

**ANNEX 9**  
**BOARD AND MANAGEMENT RESPONSE AND ACTIONS TAKEN SINCE**  
**THE 1<sup>ST</sup> EXTERNAL PROGRAM AND MANAGEMENT REVIEW**

<b>EPMR Recommendations</b>		<b>Summary of CIFOR's Board and Management Response Given to the Reviewers in 1998</b>	<b>Actions Taken by CIFOR Board and Management to Address the EPMR Recommendations</b>
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 Board and Management recognized that the existing grouping of research activities was not optimal, and that there were too many separate projects. They said that they wanted to re-organize the center in a way that was demand-driven and not based on disciplines.	CIFOR re-grouped its research activities into three programs, focusing on livelihoods, environmental services and sustainable use of forests, and forests and governance. The emphasis on livelihoods and environmental services and sustainable use of forests reflect the mission statement's focus on "well being" and the need for it to be "sustained". The focus on governance reflects the need to improve on how decisions are made and implemented to achieve those goals. This regrouping led to a new framework that links its research activities and its outputs more closely and clearly to CIFOR's mission and its broad thematic needs.
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 Board and Management agreed with the need to increase the clarity and transparency of the allocations between projects and committed the center to have more formal Board deliberations on CIFOR's annual program of work and budget and medium-term plans as part of its planning and priority setting process. At the same time, the Board said it was not sure whether it would be possible to allocate resources between or within projects on the basis of ex-ante impact assessments in a rigidly structured or quantitative way.	Although CIFOR has not adopted a formula-based approach to priority setting, it has taken to heart the spirit of this EPMR recommendation by more actively seeking to allocate resources based on appropriateness to mission, cost-effectiveness and, especially, international public goods contribution. CIFOR held a workshop to do a formal priority setting exercise. It generated a healthy discussion but failed to produce a set of priorities for reasons noted in the management response. Together with other inputs, it did contribute to CIFOR giving higher priority to regions with more poor people that depend on forests, particularly Sub-Saharan Africa, India, and China. The Board has actively discussed how CIFOR allocates its resources

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			and approved the decision to increase the resources devoted to Africa from 25% of CIFOR's budget to 40%. CIFOR also conducted various thematic reviews and regional consultations to get input into research priorities, and organized a workshop on 'megatrends in forestry' for the same purpose. CIFOR's Board of Trustees has approved that each of CIFOR's three programs will receive the same amount of un-restricted funding. CIFOR continues to give very high priority to global and regional activities that generate international public goods, and these represent the majority of its research portfolio. With a budget that is 55% from restricted projects, most of which do not recover full costs, donor preferences inevitably play a key role in allocating resources – although CIFOR is pro-active in its relation with donors.
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 Board and Management accepted this recommendation and the Board agreed to seek additional members to enhance its skills in these areas.	The BOT has selected several members with significant managerial and financial oversight experience. Relevant appointments include Angela Cropper (2000), Walter Falcon (2001) and Andrew Bennett (2002). Drs Falcon and Bennett are CGIAR nominees with a wealth of experience in the CGIAR system. The most recent nominee to the BOT is a former Board Chair at another CGIAR Center. In addition, CIFOR appointed Cristian Samper and Stephen Karekezi who are now occupying leadership positions in like minded organizations. Andrew Bennett also brings a private sector perspective to the Board through his involvement in the Syngenta Foundation. It has proven more difficult to locate an appropriate person with commercial experience in the private sector but the Board is still actively seeking one.

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4	CIFOR should carefully consider re-establishing the link between performance evaluations and salary increases.	The Board and Management accepted this recommendation, and said it would develop a reward structure that would reward scientific results rather than bureaucratic skills.	CIFOR has fully implemented this recommendation. Each program and division director now gives merit increases based on their evaluation of staff performance.
5	Management should develop and implement an organizational arrangement that (a) filters all potential and present projects and their component activities through an organising 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 Board and Management agreed that project leaders need to have a clearer role, accountability had to be more clearly allocated and that project leaders needed to have sufficient authority to permit them to meet the objectives for which they are held accountable. At the same time, they stressed the it was important and appropriate to have a management model partially based on self-motivating work groups.	<p>CIFOR's reorganization in 2003 was largely designed to ensure that the spirit of this recommendation was fully implemented.</p> <p>CIFOR reduced the number of research programs, hired full-time program directors, and strengthened their authority to ensure that research staff were adequately supervised and mentored.</p> <p>The Program Directors have coordinated the preparation of Program Strategies, which were then discussed and approved by the Board of Trustees.</p> <p>The Assistant Director General now has authority to determine which large project proposals Programs can submit to donors.</p> <p>CIFOR's Management Group devotes greater attention to programmatic issues.</p> <p>Full-time Regional Coordinators are being recruited to help increase CIFOR's coherence, influence, and ability to capture resources in Africa and Latin America. (See paper on The Evolution of CIFOR's Institutional Model, document number 49, EPMR website.)</p>