policy frameworks, institutions and capacities for socially just sharing of benefits, and sustainable management of forested landscapes. In 2006 this Project received about 60% of the GOV Program budget allocation.

The second Project of the GOV Program *Forest Finance and Trade, Law Enforcement and Corporate Accountability* (P5) aims to assist governments, non-governmental organizations, and the private sector to develop and adopt economic, financial, and governance policies and practices to encourage sustainable forest management and enhance social justice and livelihood security.

The GOV Program is ambitious and far reaching. It has current, planned or anticipated activities in a great number of countries in Asia, Africa, and Latin America. It has effectively built upon earlier Projects, especially the ACM and C&I, in developing Projects in its current portfolio, e.g. the Model Forest initiative in Cameroon. It has also created an innovative theme, Project 5, which has the potential to make a major impact on forestry trade and practices in Asia, particularly on improving financial transparency. The Program works in partnership with local, national and international partners (IUCN, FAO, UNEP, International Model Forest Network) and participates institutionally or through partners in international processes, including the UNFF, World Bank Group, Asia Forest Partnership, Asia Pacific Group on Money Laundering, COMIFAC, and ASEAN.

Project 5 outputs will primarily focus on International Public Goods and its primary impact will be at the international level, but there should also be impacts at local, national (e.g. if countries are to realize the full benefits of these public goods) and regional levels. While there should be international impacts of Project 4 through applicable lessons learned, the primary focus for achieving impact will be at national levels (if countries change their policies) and local levels (if communities benefit from these policy changes).

The Panel has concerns, however, as to the high number of research activities listed in the MTP for this Program in relation to the comparative advantage of CIFOR for some of the research areas (e.g. trans-boundary conflict mitigation), as well as whether the actual on-going research activities are appropriate to achieve the GOV Program Projects' ambitious goals. As noted above

²⁸ The five Projects were: *Forests, Society and Policy; Underlying Causes of Deforestation, Forest Degradation and Poverty in Forest Margins; Adaptive Collaborative Management (ACM); Criteria and Indicators (C&I); and Local Livelihoods, Community Based Management and Devolution.*

in section 4.2.5 the Panel also notes the GOV Program's difficulties in determining impact pathways to poverty alleviation from its activities.

The Panel suggests that the GOV Program revisits and prioritize its research activities based on its goals and the activities' potential impact on poverty alleviation and the Program's comparative advantages. The Panel also cautions the GOV Program to maintain clarity as its role as a provider of information to inform policy formulation rather than being an advocate for particular policies.

3.1.3 Forests and Livelihoods Program

The overall goal of the LIV Program is to enhance livelihoods by contributing to improved policies and practices related to the management and use of forests and forested landscapes. Program activities are structured within two main themes and five sub-themes (Table 3).

The Panel finds the overall goal and objectives of the LIV Program to be of direct relevance to CIFOR's mission and strategic objectives with clear indirect links to a number of the CGIAR priorities (refer 4.2.1). However, the overall and thematic goals' statements of the LIV Program refers to enhanced livelihoods, but should be more explicit in its focus on poverty alleviation. Further refinements of goal statements are needed for this Program. For example it is very hard to clearly distinguish between the two sub-themes (P6.1 and P6.2) under Project 6 (*Managing Landscapes for Sustainable Livelihoods*) given their almost identical stated objectives. The Panel proposes that CIFOR considers combining the two sub-themes 6.2 and 6.1 since improved spatial planning (the main output of sub-theme 6.2 activity-output 2) is one essential tool for improved integrated development and conservation practices and policies (the key output of 6.1-output 1). Alternatively CIFOR needs to clearly define the distinguishing elements and objectives of these two sub-themes to contribute to better specification of expected outputs, outcomes and impacts from these two activities, and to assist in setting priorities.

There is sufficient multi-country and geographical diversity in the research activities of this Program and clear emphases on comparative syntheses targeting international policy and development assistance agencies. The description of the various research projects undertaken also shows a good balance between global, regional, and national demands as well as responsiveness to key global and national trends and agenda. Examples include the expansion of activities to dry forests, increased investment in regional operations especially in Africa and addition of new components dealing with the tradeoffs between competing current and future uses of services of forest ecosystems (carbon sequestration, water regulation, etc.).

Impact pathways for poverty reduction are indirect but clear for this Program as it continues to emphasize CIFOR's comparative advantage in conducting strategic research with strong potential to influence forest policy and management practices at global, regional, national and local scales. More effort is needed however, to formalize and characterize those pathways to better define key intermediate outcomes and milestones for improved monitoring and evaluation of progress. The research activities in the portfolio of current Projects fit CIFOR's comparative advantage very well and are implemented through collaboration with appropriate partners.

3.1.4 Further considerations regarding the three Programs

The Panel finds considerable overlap among a number of sub-themes and Projects across the three research Programs. The overlap presents both an opportunity for staff from the respective

Programs to work together in Project development and implementation, as well as a risk of duplication of efforts and competition for resources.

For example, the overlap between activities under Project 6 of the LIV Program (*Managing Landscapes for Sustainable Livelihoods*) and activities under Project 2 of ENV (*Biodiversity in Fragmented Landscapes*) is such that there is real potential to realize synergies by integrating some components from the two Projects. This is also true for the case of “payments for environmental services”, which appear as a key component in both Projects 3.1 (ENV) and 6.1 (LIV).

Although CIFOR indicates in its MTPs the close coordination of cross-cutting activities between the Programs, the Panel finds little evidence of this in the documents provided to it. One example is that senior staff-time allocations show minimal cross-Program staff time allocations (available records show cross-Program activities for only one senior staff member). CIFOR needs to at least be very clear and specific in project design, implementation, and reporting about how overlapping activities are coordinated to avoid potential fragmentation and redundancies in its efforts and minimize internal competition for funds and researchers. This is one feature of CIFOR’s current research Programs structure that warrants further discussions and careful consideration.

Another example of what the Panel views as sub-optimal collaboration among Programs is incomplete Program representation within regional teams, such as in Central Africa where ENV seems to operate largely independently of Regional Office and other Programs. The Panel strongly encourages CIFOR to make every effort to ensure complete representation of the three Programs in the Regional Offices.

The Panel finds that there is a lack, or insufficient use, of effective mechanisms (such as cross-Program strategy, joint workplan reviews, joint proposals development where appropriate, etc.) and incentives for collaboration among Programs, both in headquarters and in the regions.

The Panel recommends that the Program objectives be refined jointly rather than individually in order to minimize overlap, in full consultation with major stakeholders and staff, and use effective mechanisms and incentives to address concerns of overlap and enhance synergies among the Programs.

The Panel finds that although the geographical dispersion of CIFOR’s Project activities supports true International Public Goods research, the criteria for selection of specific sites are not adequately documented in the MTP.

Given the greater prevalence of poverty among women and their households, research aimed at poverty alleviation requires a more gender focused approach by CIFOR as well as the CGIAR. The Panel finds that while CIFOR’s Programs are working with women in some projects, CIFOR does not conduct sufficient amount of research that is specifically focused on the impact of forest policy and management on poor women.

The Panel recommends that CIFOR’s Programs and Projects in their diagnosis, design and implementation increase attention to gender, especially in regard to poverty alleviation. Positive initial steps would be to disaggregate relevant project data by gender, and to define impact pathways that focus specifically on women and their households.

3.2 CIFOR's research projects

3.2.1 *Mix of research themes in CIFOR's project portfolio*

CIFOR continues to reaffirm its original approach to influencing positive change in the livelihoods of forest-dependent people in the developing world through policy-oriented research in which the Center has demonstrated strong comparative advantage. CIFOR however, is fully aware that to be effective in its goal of influencing key global and national policy processes and players its research must be grounded in sound, credible and relevant science. There continues to be significant expertise in natural and social sciences research at the Program level and a more balanced appreciation of the primary, fundamental, role of high-quality science in the Center. The three Programs place primary emphasis on the science of "understanding the world" with appropriate attention paid to translating research results into practical tools for improved forest management (at industry and community levels) and policy design, including institutional innovations to "change the world". Overall, the Panel essentially finds a good balance between science and policy in the objectives and focus of the portfolio of research themes under the Projects in the 2006-08 MTP.

Some important differences however, exist between the three Programs in their emphases and degree of temptation to go farther down the continuum from research aimed at informing policy content towards policy advocacy. While all three Programs base their policy-related work on sound science, we find that the ENV Program research themes and focus to be the least inclined to overstep the boundary between informing and advocating specific policy prescriptions. In contrast, some of the GOV Program activities could be at the borderline between providing high policy-relevant information and policy advocacy, which requires careful monitoring. The LIV Program work stands somewhere in the middle. As noted in earlier sections of this report, among the external forces that need to be carefully managed, to avoid CIFOR's slipping into an advocacy or development project implementation role, are donor agendas and the mounting global pressure on the entire CGIAR System to expand the development content and emphasis of its research agenda.

3.2.2 *Setting research priorities within CIFOR*

EPMR-1 recommended that "CIFOR should develop a more formal, transparent and systematic priority setting process that includes an explicit set of criteria for (1) judging exclusion or inclusion: appropriateness to mission, cost-effectiveness, International Public Goods contribution; and (2) setting priorities among the group of included Project activities and among Projects". In response, CIFOR took a number of actions to improve its priority setting practice. Priority setting processes involve two principal elements: (1) development, screening and selection of projects, and (2) allocation of resources among the selected projects. This section assesses the progress made by CIFOR in these two components of the process.

3.2.2.1 *Development and selection of projects*

Although CIFOR agrees with the Panel that it has not adopted a structured system of priority setting based on quantitative ex-ante impact assessment, the Center follows a process for planning, development and screening of projects that is managed primarily by Program Directors and the Project Development Unit (PDU) within the Assistant Director General (ADG) office. The process involves preparation of project proposals by research teams under the guidance of Program Directors and screening of proposals by the PDU. CIFOR has a comprehensive checklist for evaluation of projects that includes the key elements of ex-ante evaluation criteria of the

CGIAR. The checklist provides a good guide for preparation of project proposals by research teams and Program Directors. CIFOR also uses the MTP process as an annual mechanism for evaluation and reassessment of the appropriateness of its research portfolio. The BOT has also become more involved in the priority setting process through more formal deliberations on the Center's MTP's and annual work plan and budget.

The Panel assessed how these adjustments have improved project planning and selection at CIFOR through examining the extent to which existing (selected) research projects satisfy key criteria for ex-ante evaluation. As discussed above, the Panel finds that activities currently in CIFOR's research portfolio are highly relevant to its mission and within the boundaries of its strategic objectives. The Panel believes that CIFOR is very clear about who its target beneficiaries are (forest dependent people, forest ecosystems and forest research and policy communities) and maintains a geographic and eco-region focus that is consistent with its overall strategy. CIFOR research is also considered to satisfactorily meet the IPG criterion as discussed in section 5.1. It is clear from the new programmatic and regional strategies and recent MTPs that the emphasis on outcomes and impacts in CIFOR's research planning has increased and become more explicit. What is not clear, however, is how the potential impact criteria have actually been applied to exclude or include projects, and how knowledge generated on the impacts of previous research activities has been used as an input into the priority setting and project selection processes currently practiced by CIFOR.

It is also the Panel's view that the current portfolio of research activities reflects a reasonable degree of responsiveness to stakeholders' needs and emerging global policy and development agendas. Based on discussions with a representative subset of CIFOR's stakeholders (cf. Annex 5 and section 8) the Panel finds that the priority setting at the Center and in the regions has been conducted through appropriate consultative processes involving key-stakeholders.²⁹ However, the Panel also finds some understandable uneasiness among CIFOR staff about reduced internal communication and opportunities for involvement and participation in priority-setting, research planning and evaluation processes - many see the Center moving towards a more top-down system of decision making with the increased authority given to Program Directors in the new structure. CIFOR Management is aware of the need to improve internal communications and while a number of steps to address this, continued attention to this issue is needed.

The Panel finds that CIFOR also continues to conduct its research through appropriate partnerships and that there are no indications of moving into niches where there are competitive suppliers. However, due to lack of documented information, the Panel could not assess how other items in CIFOR project evaluation checklist, especially feasibility and cost-effectiveness, have been applied to the exclusion/inclusion of projects.

While the current portfolio of projects passes many key criteria for ex-ante evaluation, it is not clear to the Panel how assessments based on each individual criterion have been aggregated or combined to make final judgments on inclusion/exclusion of projects. There is no formal source of information about whether scoring or other systems have been used, be they quantitative or qualitative. Apart from this transparency issue the Panel also did not have clear indications on whether the above practice of project evaluation and selection is systematically applied by

²⁹ The stakeholder survey (cf. Annex 12), which included 95 respondents (60% from the North) out of a population of about 700 surveyed, however, indicated that about two thirds of the respondents either did not take part at all (about half) or considered themselves inadequately involved in priority setting processes at all levels.

CIFOR. There are indications that due to workload pressures, proposals are occasionally submitted to donors without being adequately screened using the project evaluation process. This issue will be discussed further in section 5.2.3 (Quality of CIFOR's research).

Over all, the Panel finds no documentation of the current practice of project evaluation and selection at CIFOR that assembles all the evaluation process components into a single document that formally describes the current practice in its entirety. The various components of the relatively informal project selection process at CIFOR are described in various separate documents but are not integrated as pieces of one systematic framework.

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. CIFOR should then strive to move forward to improve the deficiencies of its current practice based on the features of such a formal framework. It is also clear that CIFOR needs to improve on stakeholder consultation and participation in its priority-setting activities.

Table 4. Resource Allocations by Program and Project (2003-2006) Resource Allocations by Program and Project (2003-2006)

	2003 Actual			2004 Actual			2005 Actual **			2006 Plan		
	Restrict ed	Unrestrict ed *	Total	Restrict ed	Unrestrict ed	Total	Restrict ed	Unrestrict ed	Total	Restrict ed	Unrestrict ed	Total
<u>ENV</u>												
<u>Services</u>	49%	35%	43%	37%	33%	35%	38%	39%	38%	35%	37%	36%
Project 1	13%	11%	12%	7%	10%	9%	21%	16%	19%	14%	15%	15%
Project 2	36%	17%	27%	28%	15%	21%	9%	11%	10%	10%	10%	10%
Project 3	0.4%	7%	3%	2%	9%	6%	8%	12%	10%	11%	11%	11%
<u>Governance</u>	30%	30%	30%	39%	34%	36%	37%	29%	33%	34%	31%	33%
Project 4	22%	21%	22%	25%	22%	23%	26%	15%	21%	24%	15%	20%
Project 5	8%	9%	9%	14%	12%	13%	10%	14%	12%	10%	15%	13%
<u>Livelihoods</u>	16%	32%	23%	19%	30%	24%	22%	32%	27%	29%	32%	31%
Project 6	6%	15%	10%	7%	14%	10%	9%	16%	13%	14%	16%	15%
Project 7	11%	17%	13%	12%	16%	14%	13%	16%	15%	15%	16%	16%
<u>IPG and Impact Assessment</u>												
Project 8	5%	3%	4%	5%	3%	4%	3%	0%	2%	1%	0.2%	0.7%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Notes:

* 2003 Financial Statements were restated to reflect an adjustment to the employee benefits obligation.

** 2005 Financial Statements – Unaudited

3.2.2.2 Allocation of resources

With the approval of the BOT, CIFOR has decided to follow a system of dividing its unrestricted funding equally among its three research Programs. Table 4 suggests that allocation of

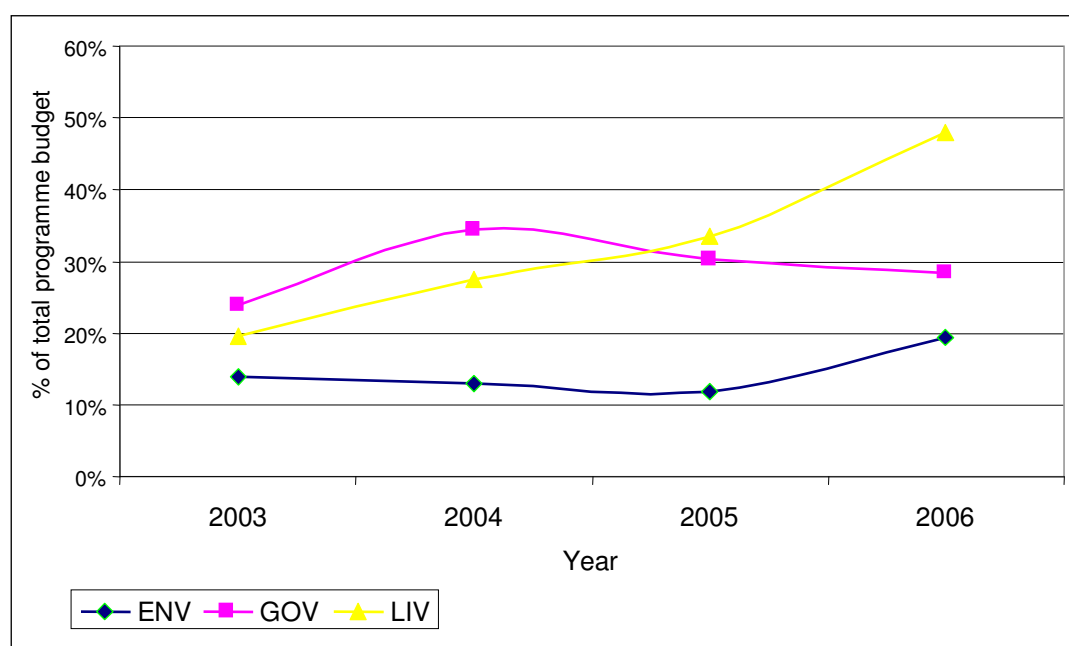
unrestricted funding among Projects within each Program is also gradually converging towards the same rule of equity. In the absence of solid objective bases for differential allocations, this resource allocation mechanism may be the most convenient and wise choice. This current formula assumes implicitly that the three Programs are expected to contribute equally (produce equal impacts) to CIFOR's strategic mission and objectives. This also implies that the Center does not see a need for differential allocations of resources among its Programs. Nonetheless, the Panel finds that CIFOR needs to use a clear, objective, basis for strategic resource allocation among and within Programs. The same applies when making decisions about seeking restricted funding.

Another strategic decision on resource allocation CIFOR has made relates to increasing investment in regionalization. The 2000 workshop on priority setting represents a major action taken by CIFOR to formalize priority setting. While the workshop did not lead to a structured quantitative framework for ex-ante evaluation of research priorities, it provided useful input together with other initiatives (e.g. Mega-trends workshop) for refining CIFOR's regional priorities. Decisions to increase attention to dry forests and invest more in Africa, and expand activities in China and India (where more poor people depend on forests) were greatly influenced by these initiatives as well as by CIFOR's own research results on the links between forests and poverty.

While the direction of adjustments made in resource allocations is sound and based on objective assessments, the magnitudes of the specific allocations (e.g. increasing the share of Africa from 25% to 40%) appears to be arbitrary. In addition, current allocations among the Programs in Africa are unbalanced. For example, the ENV Program invests a lower share of its total budget (20%) in Africa compared to the other two Programs (which invest about 30-50%; see Figure 3 and Annex 11). There may be good justification for differential allocations of programmatic efforts among different regions. The Panel however, could not trace any documentary sources for this strategic decision.

The Panel recommends that CIFOR review its resource allocation processes in order to: (1) use objective information to support the rationale for decisions on quantitative allocations of its funds between Programs and regions, and (2) ensure consistency in resource allocations with the Center's approved strategic priorities and related BOT decisions.

Figure 3. Share of Total Program Budget Invested in Africa (2003-06)



3.2.3 *Quality of CIFOR's research*

The quality of CIFOR's research projects was assessed by the Panel using criteria related to: a) quality of research staff; b) quality of infrastructure and facilities; c) processes in place to assure quality; and d) quality of outputs and achievements.

With respect to research staff quality, the Panel focused its assessment on CIFOR's scientists³⁰. Among CIFOR's 44 scientists, we found a good diversity of educational backgrounds, ages, experience levels, and disciplinary expertise appropriate to the objectives of each Program. The Panel considered there to be a generally high level of professional achievement and productivity, particularly among internationally-recruited staff (IRS), and noted that 84% of CIFOR scientists hold Ph.D.s. The proportions of IRS who have received honors or awards during the past 5 years (19%), served on international Panels or committees (36%), are members of editorial boards for journals (9%) or are regular reviewers for such journals (29%), and have been lead authors of successful grant applications (28%) are reasonably good, considering the varied age structure and experience levels of IRS collectively. In addition 50% of IRS are involved in supervising degree students (on average 2.5 students per staff member).

The Center's library facilities and services, databases and IT equipment needed to support the research Program are excellent in Bogor and good in the Latin America RO. However, in the Central Africa RO the Panel finds that the research facilities, services and IT-equipment are inadequate: too few offices for the number of staff, too few field vehicles, too few (and aging) computers and other IT-equipment, and poor internet connectivity. The needs for library services by scientists located in Regional Offices, who may not have access to adequate library facilities locally, appear to be well met by CIFOR's library in Bogor for staff located in Latin America and Africa; the Bogor Library regularly sends the contents of new journals and is very responsive to staff requests for reprints and other information needed by scientists.

Research quality assurance processes are an area where there appears to be considerable room for improvement. The issue of research data quality control and quality assurance is particularly important for CIFOR, which relies to a large extent on its collaborators to collect data across widely-dispersed study sites that is subsequently analyzed and synthesized either by CIFOR or collaborating scientists to draw conclusions based on cross-site comparisons. Consistency and rigor in the application of study methods, field data collection protocols, and data analysis methods are critical to the quality of CIFOR's research and its outputs (*i.e.* publications).

There does not appear any policy or system in place at the Program level for systematic internal or external review of individual project study plans and proposals, with reference to scientific quality, *i.e.* appropriateness and adequacy of study methods, and protocols for quality assurance and quality control (QA/QC) in data collection and analysis by CIFOR scientists and collaborators. While these issues are often dealt with during the project proposal evaluation phase by research granting agencies, a significant proportion of CIFOR's research funding comes from sources that may not have the expertise or rigorous proposal evaluations standards needed to evaluate proposals based on technical quality criteria. And although the review process for (peer-reviewed) publications provides some measure of quality control for research methods, it

³⁰ CIFOR's definition of "scientist", which it uses in preparing its Performance Indicators, includes (in 2005): 33 internationally and regionally-recruited Program scientists, plus 5 members of the Management Team (DG, ADG, and 3 Program Directors), 2 Nationally Recruited Staff members, plus 4 Visiting Scientists. It does not include JPOs unless they hold Ph.D.s or been the sole CIFOR co-author of any publication during the year.

does not identify possible weaknesses in QA/QC standards and protocols for data collection; such standards and protocols need to be established *before* research is undertaken and followed throughout the research cycle to ensure quality of all studies and research products.

The Panel recommends that in the absence of rigorous technical quality review of research proposals by donor or grant agencies, appropriate internal or preferably external technical peer reviews of all proposals/study plans should be undertaken as a matter of course, within Programs, prior to approval by Program Directors. The Panel further 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. Evaluations of appropriateness of study methods and measures to ensure quality of data collection and analysis should be an integral part of each project's study plans, prepared by the lead scientist and reviewed by the appropriate Program Director, whether or not this is required or included in research grant or project proposals to donors.

While there is considerable variability among staff and collaborating scientists in all Programs in the quality and numbers of publications of all types, there has been a general upward trend in recent years in the number of publications produced, and in the proportion of refereed articles. CIFOR compares very favorably with other CGIAR Centers in terms of the average number of peer-review publications produced each year by its scientists, and particularly by its senior scientists. The Panel commends CIFOR's scientists in all Programs and the publication unit for their significant accomplishments. The Panel was impressed by the overall quality of CIFOR's peer-reviewed publications (journal articles and book chapters) and its own (CIFOR) publications, and with the breadth of publication types designed to reach and influence a wide range of target audiences. The results of the Panel's stakeholder survey, which showed broad satisfaction with CIFOR's publications, reinforce this view, cf. Annex 12.

3.2.4 Impact of CIFOR's research

In recent years, rather than focusing just on outputs, CIFOR's management continued its efforts and increased investment in promoting both outcomes and impact. These efforts include giving greater attention and weight to impact and influence in staff Performance Appraisals. The payoffs are visible in the Center's research planning and evaluation documents and reporting systems. Several impact assessment studies were completed and published in 2005 experimenting with and documenting ways and methods of measuring impacts of a number of previous and ongoing research, communication and capacity building activities of CIFOR.

There is ample evidence that CIFOR's research and policy-oriented outputs and outcomes are significant and in many cases outstanding (cf. *Achievements of the Center for International Forestry Research (CIFOR), 1998-2005*). The Center has gained high respect and established credible reputation and recognition in the international scientific, policy and development community dealing with forests and related development and environmental dimensions (achieving high rating among stakeholders interviewed and surveyed by the Panel, cf. Annex 12). CIFOR has contributed significantly to building capacity in national forestry research, policy and management institutions in the developing world (averaging good rating in stakeholders' survey, cf. Annex 12). The Panel finds growing interest in and demand for CIFOR's expertise and knowledge as shown by the many requests for its services and collaboration from international agencies and national governments in the developing countries.

There is good evidence of significant outcomes of CIFOR's research, policy and communications' efforts. CIFOR's website receives high visitation rates. CIFOR's research and policy outputs are cited in key international policy documents and contributed to important global, regional and local initiatives supporting improved forest policy and management practices. The Center is involved in and actively participates in all international fora and processes crucial to sustainable management of forest ecosystems and the wellbeing of people dependent on them. CIFOR continues to play very visible role and contributes to drafting key global forest policy and management practice codes and regulations. CIFOR continues to attract funding from key donors and to enjoy significant support from international, regional and national collaborators and partners. It has admirable visibility in the international and local media, which in turn influences public opinion and policy debates over issues of critical importance to the livelihoods of forest dependent people and industries. Through its work, the Center has also made significant contributions that have resulted in improvements in the content of investment projects, on-the-ground forest management practices, forest certification regimes, community governance, and livelihoods.

While the Panel recognizes the productivity of CIFOR's scientists, the quality of its research outputs, and the recognition of its work by decision-makers, there appears to be potential to further increase the impact of CIFOR's research by enhancing its influence on one of its important target audiences: the global scientific community.

Although numbers and average citation rates of CIFOR's publications have been increasing, the Panel finds there is significant room for improvement in CIFOR's publication strategy to enhance the *scientific* impact of its work and thereby complement and reinforce the policy and forest management impacts of CIFOR's publications. An appropriate indicator of the relevance and impact of CIFOR's publications, particularly within the scientific community, is their frequency of citation in peer-review journals. Of the 24% of CIFOR publications that have been cited in the peer-reviewed scientific literature (as of mid-2004), nearly half have been cited only once, and less than 3% of CIFOR's publications have been cited in the scientific literature more than 10 times. CIFOR's most frequently cited publications include those covering topics within all current Program areas. These are, for the most part, global overviews and syntheses, which is appropriate given CIFOR's niche in the global forest science community and mandate to produce International Public Goods.

CIFOR's current research effort is directed towards topics that span traditional disciplinary boundaries that are of great interest to global audiences. CIFOR scientists should be in an excellent position to publish in the highest impact journals, such as *Nature* and *Science*, and in higher-impact journals in the fields covered by the three research Programs. Greater emphasis on higher-impact publications may necessitate a de-emphasis on lower-impact publications that continue to comprise a significant share of CIFOR's publications – *i.e.* most non-refereed publications including conference/workshop proceedings, non-refereed books, lower-impact refereed journals with limited circulation, etc. With modest additional effort, a significant proportion of these lower-impact publications could be "upgraded", for example by making arrangements with the publishers of higher impact journals to produce special issues based on specific the results of large, multi-site projects and/or conferences and workshops.

This may necessitate changes in evaluation criteria for scientists and development of better measures of research accomplishments and impacts. This approach may also further contribute to scientific capacity building (specifically scientific writing) among CIFOR's partners who are

typically co-authors of publications (and often first authors), as well as yield cost savings within CIFOR by reducing the need to produce lower-impact CIFOR publications, specifically those designed primarily for use by the scientific community.

By focusing primarily on high-impact peer-review publications (especially journals), CIFOR can enhance its impact and influence not only on the global scientific community, but indirectly on forest resource managers and decision-makers to the extent that the global scientific community as a whole informs resource management and decision-making processes. As noted above, CIFOR's impact on the global forest science community arises in part from the work it has done to synthesize and critically evaluate current knowledge on specific topics and issues that is published in rigorously peer-reviewed, high-impact journals.

The Panel recommends that Program 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.

Regarding impact indicators, tracing and assessing the impacts of CIFOR's research is complex. This is because of the nature of CIFOR's research focus and its impact strategy. CIFOR invests its resources to produce IPG research to influence decision-makers that shape the way forests are managed and impacted upon. This strategy uses an uncertain, indirect and long route to change the way forests are managed and to improve the wellbeing of forest dependent people. It is an inherently slow and long-term process, although the Panel notes that CIFOR's communication strategy and partnerships greatly enhance the effectiveness of this approach.

Moreover, due to the confounding effects of many other processes and factors contributing to poverty reduction and sustainable use of forest resources, it is inevitably difficult to attribute impacts to the work of any single institution or process. This is a challenge not only for CIFOR, but rather a dilemma common to all research Centers and particularly for policy focused research aspiring to affect change.

Under the pressure to show impacts, CIFOR may be tempted to seek opportunities to demonstrate quick results at national and local levels. This tension between CIFOR's IPG research focus and pressures to overstep their role as a research organization needs to be carefully monitored and managed, so as to avoid sliding too far into provision of development and policy advocacy.

The Panel, noting that CIFOR has in many cases demonstrated significant outcomes, suggests that CIFOR build on its current efforts to sharpen its focus on outcomes and impact by investing in generating information on selected impact indicators to better measure changes in livelihoods of forest dependent people, changes in forest management practices and land use patterns in target countries and regions. Other relevant indicators could be changes in policies of national and global private and public institutions affecting forest and forest dependent people.

3.3 CIFOR's capacity building activities in "recipient countries"

Although CIFOR does not have a formal training Program such as those found in the larger CGIAR Centers, it has made significant achievements in developing country research capacity. As noted in section 4.2.3 the primary mechanism for capacity building (CB) in CIFOR is

joint/collaborative implementation of projects. As reported to the Board, 2005 achievements in developing country research capacity included:

- over 500 developing country researchers worked on CIFOR research projects;
- some two dozen research institutions were strengthened;
- 150 graduate students from developing countries were supervised by CIFOR scientists; and
- students benefiting from courses on writing skills and research methods.

Although CIFOR has significant achievements in capacity building, the Panel finds that capacity building activities are not adequately represented in the CIFOR's MTP as explicit outputs or outcomes for its projects. These concerns are similar to those raised in the Capacity Building Strategy (2003), which noted the lack of documentation of impacts, the assumption that there was an under-reporting of achievements, and inadequate external recognition of its capacity building activities. This reflects the limitations of the CIFOR model in which individual scientists are responsible for capacity building through their projects. As a result CIFOR's capacity building activities continue to be dispersed, not well coordinated, planned, budgeted or reported. There is no specific institutional budget for capacity building; funds for the monitoring and impact assessment are provided by the projects. However, while the funding for impact monitoring is the responsibility of the project, impact assessment of capacity building is to be conducted by the Impact Assessment Unit in the ADG's office.

If responsibility for capacity building remains within the projects without explicit output or outcome targets, coordinated documentation and monitoring, assessing and reporting capacity building achievements will continue to be difficult.

The Panel recommends that in accordance with the Capacity Building strategy, monitoring and evaluation guides for measuring the effectiveness and impact of its CB activities be prepared, that CB management processes be improved across CIFOR and its projects, and that Senior Management increase their commitment to CB. The Panel also suggests that with its regionalization, CIFOR's current capacity building strategy be revisited to include an appropriate role for Regional Offices in current and future CB activities.

4 GOVERNANCE, ORGANIZATION AND MANAGEMENT

4.1 Governance

4.1.1 Board of Trustees and its work

CIFOR's governing body is the Board of Trustees (BOT). Its principal responsibilities are "to set policies and to monitor and to evaluate the actions of management, while avoiding undue involvement in CIFOR's day-to-day operations."³¹

CIFOR's Board may have up to 17 members, 3 of whom are *ex-officio* (the Director-General as a non-voting member, a Host Country Representative, and a representative from ICRAF's Board of Trustees). Actual membership has for several years been below the maximum allowable number, with elected membership dropping at one point as low as ten. Of the current members, seven are from developed countries, seven from developing ones. Composition of the current Board, including terms of office, demographic information, and disciplinary/professional orientation, is presented in Annex 14, CIFOR Board Composition 1998 to 2005.

The BOT discharges its responsibilities through its annual meetings and the various sub-committees it has set up to facilitate its work. These include the Executive Committee (ExCo); the Finance and Audit Committee; the Nominations Committee; and the Program Committee.

4.1.1.1 Executive Committee (ExCo)

The ExCo comprises the Chair and Vice-Chair of the Board, the Chairpersons of the Program and Audit Committees, a member (preferably the Chairperson) of the Nominations Committee, the Director General and the Host Country Representative. The Chairperson of the Board serves as chair of the Executive Committee. The Director-General is an *ex-officio* member. The ExCo meets at least twice yearly, and has several responsibilities³². The Panel did not observe the ExCo, but has reviewed minutes from its meetings and discussed it in interviews with CIFOR management and BOT members. It is clear from the minutes, as well as the interviews, that the ExCo conducts a substantial amount of work, and its inter-sessional meeting is used to offset some of the effects of holding a single BOT meeting each year. Venues of ExCo meetings are chosen carefully, and the ExCo keeps a high profile when it meets, so as to build and reinforce relationships with important stakeholders. The linkages and continuities from ExCo to full BOT meetings are clear from the minutes of both the smaller and larger bodies.

4.1.1.2 Finance and Audit Committee (FAC)

The Finance and Audit Committee assists the BOT in fulfilling its oversight responsibilities through review of financial statements, regular interaction with internal and external auditors, review of risk management and internal control issues, and assessment of compliance with laws,

³¹ Extensive information concerning the Board as a whole and all its committees may be found in the *BOT Terms of Reference*. Only key facts concerning the ExCo and Program Committee will be presented here; details on the remits and processes of other committees may be found in the *TOR*, incorporated by reference into this report.

³² ExCo responsibilities are to: (1) Conduct business on behalf of the Board when it is neither practical nor efficient for the full Board to meet; (2) Serve in an advisory capacity to the full Board in matters relating to finance and administration, one of its members maintaining liaison with the Center's financial staff; (3) Conduct an annual evaluation of the performance of the Director General; (4) Set the terms of the Director General's compensation, later reporting the terms to the full Board; and (5) Identify issues that should be brought to the attention of the Board and its committees and assist in setting agendas for the full Board.

rules and regulations. The FAC has a clearly defined charter consistent with best practice. Its current membership includes 6 BOT members.

The Panel observed the FAC at its November 2005 meeting and reviewed minutes of previous meetings, reports of external and internal auditors, and management reports. Management had provided documentation sufficient in quantity and quality for an informed discussion, and the external and internal auditors were present. The committee members raised important questions and obtained appropriate explanations. Members collectively appeared to have a wealth of experience in matters related to the work of a finance and audit committee. The FAC made appropriate decisions, recommendations for approval to the full Board and gave instructions to management on matters that required follow-up.

However, the Panel believes that improvements could be made in certain areas. Among the Board's most critical oversight functions are the appointment of the external auditor and approval of an annual audit plan, approval of investment policy, and monitoring its implementation. The Board is also required to establish the financial regulations that govern the Center's financial operations. The Panel observed that, although members of the FAC clearly have wide experience in dealing with issues related to financial management, none appeared to have specific technical expertise in actual accounting or financial-management processes. Given the complex financial and regulatory environment in which Centers must operate, the lack of technical financial management expertise can be a critical gap. The CGIAR best practice guide on Audit Committee states: "Include 'financially literate' members (*i.e.* able to read and understand fundamental financial statements), including at least one *having substantial accounting or financial management expertise*" (emphasis added). The first EPMR recommended that "The BOT should seek Trustees who, between them, have broad managerial and financial competencies and familiarity with the CGIAR-system and with the private sector". In the Panel's view CIFOR's Board should move beyond this, and actively seek to add to its membership someone with substantial accounting and financial management expertise, preferably from the not-for-profit sector with CPA/CA qualification.

The Panel noted that the FAC did not review in detail the Center's audited financial statements for calendar 2004. The review and endorsement were given by the ExCo, with the latter reporting to the full Board at its November 2005 meeting. The ExCo's report was endorsed by the Board without discussion. This is a consequence of having a single full Board meeting each year, the only time the FAC also meets. It has effectively left the ExCo to review and approve the audited financial statements on behalf of the Board. Notwithstanding the External Auditor's clean audit opinion on the financial statements, it is a distinct process flaw that the FAC should be unable to thoroughly review the financial statements before their approval by the full BOT.

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.

The External Auditor presented audit findings and recommendations to the FAC, which it examined in detail and on which it consulted management for follow-up actions where it deemed appropriate. However, the Panel observed that the External Auditor's audit plan for 2005 did not identify areas of audit focus, nor did the FAC specify areas it would like the External Auditor to

cover. While the External Auditor plans his/her audit on the basis of independent assessments of risks in order to gather sufficient evidence to support a professional assessment of the financial statements, best practice would also take into account the governing body's concerns and issues. *The Panel therefore suggests that the FAC discuss the External Auditor's work plan in more depth and specify, where necessary, the areas/issues it wishes the External Auditor to explore.*

The Panel also suggests that the FAC introduce, as a regular agenda item, a closed session with the Internal Auditor without the presence of management, similar to the closed session it currently holds with the External Auditor.

The Panel notes that the FAC's Terms of Reference were last reviewed and modified in 2000. *The Panel suggests that the BOT review the FAC's TOR with a view to align them with the model Audit Committee Terms of Reference contained in the CGIAR's current best practice guide.*

Among the Board's responsibilities is to ensure that "the future well-being of CIFOR is not jeopardized by exposing its financial resources, its staff and its credibility to imprudent risks". The Board's duties include ensuring the Center's cost-effectiveness, financial integrity and accountability. The Board is mandated to oversee CIFOR's functions with regard to levels of risk. The constitution explicitly identifies some risk-management issues, such as financial integrity, accountability, and conformance with legal and regulatory requirements.

With the help of the CGIAR Internal Audit Unit, CIFOR management devoted a significant amount of work in 2004 to a risk-management initiative. This was reported to the FAC at its meeting in December 2004. According to the FAC's minutes, the members "sought clarification of certain terms used in the report and discussed various risks ... However, it is recognized that this is a dynamic document and is a very useful tool for both management and the BOT." The FAC then accepted the risk-management status report, approved the BOT Statement on Risk Management and Internal Control with some modifications, and approved the Risk Management Policy with the proviso that certain wordings would be clarified by the Internal Auditor and Management, and approved the summary risk analysis (Rating and Detailed Analysis). The FAC Chair then tabled the minutes of its meeting, including the part relating to risk management, to the full Board. The BOT approved the recommendations of the FAC with limited discussion of risk management.

The Panel is encouraged to note that CIFOR management and the BOT have taken steps to incorporate a systematic approach to risk management. To this end, the Board has adopted a risk management policy and is reviewing through the FAC the implementation plan. However, the Panel noted that the risk management policy appears to be more a product of consultations with management and staff than the result of careful, independent assessment by the BOT. This fact was recognized by the FAC at its November 2005 meeting, and the full BOT has been asked to undertake more extensive discussion of the risk-management policies and procedures.

The Panel suggests the BOT take whatever steps are necessary to ensure that the risk management policy reflects its own collective, carefully considered judgment, and that a mechanism be established for regular discussion of risk management issues at the full Board level.

4.1.1.3 Program Committee (PC)

According to its TOR, the Program Committee comprises the Board Chair and Vice-Chair, the Director General, and at least four other members nominated annually by the Nominations

Committee and elected by the full Board. In practice, the PC convenes as a committee of the whole, with all Board members present. A senior scientist of the Center acts as Secretary of the Program Committee. The Program Committee proper, or a smaller subset, meets in advance of the Board's annual meeting and can hold additional meetings as necessary.

Members of the Panel observed the PC's full meeting in the 2005 BOT meeting. For that meeting, the Program Committee had clearly done careful planning in advance of the full Board Meeting; it convened for two days during the BOT meeting as a committee of the whole, giving the entire Board an opportunity for in-depth review of information regarding CIFOR Programs and operations. Altogether, the session seemed to model the type of interested engagement one would hope for from a governing body, without hint of straying across the line into meddling in internal affairs. The PC seemed to keep the focus consistently on the right things and at the right level. Because of the number and diversity of activities, some members felt they still had not fully connected or gained the depth of understanding they needed. Overall, the Panel found the Program Committee's session a good example of how governance should operate with regard to Program.

4.1.1.4 Nominations Committee (NC)

The Nominations Committee's major responsibility is to monitor tenure of membership of serving trustees and to develop and maintain a roster of potential board members. A Panel member attended the meeting of the Board's NC in November 2005.

The NC Chair had clearly done extensive preparatory work before the BOT meeting. The NC met in parallel with the FAC, briefed CIFOR staff on the status of the DG search (conducted by a separate search committee under the same chairmanship as the regular NC), and subsequently offered a report on the BOT nominations/recruitment process to the full Board. The NC approached its charge essentially as one of strategic staffing and succession planning. Its plans include the equivalent of developmental assignments/rotations, together with searches for external candidates whose profiles should complement existing and replenish departing expertise, or fill gaps. Stressing the importance of factors beyond purely technical qualifications, the NC had previously experimented with and has recently revived a mechanism for exploring rightness of fit between lesser-known potential nominees and the Board's work; inviting such persons to participate in workshops with CIFOR-relevant content. Results have been positive; two excellent recent additions to the Board have come through this process.

The NC concluded that the prevailing CGIAR convention for profiling BOT members is insufficient for analyzing future membership needs. It gives too little indication of individuals' knowledge areas, skills, or interests to assess what they bring to the governance function and/or the kind of person who might be needed to succeed them. (For example, the director of an internationally renowned national museum is identified as a "biologist.") The NC has therefore begun construction of a small database system that could accommodate faceted classification with multiple descriptors.

A member of the NC had been asked to identify possible candidates to fill a perceived gap in BOT membership. In the NC's report to the BOT, he presented thumbnail biographies of several individuals. All fit within the broad category that had been identified, but each person represented a strikingly different orientation. While impressive individually and collectively, the descriptions drove home the impracticality of reducing persons of interest to a simple descriptor or two.

In the Panel's judgment, the NC is to be commended for both the seriousness and the sophistication it brings to its responsibility. Its systematically analytic approach, inventiveness, and breadth of perspective exemplify the care and thought that should go into building and maintaining a strong, effective board.

4.1.1.5 Human Resources Advisory Group (HRAG)

This informal group had been established in late 2004 as a result of discussions between the DG and the Board on a range of issues related to HR and strategic institutional concerns; e.g. the need to improve and expand internal communication and undertake extensive teambuilding as a result of changes in CIFOR's size, staff profiles, and growing geographic dispersion. The Panel observed a meeting of the HRAG during the 2005 Board meeting.

Several potentially useful observations and suggestions emerged from the meeting. From the Panel's perspective, the most noteworthy observations were: (a) the openness of the DG and all participating members of the CIFOR team in discussing difficult internal issues, (b) the collegiality of the participating BOT members in acting as a sounding board, (c) the perspicacity of articulating such issues as early as possible. Factors (a) and (b) seemed to indicate a positive, open, and collaborative relationship between the BOT and CIFOR management. Moreover, the topics raised were well chosen for high-level reflective discussion, yet had not reached a point of crystallization or formality that would have made them proper agenda items for formal BOT treatment. Raising them in this type of forum provided an opportunity for early attention to matters whose gravity might increase with the passage of time, or perhaps be nipped in the bud.

4.1.1.6 Management and internal audit

Internal Audit services are delivered to CIFOR by the CGIAR Internal Audit Unit, a Systemwide service that provides a combination of control and support services under a consortium arrangement. The Unit Manager develops an annual work plan, which is reviewed and agreed with the DG and BOT. The various selected audits are then conducted by Unit staff. In addition, CIFOR has used the Unit's advisory services in reviewing various organizational and administrative arrangements; CIFOR management values the advice obtained under this arrangement.

4.1.2 Board performance

In providing support to the Board, CIFOR management has several responsibilities, the most critical relating to delivery of information. An important secondary function that can significantly affect the Board's effectiveness is logistical support during the board's deliberations. Ultimate responsibility for obtaining the information it needs rests with the Board, but it relies heavily on management to provide information that is appropriate, accurate, complete, and intelligible. It must be timely in both coverage and delivery.

In light of information's importance for governance, the Panel, in observing meetings of committees and the full BOT, attempted to assess the information delivered to the Board in terms of timeliness, clarity, and appropriateness to Board needs, with evidence of careful vetting and other essential values.

According to the Deputy Director-General, Corporate Services (DDG-CS), who serves as Secretary to the BOT, his office oversees production and distribution of all documentation of a Board meeting. The rule is that all BOT documentation must be in the hands of every individual

Board member at least two full weeks in advance of a meeting, in whatever form the individual member prefers (electronic, paper copy, or both). Only under exceptional circumstances are deviations from this allowed. Delivery of materials at the BOT meeting without prior dissemination is forbidden (with the rare exception of completely new information and errata sheets). These rules appear to be strictly enforced; they had been for the 2005 meeting. Beyond merely accomplishing the timely delivery of materials, however, the materials' physical organization and presentation were excellent.

The Panel finds CIFOR's delivery of information to the Board highly satisfactory. The Panel further finds CIFOR's method of organizing and presenting Board materials for its annual meeting a model of clarity and efficiency, which could serve as an example of best practice.

The Panel finds CIFOR's logistical support to the BOT's annual meeting to be outstanding. It benefits from some physical advantages that may not be available at many Centers; taken together, they enable the Board to stay on-site for the meeting's duration, maximizing time for business and member productivity. CIFOR staff that supported the BOT were knowledgeable and effective, available at all times, and adept at anticipating needs of the BOT and involved Panel members.

The interaction of management's support to the Board and the quality of the Board's oversight, decisions, and guidance are suggested in Figure 4.

Figure 4. Management Support to Board and Board's Manner of Conducting Business Mutually Promote Effectiveness and Efficiency



The BOT was closely observed by the Panel during its 2005 meeting. The Panel observers used a structured, systematic framework derived from research into the factors that differentiate high-

performing boards from their less effective counterparts. The Board was observed with reference to all factors in the framework, which the Panel found relevant and useful. The same framework was used in observing another CGIAR Center's Board, and found similarly relevant there.

Taken altogether, the Panel finds CIFOR's BOT to exemplify the expression "high-performing board": extremely capable individuals who were synergistically effective as a group; exceptionally hard-working and productive; clear (and correct) in a shared perception of their role and how to perform it. Individual members brought high levels of well-balanced and relevant knowledge, skill and experience to their work, but these can be found in groups that do not operate on the level observed here; they were mobilized and applied with unusual effectiveness. A few key factors seemed to contribute to the very high level of performance:

- Exceptional sensitivity to the group's own process, modeled by the Board's Chair and exhibited by several members, coupled with skill and refined judgment in applying it. This applied to the Chair's handling of both the overarching process and the individual sessions she led; interactions within the group; the Board's dealings with CIFOR managers and staff; and even its handling of external consultants in audio teleconferences.
- A high degree of complementarity among the members (which is considered carefully in identifying and approaching candidates for membership).
- A strong shared commitment, even when this meant investing extra time and effort.

These were complemented by notable openness on the part of CIFOR management and staff in communicating with the Board. To the outside observer there was no sense of managed communication, guardedness, or a felt need by higher management to control communication between staff and Board. There seemed in fact to be little sense of hierarchy in the proceedings. Staff at many different levels seemed relaxed and comfortable over speaking up in what elsewhere might have been an intimidating setting.

The Panel commends CIFOR's Board, management, and staff for their contributions to governance processes that appear to model best practice for this type of institution.

4.2 Financial Management

Finance and Administration at CIFOR is managed by the Deputy Director-General, Corporate Services. Corporate Services include BOT Secretariat, Finance/Controller's, Human Resources, and Administration. Finance and Human Resources are led by professionally specialized IRS managers, supported by well qualified staff. There is sufficient level of segregation of duties and policies and procedures to guide staff in the proper utilization of resources. CIFOR uses Sun Accounting, a mid sized financial accounting package used by many CGIAR Centers. It provides for adequate levels of transactions recording, aggregations, analysis and reporting. CIFOR uses Vision for its web based reporting that is accessible to all staff. The Management Team, chaired by the Director General, reviews financial matters at its regular meetings and takes appropriate measures to ensure prudent management of financial resources, taking corrective measures to adjust for any deviations from agreed plans and to deal with unexpected funding and/or expenditure developments. It has Board-approved investment policy and reports to the Board on its performance on a regular basis.

4.2.1 Program of work and budget

CIFOR currently provides equal amounts of unrestricted funding to all three thematic Programs. The unrestricted funding provided to Programs is the amount remaining after allowances are made for resources required to pay for central services including governance, corporate services, and the information services group. However, there is a planning ratio that requires that central services not consume more than 20% of the total budget. CIFOR states that it builds its annual budget on the basis of “modified zero-based budgeting”. Zero-based budgeting is a resource-allocation process by which the annual budget is built bottom up every year by assessing individual expense lines including staff time. However, the “zero-based approach” used at CIFOR is different from industry standard zero-based budgeting (which, in fact, is no longer widely practiced because it can become either excessively labor-intensive or a charade). It might be useful for CIFOR to move towards employing a Results Based Management (RBM) including resource allocations, Results Based Budgeting (RBB).

4.2.2 Financial health indicators

The CGIAR measures Centers’ solvency and financial stability using ratios as indicators, providing guidelines on acceptable ranges. The CGIAR liquidity indicator measures a Center’s short-term solvency; a range of 90 - 120 days is considered acceptable. On this measure, CIFOR is doing very well. It had 193 at the end of 2005. The CGIAR’s indicative range for long-term financial stability is 75 - 90 days; CIFOR was at 144 days at the end of 2005.

CIFOR’s BOT has had in place for some time a control on the minimum size of Operating Fund, which is a third measure employed by the CGIAR Centers. The BOT has defined a minimum, planning target of 110 days in the Operating Fund and expects to be warned if the 120 level will be passed. It closely monitors this indicator. In 2002, the BOT approved a plan to gradually reduce the reserves towards the 110 day target for CIFOR’s Operating Fund, which implied carefully managed deficits. CIFOR will reach this level in 2006 but will continue to be well above the upper limits on the minimum target range on the CGIAR indicators. The Panel finds that CIFOR’s financial affairs are managed prudently, and is pleased to note that its financial position and condition are relatively strong.

4.2.3 Operations management

CIFOR has an excellent campus in Bogor, Indonesia. It is essentially self-contained, with attractive buildings and grounds; outstanding and well-maintained offices, conference, research, and support facilities; exercise and sports facilities available to staff, families, and visitors; and accommodations for visitors that include comfortable on-campus guest quarters, meal services, and a shared work area—all within minutes’ walking distance of CIFOR’s main office buildings. It continues to upgrade the campus to make sure its security meets accepted international standards. The DG’s home is on the campus. One building on the CIFOR campus is rented and largely occupied by ICRAF. Consistent with widespread trends, CIFOR has outsourced a number of support services.

4.3 Management of research and related activities

4.3.1 General framework

CIFOR is structured into four general areas, all of which report directly to the Director-General (DG):

- The Assistant Director General (ADG)
- Three global research Programs, each under a Director
- An Information Services Group (ISG), also managed by a Director
- Corporate services, under a Deputy Director General (DDG-CS).

Each area will be described in turn, but the overall design has features worth noting:

The ADG manages many responsibilities central to CIFOR programmatic operations, including oversight of the Regional Coordinators, and is charged with ‘Program integration’, but does not oversee the global research Programs. With the global Program Directors reporting directly to the Director-General, the DG’s office becomes, at least formally, the point at which programmatic integration can be made to occur and/or where cross-programmatic issues that cannot be resolved by the Program Directors among themselves or through the ADG’s facilitation must be addressed. Also, issues between the Regional Coordinators and the global Programs could potentially escalate to the DG’s office for resolution.

Having a DDG rather than a Director manage Corporate Services indicates the exceptionally high importance that the Center attaches to these functions and the quality of their management.

Clustering five business functions into a wide-ranging Information Services Group managed by a Director reporting directly to the DG gives substantial prominence, scope, and responsibility to information and communication-related activities. Information and communication are evidently held to be central and critical to CIFOR, a strategic resource.

The Panel’s understanding is that the arrangements regarding global research Programs vis-à-vis the ADG’s office and its functions represent the current state in an evolving situation. According to interviews with CIFOR managers, the present arrangement, which according to the DG was initially adopted at least partly as a reaction to the concentration of control in the Research Director’s position, is not necessarily seen as the end state. All CIFOR managers commented on the organizational learning associated with the Regional Coordinator positions, and the possible need for adjustments in the service and/or organizational model as time progresses and experience grows.

4.3.2 *Director General’s office*

The Director General’s office consists of four professional staff, all IRS, plus 4 support staff, all NRS. The professional staff includes the Director-General (DG), Assistant Director General (ADG), Coordinator Program Development Unit (PDU), and Impact Assessment Scientist. The ADG reports to the DG, while the PDU Coordinator and Impact Assessment Scientist report to the ADG.

The DG assumed his position in 2001, having joined CIFOR as a research scientist in 1995. He began as DG expecting to manage CIFOR much as it had been since his arrival, but soon noticed organizational and operational problems, and not long thereafter CIFOR encountered its first significant financial downturn—which appeared at the time to be a crisis, necessitating a critical rethinking of how it did business. This triggered an organizational restructuring that would probably have been needed in any case, but proceeded with a high sense of urgency because of financial pressure.

Most notably, what had been a very flat organizational structure for research, with up to 20 scientists reporting directly to a single Research Director, had to be streamlined. This led to the distribution of the research portfolio into three global Programs, each under a Director. Two of these were recruited from outside. An ADG with substantially increased responsibility was also recruited from outside at about the same time. The PDU Coordinator was not recruited until 2005, having worked at ICRAF's Bogor campus for the preceding two years. An impact assessment scientist has just joined the team in March 2006. One result of these external recruitments was that most of the Management Team, with the exception of the DDG and Director of Information Services, were new to the organization and each other. The heavy travel schedules required of most managers in CIFOR has meant that they have had relatively little shared time to develop the kind of close working rapport that the nature of the work calls for.

The DG also substantially elevated the profile and strengthened the role of Information Services, out of a strong conviction that CIFOR had paid insufficient attention to the dissemination of its work. He was convinced that, unless it began to communicate more actively and better, CIFOR would fare badly with donors and simply be ineffective as an institution. Finally, the DG increased the focus on impact, aiming to both strengthen and do a better, clearer job of measuring it.

The DG's five-year term expires in 2006. Despite a good relationship with the BOT, from which he has consistently received favorable evaluations, and a positive record of accomplishment with the Center, he decided not to seek a renewal of his contract. He will leave CIFOR in the summer of 2006. A search is currently in progress for a replacement DG; the Board of Trustees is expected to announce an interview list in late March, in anticipation of interviews and possibly a selection sometime in May.

4.3.3 Assistant Director General (ADG)

Like all program-related components of CIFOR, the ADG's office was significantly altered by the new structure implemented in 2003. Although an ADG position existed prior to the restructuring, it then had a much narrower range of responsibilities, having been restricted to host country relations, checking proposals, donor relations, some global processes (UNFF), preparation of selected BOT papers, some aspects of capacity building, and partners agreements. With the 2003 reorganization, the evolving ADG position combined some responsibilities of the Research Director that could not fit under the individual Programs: strategic processes, impact assessment, MTP, CGIAR reporting, CCERs, EPMR, and the Annual Meeting.

CIFOR has carried out only three Center Commissioned External Reviews (CCERs) since EPMR-1 (cf. Annex 6), and their usefulness in this EPMR has been limited. *The Panel suggests that CIFOR make more extensive and strategic use of CCERs.*

The ADG also assumed responsibility for oversight of Regional Offices (each previously overseen on a part-time basis by a lead scientist acting as "regional representative"), supervising the newly created position of Regional Coordinators (considered key to strengthening the Regional Offices), capacity building (since reduced as a component of his agenda), and Program integration. The ADG's responsibilities grew in donor relations; oversight of an Impact Assessment Unit that had been unstaffed for some time; the Annual Meetings; and a new body, the Program Advisory

Group (PAG), a forum in which senior scientists could air and share concerns about programmatic matters and formally bring them to management's attention.

Although there was discussion of having the Program Directors report to the ADG (effectively converting the position to a Deputy Director-General), this move was not taken; the possibility, however, has not been ruled out. At present, scientific staff in the Regional Offices report to the Program Directors, who report in turn to the DG; while the Regional Coordinators and administrative staff report to the ADG. Although the Regional Coordinators are responsible, *inter alia*, for undertaking activities and arrangements that should lead to the development of new projects—and especially multi-Program ones—they do not directly control the human and other resources that would be involved in bringing these to fruition. Their effectiveness thus depends to a considerable extent on good communications and good will.

The ADG manages the following:

Impact Assessment—A professional has just been recruited to staff this function. He worked at CIFOR for 6 months while in graduate school, then subsequently with the CGIAR Science Council on developing impact assessment criteria to use with its new frameworks. He thus appears on the scene already equipped with unusually relevant knowledge and contacts.

Project Development Unit—The PDU Coordinator has been in place for approximately one year. According to everyone interviewed, she plays a critical role in encouraging Program Directors to follow Center-wide approaches to project development and resource mobilization. Since her arrival cross-Program projects have grown in number, size, and significance.

Regional Coordinators—Their positions and roles are considered still to be evolving³³. All managers interviewed believe that the role of the RCs is important, even critical, but there is evidently work yet to be done to have the RCs function optimally.

4.3.4 Global research Programs

CIFOR's research is carried out through its three global Programs, which were discussed earlier in sections 4 and 5. It is worth noting some shared features and issues among the Programs, which include:

- Targeted Resource Mobilization: All of the Program Directors described processes in which they identified activities that CIFOR needs to undertake, for which they would then seek project funding. Observations and interviews from the field visits were consistent with this. Resource mobilization strives to be strategic.
- Closely related to the preceding point, the global Programs do drive the research agenda, even at the regional level. CIFOR has made a calculated decision to be a mission-driven institution, not a regional one.
- All three Programs still carry some project activities from its early years, which means supporting some research activities that the current Directors would prefer not to, and/or doing things in locations they might not choose. This can exact a cost in time, programmatic coherence, and coordination.

³³ The Latin America Regional Coordinator has been in place since 2004; the Central & West Africa and Southern & Eastern Africa Coordinators are much more recent.

- Programs are so dispersed that it is very difficult, if not impossible, for the Program Director to maintain the needed level and quality of contact with all staff members. This is significantly aggravated by the declining ratio of senior to junior staff and a high portion of senior staff being near the end of their tenure. The hope is that recruitment of new senior staff and slower growth in junior staff will relieve some of this burden on Program Directors.³⁴
- There are also mismatches between some staff characteristics (age, experience, motivation, etc.) and at least some work requirements. The precise character and degree differ across Programs, but all seem to share this as an issue.
- The Management Team has not been able to spend the amount and type of time actually working together needed for it to fully realize synergies among Programs. The nature and pace of life for CIFOR managers work against this. However, if CIFOR's Programs are to achieve their maximum possible level of integration, this issue will have to be tackled. A major strategic planning exercise might be a good vehicle for working on this and could be launched, but its conclusion would of course need to await the arrival of the new DG, and the design and timing would need to be carefully planned.
- The structural solution currently in place to strengthen the Regional Offices is suboptimal because it depends critically on a position (*i.e.* Regional Coordinators) that is accountable yet may not have the means to succeed. However, there is little prospect that changing the structure alone would solve the problem; there are other important factors. Much more attention needs to be given to the other elements of organizational design.

The Regional Coordinator positions seem to have been created more because the preceding arrangement did not work than because there was a very clear idea of what it needed to accomplish and how (see also section 4.2.2 above). The Panel agrees with CIFOR management about the position's importance, but finds it essential that the Management Team carefully review and redefine the Regional Coordinators' strategic functions and priorities, adjusting the role and its organizational treatment as necessary (see Recommendation 15 and section 4.2.2.3). For each area of responsibility, clarify what will be expected of the RC, what metrics will be used to judge performance, and what resources and support will be needed to enable the RC to succeed; identify key areas where interactions with others will be essential, and ensure that processes can be put in place and sustained to support them. The RC has the potential to be a major "process integrator"—vitally important in matrixed environments—but is not currently set up for success in that role.

4.3.5 Information Services Group

Publishing Services deals primarily with publications issued by CIFOR or co-published through external publishers. The Center has distinguished three levels of publications: manuscripts requiring no review and approval; those requiring approval at the Program level; and those that require formal CIFOR review. Several factors help to determine the category into which any particular communication falls. Typical professional publications generally fall into the first; ISG's Publishing Group is concerned primarily with the third category, which includes publications for larger audiences that require a high degree of polish.

³⁴ The Panel believes that a combination of well-selected and used technologies, coupled with CIFOR's growing skills in group processes, should also help to mitigate the difficulties.

Media & Public Awareness—A seasoned professional with a public-sector background manages CIFOR's Program, which pursues the need to ensure that CIFOR's work reach persons in positions that might utilize sound science-based results in practical ways—primarily policy-making, in the broadest sense.

Library —CIFOR's library holds only about 6,000 books and monographs, and subscribes to only about 60 hard-copy journals. It must therefore be active in the CGIAR library network that links all 15 Centers to give staff access to their combined holdings. For similar reasons, the library must participate in cooperative arrangements with the wide range of consortia, cooperative processing arrangements, rights to electronic access and distribution, and related functions that now prevail in special libraries. The library notably also serves as a repository for all of CIFOR's publications and tracks *all* publications of CIFOR staff regardless of outlet, making it also an important mechanism in CIFOR's dissemination, access and outreach strategy.

GIS Unit —Provides spatial data management and analysis services to research projects. The unit provides software, hardware and technical support for GIS and image processing. It has also established a spatial data management system, based on international standards and best practices, to support a wide range of forest related geospatial research.

IT Services—Concentrates on supporting headquarters for the desktop, database administration, and procurement of systems development services or acquisition of specialized systems from external suppliers. Rather unusually, however, given its size and location, it also provides some support to Regional Offices. For the most part, they are encouraged for practical reasons to find arrangements with suppliers in local markets, but ISG considers a measure of support from headquarters to be necessary and appropriate.

Other Communication and Knowledge-Management Support—Beyond its officially defined areas of service, ISG has taken CIFOR into new areas of communication, with many implications for both internal operation and its work with partners and stakeholders. As CIFOR grapples with the challenges of a geographically dispersed staff, a wide range of skills and tools will clearly be needed to cope with the effects of physical and temporal separation. ISG has pursued the acquisition of skills for group facilitation, arranging for staff to take training and to apply them within CIFOR. The Director has also utilized resources that can help CIFOR utilize relatively novel but powerful participatory techniques; the Open Space event at CIFOR's last Annual Meeting was a notable result. This was an innovative and adventurous step for an institution like CIFOR, but a promising one, which could help lead to a whole new array of communication and knowledge-sharing activities important to the maintenance of institutional cohesion under conditions of geographic dispersion.

Overall, ISG appears to offer supportive leadership in the utilization of both high-tech and high-touch ways of improving communication inside CIFOR and between the Center and other parties.

The Panel finds CIFOR's emphasis on information and communication management commendable. Communication is all too often an afterthought in both science and development work. The Panel commends CIFOR for recognizing the importance of this family of functions and addressing them so well. As time passes and experience accumulates, CIFOR will undoubtedly find important new aspects of their communication strategy that need attention, and will discover useful new tools and techniques. It has positioned itself to use them well.

The Panel finds ISG's exploration of innovative communication tools and techniques an important contribution to organizational effectiveness, and commends CIFOR management and staff for their willingness to venture into the unfamiliar.

Although ISG offers an impressive and extensive array of services, Panel found room for improvement in the following areas:

1. *Records Management.* The Panel finds that CIFOR lacks formal policies, systems, and procedures for the organization and retention of correspondence, institutional documentation, and materials routinely created internally or received from other sources³⁵. This is an essential part of information resource management and a basic business function for any kind of corporate entity, but especially important for a "knowledge institution" like CIFOR. Numerous aids of many kinds are readily available. ***The Panel therefore recommends that CIFOR establish an institutional records management system***, with the guidelines, training, and any special systems or tools needed acquired by the Information Systems Group (the only logical locus for this).

2. *Long-term Research Data Management.* The Panel did not find the existing systems for storage and archiving of research data to be adequate. Many research organizations overlook this need to maintain a strong institutional memory to their long-term detriment; CIFOR should be a leader in this area. There do not appear to be any policies or standards in place for permanent storage of study data. Instead this seemed to be left to the discretion of individual scientists, including both CIFOR staff and research collaborators. As CIFOR's wealth of research experience steadily grows, it is important that policies and standards be developed to ensure that data from all CIFOR-funded research be properly organized and archived in a central location, and accessible to current and future scientists consistent with intellectual property standards established by the Center and through its collaborative research agreements with partners. ***The Panel recommends that CIFOR develop a policy and clear standards regarding ownership and archiving of research data.*** This could be based on internal discussions involving the Information Services Group and Program scientists (both in headquarters and field offices) and also include the development of Center-wide metadata standards. A draft policy prepared by the ISG in March 2004 may serve as a good starting point for such discussions.

3. *Archives.* Related to the preceding, there appear to be no provisions for the systematic retention of documentary materials that should be kept in perpetuity, or at least for very long periods of time. The recommendation to establish a records-management system will inevitably lead to establishing archives.

4. *Management Information Systems (MIS).* Large amounts of time and money had been consumed in an earlier effort to develop management information systems (using Lotus Notes) that had produced no benefit. The pace of investment in this unpromising MIS had already begun to slow when the incoming Director General halted it entirely in 2001. This experience bred an institutional aversion to MIS. Currently, however, some Web-based systems are being adapted

³⁵ While there are no formal institutional policies and procedures, in practice specific individuals and units bear responsibility for particular classes of records: The Director General's secretary has kept all the DG's correspondence since CIFOR was created; the PDU coordinator receives and stores all donor-related correspondence; the ADG's secretary stores all MOUs, The DDG-CS's secretary keeps all Board-related records; Finance keeps all financial records. This would offer a point of departure for establishment of a records management system.

for CIFOR that promise to be cost-effective for transaction processing and also to generate reports useful for all levels from individual staff members to senior management. A Panel member saw the most ambitious of these: a workflow system being adapted to automate much of the personal performance evaluation process. This would free up substantial time in the Human Resources Unit. It should also save substantial time associated with this complex process for managers and staff, while facilitating access to useful information. Several other applications are planned in CIFOR that would use the workflow system's substructure.

4.3.6 Corporate services

The Deputy Director-General for Corporate Services (DDG-CS) essentially functions as CIFOR's Chief Financial and Administrative Officer. He is also responsible for CIFOR support to the BOT (he serves as Secretary to the Board), and for risk management. He manages a group of 57 staff in five locations. The following fall under his responsibility:

1. *BOT Secretariat*—Operates directly from the DDG-CS's office, with a high degree of personal involvement on his part. This is to ensure that obligations to provide the Board with high-quality information within strict deadlines are not compromised; having a very senior person enforce the requirements is helpful.
2. *Human Resources*—This eight-person department, managed by an IRS professional, is responsible for recruitment and retention, the design and administration of CIFOR's performance management system, partnership contracts, internal communications, compensation and benefits, staff development, and personnel management.
3. *Finance Unit*—CIFOR's Controller, an IRS senior financial-management specialist, manages this 12-person group, which also includes eight professional accountants (all NRS). The unit performs the full range of financial functions: general accounting, fixed assets accounting, resource allocation, treasury, financial reporting, and financial systems. It also exercises close oversight and control over financial transactions in and for Regional Offices. CIFOR's philosophy is to delegate such responsibilities as little as possible to control risk.
4. *Administration*—This 23-person group is organized into three sub-units, with the unit heads currently rotating as managers of the entire group. Collectively they are responsible for an extensive range of services, a number of which are outsourced:
 - Operations Unit (motor pool, institutional insurance, telephone monitoring system and fax log, store rooms, mail and courier services, etc.);
 - Procurement Unit (Purchasing/Contracting, Maintenance and Repair, Telephone Equipment, Security);
 - Facilities Services Unit (cafeteria, cottage, events, guesthouses, meeting rooms, receptionists, reservation, travel agent, sports and recreational center).

In addition, Corporate Services manages 14 staff in Regional Offices: four in Brazil, five in Zimbabwe, one in Burkina Faso, and four in Cameroon. This is in keeping with its philosophy of minimizing risk in support services. This approach does not guarantee safety, but improves the odds and increases the opportunities to identify and address problems at the earliest possible opportunity.

The Panel finds the importance CIFOR management has assigned to measures aimed at ensuring the quality and integrity of corporate services to be justified, appropriate, and prudent. The Panel further finds the DDG-CS's careful balancing of tradeoffs regarding effectiveness, efficiency, and corporate risk has been commendable, contributing significantly to CIFOR's organizational effectiveness.

4.3.7 *Management processes*

Many of CIFOR's structured and semi-structured institutional management processes are carried out through a system of committees that meet on both a regular and *ad-hoc* basis. CIFOR's principal committees are the following:

- *Management Group*—Composed of the DG, ADG, DDG-CS, Director of ISG, and the three Program Directors, plus a representative of IRS and one of NRS. This group meets approximately monthly (11-13 times each year). Members are expected to avoid commitments that would preclude their attendance. Minutes of the meetings are posted on the intranet for all staff.
- *Human Resources Committee*—Includes the Management Group plus the Director of HR, but minus the two staff representatives. It convenes as needed when HR issues arise, either regarding specific individuals or as matters of HR policy—e.g. strategic staffing, an institutional staff feedback survey, training budgets. The HR manager keeps the minutes from closed meetings under lock and key, inaccessible to everyone but managers who require them.
- *Program Advisory Group*—Composed of senior-level scientists, who convene to discuss Program-related issues of institutional concern. They may choose to bring some of these to the attention of the Management Group.
- *Information Technology Committee*—Follows the now-standard model for governance of information and communications technology (ICT). The processes and purpose are designed to ensure responsiveness of the services, proper prioritization of developmental activities, and oversight of large projects.
- *Library Committee*—Because of the need to optimize cost-effectiveness, the Library Committee's guidance is essential to ensuring best use of limited resources.
- *Publications Committee*—The primary concern of this committee is with *science-based outreach*, ensuring that the results of CIFOR work come to the attention of opinion leaders, government officials, and others with a practical interest in the policy implications of CIFOR's research. Each year the Committee identifies about 10-15 of CIFOR's professional-level publications as having broad applicability and interest, and ensures that they are adequately peer-reviewed. From them are prepared several kinds of publications aimed at wider audiences, which may include scientists, but are likely to include significant numbers of non-scientists, too. The committee believes these publications to be CIFOR's most important outputs for the year and that they merit wide dissemination. The dissemination strategies for these publications usually include some combination of the publication itself, a policy brief, media promotion, presentations at side-events of major conferences, a POLEX message, and translated versions. The Publications Committee identifies the select group of candidate publications and guides their conversion into the appropriate forms for broad dissemination.

Underlying and feeding into these are management processes in the individual Programs and units. The Panel reviewed the processes used in each research Program, the ADG's office, and the

Management Team as a whole. The Panel also reviewed a year's Management Team minutes. There were of course differences among Programs, but the Panel finds CIFOR's management processes to be, in general, carefully thought through and logical, thorough, appropriate to the programmatic and business needs, inclusive, flexible and adaptive, and transparent. Internally focused processes seemed to include significant efforts to make them as transparent as possible for CIFOR staff. Illustrations of this are the inclusion of two staff representatives as members of the Management Team, and the posting of all MT minutes on the intranet, along with financial data covering virtually every aspect of CIFOR's operation. There appears to have been a steady, determined effort to develop and promote a culture of openness within the Center.

The Panel considers CIFOR's current publications review policy to be reasonable and generally effective. The policy clearly establishes which types of publications require either Program Director or Publication Committee approval, and establishes a process in which publications that are expected to have a high visibility and impact, particularly in the public (media) sphere and policy arena, are subject to more rigorous internal review prior to publication. The policy gives considerable independence to CIFOR scientists in deciding the outlet for their publication of their research outputs based on evaluation of their intended target audiences and desired impacts.

The principal drivers and foci for CIFOR's major substantive planning and assessment processes are the MTP and CIFOR's own Annual Meeting. The MTP has gone from being seen and treated as a peripheral bureaucratic requirement to a central place in CIFOR's business planning. The Annual Meeting appears to be particularly valuable because it brings together staff member who are ordinarily dispersed with sufficient time and space for thoughtful, active conversation and deliberation.

The Panel commends CIFOR management for the spirit with which it has approached these important processes, the quality of thinking applied, and the important institutional values expressed in the manner of execution.

Missing, however, is a fully comprehensive, robust, up-to-date strategic framework within which these processes can operate most effectively (see also section 4.2). The need for a fresh institutional-level strategy is widely commented and agreed on, but CIFOR is at an awkward juncture for addressing the need: it would be inappropriate to craft a strategy before a new DG has been selected, installed, and had time to oriented enough to participate in the process. The new DG will need to "own" the strategy in a way achievable only by being a full participant in its development.

Potentially useful to the new DG, however, and necessary as a foundation for a strategic planning, are a cluster of preliminary tasks which could be launched, if not completed, in advance of the DG's arrival. Most notably and usefully, these would include a systematic environment scan (the external part of the 'position assessment'), followed by an assessment of how CIFOR's internal resources and capabilities in relation to the findings³⁶. This analysis could be extremely useful as input to the new DG's orientation, and provide essential reference points for some of the more creative components of the planning process. *The Panel therefore suggests*

³⁶ What is commonly referred to as "SWOT analysis" (strengths/weaknesses/opportunities/threats) would work better as "TOSW" (threats/opportunities/strengths/weaknesses), because it is more useful to begin with a scan and analysis of the external environment, then look internally at the organization in light of the knowledge that generates.

that the entire Management Team work together on a “pre-strategy” package to be delivered to the incoming DG. The internal side of the analysis should be directly useful, in showing where gaps can exist in the current organizational design. And working together on the shared aspects of the task should be helpful to the MT itself, providing a useful opportunity for the ADG and Program Directors to work together. See also section 7.

A consistent thread running through CIFOR management’s analysis and decision-making on a range of topics is consciousness of the Center’s small size (second smallest of all the CGIAR Centers), and the need to maximize both flexibility and leverage in resource utilization. Among other things, this has led to a concept of ‘staffing’ that is considerably looser and more flexible—in some ways, more porous—than the norm: several different kinds of arrangements are used to obtain individuals’ time, expertise, and services.

On balance, the Panel finds the rationale for and principles of CIFOR’s approach to flexible staffing arrangements plausible and defensible, although there are associated difficulties and risks. Realizing this, the DG has exercised care in deciding which categories of staff may be allowed to perform particular functions and has reviewed both principles and individual cases with the HR Manager. The incoming DG will need to be fully informed on this topic.

4.4 Special challenges and issues

4.4.1 Managerial challenges

Transition and Succession. The most serious managerial challenge facing CIFOR for some months has been the possibility of near-simultaneous departure of three key individuals who individually and collectively have been important to the Center’s strength: the Director General, the DDG-CS (who was simultaneously approaching CIFOR’s 10-year limit for IRS), and the Chair of the Board of Trustees.

The departure of any one of these three individuals would have been seen as serious. The prospect of losing all of them within a narrow time window clearly posed major risks for the Center. CIFOR’s Board and management agreed to the following measures to minimize these risks:

- a. The Board Chair agreed to extend her term to see through the recruitment and installation of a new DG.
- b. The DG Search Committee has worked hard to ensure the availability of a pool of promising candidates for the DG’s position, taking extra time and expending extra effort on the search.
- c. The DDG-CS has agreed to extend his stay at CIFOR until 2009, to provide a safe period of overlap with the incoming DG. This required a waiver to the 10-year rule, which was viewed to be clearly in the Center’s interest.

While all regret the imminent departure of the DG and the impending one of the Board Chair, the willingness of the DDG-CS to stay on, coupled with the Chair’s investment of still more time and energy into ensuring the best possible outcome for the DG search, plus her willingness to extend her tenure to ensure continuity in governance and provide support to the incoming DG, seemed to be the best arrangement possible under the circumstances. The Panel finds that CIFOR’s Board

and management have addressed the challenge of three critical near-simultaneous departures as proactively and effectively as possible.

Integration and Cohesion in a Distributed Organization. A second managerial/organizational challenge will continue to be managing a globally dispersed workforce that is Program-driven (rather than centered on local concerns) without losing global perspective or organizational cohesion, and achieving the level of programmatic coherence needed for clarity and effectiveness. This is closely linked to issues of organizational design, communication, and other factors discussed elsewhere in this report. It will be an ongoing, never-ending challenge. It is worth emphasizing, however that the global Programs need to come together both at headquarters and in the regions. If addressed well, the relationships at each level will be mutually supporting. If not, Program and Regional priorities will tend to drift progressively out of alignment.

Continuing Pressures for Efficiency in Corporate Services and ISG. A third managerial challenge will also be a continuation of one already experienced and shared with most contemporary organizations: pressures to do more with less. However, it would be prudent to expect this to shift somewhat in content and emphasis, and to plan for some of the risks. Within the CGIAR context this pressure should be expected to have both an economic and a political aspect, probably including increased interest in at least two areas:

1. Inter-CGIAR Center cooperative processing to achieve economies of scale and specialization (the Panel is prepared to hazard a guess that there will be less pressure to merge Centers as possibilities for shared processing increase and the downside of such mergers are taken into account) (see also section 3.2.3).
2. Exploration of labor substitution; specifically, the possibility of substituting either regionally or nationally recruited staff for positions hitherto held by IRS, most especially in financial management and HR.

Both of these merit serious consideration. However, in addition to the obvious technical issues, *the Panel suggests that, when assessing them, CIFOR management bear in mind the investment it has been prepared to accept for high-quality services and effective controls. Compromising either of these could lead to false economies.*

4.4.2 Human resources–related challenges

Gender and Diversity. CIFOR did a fresh analysis of its staff with respect to gender and diversity as of November 1st, 2005 (in Gender and Diversity Report — 2005). Both the absolute numbers of staff in particular categories and the nature of the distribution across them must be seen against the process CIFOR is engaged in of rapidly focusing more of its research and resources on Africa. Its staff is becoming steadily more geographically dispersed, which poses a whole range of challenges and issues both professional and private, from difficulties in scientific collaboration to difficulties finding staff prepared to live in particular locations.

As one might expect, CIFOR is highly diverse overall in terms of nationality, with a large representation of staff from less-developed countries up to the level of its Management Group.

The biggest challenge for CIFOR, as for most other Centers in the CGIAR network, is in achieving and sustaining gender diversity. In 2005, only 24 percent of the 55 global, regional, and complimentary staff hired by CIFOR were female. That percentage, however, compares positively with other CGIAR Centers. The locations of all of the CGIAR operations are ones to

which it is somewhat difficult to recruit, and extremely difficult to retain, women scientists. The pattern in CIFOR is essentially the same as that found in other Centers: women scientists are much more concentrated at the lower end of the professional (and age) spectrum, in research fellow/post-doc level positions. The difficulty of retention becomes clear from data on more senior scientists. Throughout the CGIAR System, the numbers of senior women scientists have been decreasing rapidly. One Panel member reviewed this with the CGIAR Gender and Diversity Manager, who acknowledges the difficulties and stresses the need to be imaginatively proactive. Her unit has recently produced an impressive suite of aids for every phase and aspect of an effort to increase diversity. In order to attract more women to its staff, CIFOR has developed family friendly policies and practices and provides information on spouse employment and visas.

Eighteen CIFOR staff recently volunteered to be “Diversity Associates,” undertaking special training and becoming personally involved in outreach and other measures aimed at promoting diversity. It is of course too early to see how productive this will be, but the Panel notes with approval the willingness of CIFOR’s staff to undertake this. It will be instructive to see what results may be achieved.

The Panel commends CIFOR for recognizing the importance of the diversity issue and the willingness of its staff and management to actively commit time to it. And while it commends CIFOR’s past actions in removing some of the barriers to attracting women, *the Panel recommends that CIFOR become more proactive in identifying strong women candidates for future staff vacancies.*

Further, the Panel suggests that CIFOR’s Diversity Associates and management actively use the resources developed by the CGIAR G&D team, with special emphasis on: (a) pre-recruitment/phase outreach and networking activities aimed at developing awareness of CIFOR, affording CIFOR opportunities to identify talent worth tracking, and forging relationships with groups that can be helpful when recruitment needs and opportunities arise (the underlying point being that diversity-sensitive recruitment alone is too passive); and (b) measures aimed at improving prospects for retention, which is evidently even more challenging than recruitment.

Inclusive Workplace. The distinction between internationally and nationally recruited professional staff has engendered considerable frustration, dissatisfaction, and resentment in those who feel themselves locked into an inferior status, unfairly excluded from career paths that they believe should be available to them. To counter this impression and the inequities that unquestionably still exist, several Centers (and other organizations that distinguish between different levels of recruitment) have begun to move toward what CIFOR calls an “inclusive-workplace approach” to job classification, recruitment, and staff development. This approach dissociates over the long term the worker from the labor pool from which she/he was hired by associating the labor-pool category with each individual position. Job requirements, consistently defined and applied, become the determinants of the recruitment market. A person who enters service through national recruitment could subsequently compete on an equal basis with other applicants for an internationally recruited position³⁷. This issue is almost certain to grow more important and complex for CIFOR as it moves from a 2-tier to a 3-tier system with national, regional, and international positions in recruitment.

³⁷ It is worth noting that under current policy there is nothing formal that prevents any nationally recruited staff member from applying for regional or internationally recruited positions as they are announced. The issues are perception, clarity, and practice among several parties to these transactions.

According to the DG, CIFOR began exploring the move toward an inclusive-workplace approach some time ago, but for various reasons was not able to bring it to fruition. The Panel finds CIFOR's attention to this issue appropriate, and regrets that it was unable to bring it to full implementation as originally planned.

The Panel suggests that CIFOR revive its work towards full implementation of the inclusive-workplace approach, both as a matter of equity and given the likelihood that the need will grow steadily over time. It is essential that staff have reasonable expectations of being allowed to compete fairly for positions for which they may be qualified. Of course, there will always be cases of perceived inequity where none actually exists. The establishment of clear definitions, criteria and tests to determine which market is justified for a given recruitment ought not to be excessively difficult, and if done with sufficient clarity should gain credibility with at least the majority of staff.

Capacity building of CIFOR staff. While there is a strong commitment to capacity building of partner institutions and agencies, there is no clear policy for strengthening CIFOR's own staff. There does not appear to be 'capacity building pathways' for CIFOR staff to gain new skills and training. In part this may be the result of the lack of designated personnel within CIFOR or the nature of contracts with personnel both in Headquarters and the Regional Offices (*i.e.* Project based contracts, on-going consultancies, etc.). For CIFOR to be the 'learning institution' that it aspires to be, *the Panel recommends that an internal policy be developed that includes incentives and opportunities to strengthen capacity of its own researchers and support staff.*

The Ten-Year Rule. Since CIFOR's establishment, there has been a rule that the Center's internationally recruited staff might have their contracts extended up to a total of 10 years, after which they must leave unless the DG recommends and the Board approves extension beyond this limit. There have already been some extensions beyond the 10-year limit, but for the great majority of scientific staff at CIFOR, the reality is that as they approach the 10-year mark, they begin to seek alternative employment, which can have a deleterious effect on work, commitment, and morale. CIFOR being just over 10 years old, a considerable group of IRS have recently approached the 10-year limit at the same time. This naturally had an effect on morale and the Center's social fabric.

The DG and the Management Group have been concerned that combining the effects of the 10-year rule with the increased dispersion of staff could seriously erode institutional cohesion: high turnover would mean a loss of institutional memory as well as of scientific expertise; there would be a dearth of available mentors and old hands to orient and acculturate incoming junior staff. Combining this with other features of shifting work force demographics has given rise to serious concern.

The Panel explored the 10-year rule issue with all the managers interviewed, with some members of staff, and deliberated as a group. While recognizing the validity of the concerns raised, on balance the Panel finds that the 10-year rule serves the institutional interest better than would its discontinuation. *Therefore, the Panel suggests that the 10-year rule be retained, but that it must continue to have enough flexibility to accommodate exceptional cases and to make clear that it is not an ironclad inevitability.* Many senior staff who leave CIFOR's employment become Associates, adding considerable value while making room for more junior people to enter and develop their skills; this can be a net benefit to the Center.

4.5 Organizational structure

Organizational culture is usually defined as shared attitudes, beliefs, and behaviors within an organization or its component units. Organizational culture is rarely unitary, but certain core elements may be widely shared (this underpins work in recent years on defining and promulgating shared values). In fact, most organizations of any size have multiple sub-cultures, often but not always aligning with business units, functions, or processes. This multiplicity or fragmentation of cultures tends to become increasingly true in organizations that (like CIFOR) decentralize. Geographic dispersion means that a major feature of working life in CIFOR is that most staff members have few opportunities to interact face-to-face with many of their peers. Electronic communication can offset the effects of this, but only to a degree. Maintaining a sense of institutional cohesion under these circumstances is difficult.

The Panel's observations regarding organizational culture at CIFOR were necessarily impressionistic and skewed by the locations seen. There was, however, the advantage of seeing some regional staff at headquarters during the BOT's annual meeting; the assumption is that their behavior there would be reasonably consistent with that seen in their home offices.

As one might expect in an organization like CIFOR, most people work there because they believe in the mission, which tends to unite them; this often extends into a real concern for the organization and its welfare—not merely from self-interest, but as a distinct entity. The shared sense of mission can be a strong unifying force.

At least at CIFOR's Bogor headquarters, the measures that management has taken to provide facilities for exercise, sport and joint activities (see section 6.2.3) seem to have worked. Most of the on-campus facilities appear to get steady use, and self-organizing groups engage in athletic and recreational activities off-campus, as well. These reinforce a sense of community.

In work settings, among the most noticeable and striking features of many CIFOR staff was a kind of easy openness, with little sense of hierarchy. According to some managers, while often helpful this can at times be difficult, depending on content. In the circumstances observed by the Panel, it was predominantly positive. A contributing factor to this openness must be the DG's personal style, which seems to involve an exceptionally low need to be right, omniscient, in control, or authoritative. In several settings, including open sessions with the BOT, he freely expressed the possibility that he might have misjudged or misunderstood something. In his dealings with the HR Advisory Group, he tabled a number of issues about which he expressed concern but for which he said he had no answers and welcomed others' thoughts and suggestions. Such behavior in a CEO provides an unusual and healthy role model; whether it typifies a pre-existing CIFOR culture or has become a shaper of the current one, it is a value to be cultivated and maintained.

For the rest, some features of organizational culture described to, if not observed by, the Panel, seem consistent with the setting of a small research-oriented institution. These would include people holding strong views and feeling quite ready to expound on them. It also includes a degree of imperviousness to the kinds of incentives that the institution is able to deploy. This can present a real challenge for managers who see a need to modify behavior.

One measure being taken to tighten the ties between CIFOR management and staff in Regional Offices is a recent decision to hold Management Team meetings in Regional Offices. For

example, the DG and rest of the management team will hold their March meeting in the Latin America office. They plan to alternate between headquarters and Regional Offices with enough frequency to eventually have met in all Regional Offices. This is an investment in both CIFOR management and organizational culture, as it aims at maintaining a sense of connectedness between geographically dispersed staff and the organization as a whole, and at fostering a sense among regional staff that CIFOR management has not forgotten them.

Some of this EPMR's key findings concerned the high quality of governance and CIFOR's Board of Trustees. Among the points observed was the level of effort the Board delivered while in session at Bogor. This was possible to a considerable extent because of the excellent on-campus guest facilities (described in section 6.2.3), nearly adjacent to the building in which the BOT met, and the general level of support provided to the Board.

It is important to remember that the Board will have its own sub-culture and, to the extent that its members have or develop strong connections with CIFOR staff, both participate in and help shape the larger organizational culture. In CIFOR's case, the current Board generally models the kinds of behaviors one would hope to find throughout the organization. At the same time, many characteristics exhibited by the Board could be seen as continuous with and perhaps expressive of the general CIFOR culture. The influences can run in both directions.

The BOT Chair has commented on the "CIFOR spirit," crediting it with a sense of attachment and commitment that Board members feel to CIFOR, and even with the caliber of Board members that CIFOR manages to attract. She cites as evidence the fact that former BOT members tend to maintain ties to the Center, finding occasion to return long after their terms on the Board have ended.

On the basis of the Panel's limited observation it is impossible to confirm this linkage. However, perhaps the sense of community and openness referred to earlier, coupled with the attractive and supportive environment CIFOR has created, plus the evident dedication of staff and managers to their work, do affect the caliber of individuals CIFOR is able to attract to its Board and their willingness to work as hard as they do. If so, this combination of organizational culture and management philosophy produces enormous benefits to the Center.

The Panel finds that CIFOR's organizational culture is suitable to its mission. The challenges it faces over the next few years will lie in sustaining the most valuable features of that culture, maintaining a sense of cohesion, and adapting as necessary to altered modalities for performing its work. The current governance and management structures give every evidence of being sensitive to these challenges and ready to engage in measures to deal with them. The Panel hopes this will continue under CIFOR's new leadership.

5 FUTURE DIRECTIONS FOR CIFOR

5.1 CIFOR's strengths, weaknesses, opportunities and threats

The Panel has identified the following strengths, weaknesses, opportunities and threats for CIFOR:

Strengths:

- A good reputation among key stakeholders for relevance, scientific quality, and objectivity of its research.
- Current Program structure and strategies that provide opportunities for its scientists and partners to engage in interdisciplinary, policy-relevant research that produces high impact and International Public Goods.
- Extensive network of partners that includes local, national, regional, and international organizations and institutions.
- A communication strategy that has proven to be very effective in disseminating the results of forest research to a range of stakeholders, particularly policy-makers in the forestry sector at the global level.
- CIFOR's interdisciplinary, policy-oriented research approach and communication strategy have been an inspiration to many forest research institutions world wide.
- CIFOR has been very active in supporting intergovernmental processes concerning forests.
- CIFOR has been a leader among research institutions in promoting the interests of the forest dependent poor at the global level.

Weaknesses:

- Lack of shared vision within CIFOR about where the Center should go in the future.
- Lack of clear operational plan for the regionalization and its harmonization with the current Program structure.
- Inadequate incentives for scientists to develop and implement cross-Program projects and activities, including capacity building.
- Continuing lack of transparency in priority setting processes (and their application) for allocating resources within the Programs and to the regions and the Regional Offices.

Opportunities:

- To strengthen CIFOR's position as the main global research institution with a focus on the role of tropical forests in poverty alleviation.
- To expand CIFOR's influence by further building strategic alliances with actors inside and outside the forest sector, e.g. private sector, organizations focusing on poverty alleviation, the water sector, and organizations working on climate change.
- To shape the global agenda in upcoming forums in sustainable natural resource management and poverty alleviation using CIFOR's current high profile (e.g. in the Collaborative Partnership on Forests).

- To use new regional opportunities for advancing sustainable natural resource management and poverty alleviation, e.g. Amazon Initiative, Congo Basin initiatives, Sub-Saharan African Challenge Program, Greater Mekong Subregion Biodiversity Conservation Corridor Initiative.

Threats:

- If the declining global interest in forests in the last 10 years continues.
- Key stakeholders have high, wide ranging, and in some cases conflicting, expectations of CIFOR that cannot be fully met, given the Center's size and focus.
- CIFOR's increasing dependence on restricted funding, which could make it more difficult to maintain its current strategic focus.
- Increased competition for declining funds from other organizations providing similar services.
- With increasing regionalization potential loss of focus on International Public Goods research.
- With increased geographical dispersion of staff, potential risk of less coherence in CIFOR's vision, mission and Programs.

5.2 Future directions

Looking at current trends and CIFOR's mandate, the Panel suggests that the Center pay particular attention to the following current and emerging issues of special relevance to its future research portfolio and comparative advantages. Significant achievements in these areas will require close collaboration among CIFOR's three Programs.

5.2.1 Poverty alleviation

Poverty alleviation will continue to be a top priority reflecting the continued international political commitment to achieving the Millennium Development Goals by 2015. As a center of excellence, CIFOR should continue to put strong emphasis on research that addresses the needs of forest dependent poor, especially women, in the developing countries. CIFOR's continuing research on the links between poverty, access to and sustainable use of forest resources will be of special relevance during the next decade.

5.2.2 Globalization

The varied impacts of economic globalization on forests and forest dependent people on the local/national and regional level are likely to increase. The resource needs of one country (such as timber, non-timber forest products, rubber, soybeans and meat) can have significant impact on the condition of forests and livelihoods in other countries. CIFOR is well positioned, demonstrated through its recent work in Asia (especially Project 5), Africa and the Amazon region, to make a significant contribution towards an improved understanding of these dynamics to inform policy-makers and the public.

5.2.3 Fresh water as a global issue

There is growing global concern over the scarcity of fresh water, and increased recognition of the importance of forests in water resources management. While there are many water and forest

research institutes currently working on these issues, CIFOR has an important role to play in the analysis of policies that can provide appropriate incentives for sustainable forest management that both improves watershed management and the livelihoods of the forest dependent poor.

5.2.4 Climate change and its consequences

Current forecasts of climate change indicate the dry forest regions, especially in Africa where there are more poor and forest/tree dependent people, will suffer the greatest impacts. CIFOR's increasing focus on dry forests and its commitment to Africa, positions the Center to contribute to improving the understanding and policy responses to this challenge. Future work can build on CIFOR's current activities, including its climate change vulnerability modeling of forests, and studies on forest dependence of communities.

5.2.5 Increasing demands from national forest research and extension services

CIFOR's research capacity building activities in developing countries' NARS will continue to be at least as important as they are today under diminishing support to national forest research. At the same time the vacuum created by absence of forest extension services presents a risk that CIFOR is pushed to fill this role. CIFOR can respond to this challenge by building alliances with appropriate organizations to meet the expected increased need.

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