

Staying Ahead

**Future Strategies for the
Australian Centre for International Agricultural Research
(ACIAR)**

**Policy Statement by the ACIAR Board of Management
following the external review of ACIAR**

Australian Centre for International Agricultural Research
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Cover photographs: Mekong River and town scene near the My Thuan ferry, Tien Giang Province, Vietnam

**Australian Centre for International Agricultural Research
(ACIAR)**

ACIAR is an Australian Government Statutory Authority that operates within the portfolio of Foreign Affairs and Trade. It was established in June 1982 to assist and encourage Australia's agricultural scientists to use their skills for the benefit of developing countries, and at the same time work to resolve Australia's own agricultural problems.

ACIAR also has responsibility for Australia's contribution to the International Agricultural Research Centres.

ACIAR-funded research aims at helping developing countries to help themselves, thus contributing to their well-being and general economic growth.

For ACIAR the term 'agricultural research' has a broad meaning. It includes research and development activities relevant to production and management of animals and crops, land and water, fisheries, forestry and postharvest technology, and economic analysis of agricultural and natural resource policies and technologies.

ACIAR does not undertake research itself, but commissions research groups in Australian institutions including the universities, CSIRO (the Commonwealth Scientific and Industrial Research Organisation), and the State agriculture departments to carry out research projects in partnership with their counterparts in developing countries.

ACIAR is based in Canberra, with offices in China, India, Indonesia, Malaysia, Papua New Guinea, the Philippines, South Africa, Thailand and Vietnam.

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THE CHALLENGE

In responding to the report of the Committee of Review of Australia's Overseas Aid Program in 1997, the Australian Government affirmed that the objective of the aid program, of which ACIAR is a part, is to advance Australia's national interests by assisting developing countries to reduce poverty and achieve sustainable development. ACIAR's ongoing role as the primary facilitator and funder of agricultural research within the context of the aid program was confirmed, and the goals of reducing poverty, enhancing food security and conserving and rehabilitating the natural resource base for agriculture in developing countries set down in ACIAR's Corporate Plan 1997-2001 were endorsed.

In the developing countries of the Asia-Pacific region, which are the primary focus of Australia's aid program, most poor people live in rural areas, and agricultural development must be at the heart of strategies to reduce rural poverty. Agricultural development is a key driver of economic development and income growth; as average incomes increase, the extent of absolute poverty declines. ACIAR takes a broad approach to poverty alleviation, recognising that the goals of economic development, poverty reduction, food security and sustainable agricultural development are fundamentally related. While the reduction of rural poverty is a prime objective of ACIAR's efforts, and while many of the poor in developing countries are subsistence farmers, an excessively narrow focus of the research effort on technological change directly affecting subsistence farmers may not be the best way to maximise progress towards this objective.

By the year 2020, it is anticipated that the population of the world will have grown to about 8 billion - an increase of about 50 percent. Most of this population growth will occur in developing countries. Meeting the food, fuel and fibre requirements of an increasingly urbanised and demanding world is a major international challenge. Much of the required expansion in availability must come from innovation in agriculture, including changes in technology, infrastructure and agricultural policy, requiring research of the highest quality. Australia, a rich country situated adjacent to one of the major regions of population, has an important role in meeting this challenge.

Australia possesses an outstanding agricultural research capability relevant to a wide range of environments. In a global agricultural research system, Australia's role is to cooperate with other developed and developing countries in mobilising and utilising research capacity to mutual advantage. ACIAR, a specialised statutory authority within the Australian aid program, provides the prime mechanism to link Australia's agricultural R&D capacity with those of our developing neighbours and a number of the International Agricultural Research Centres. In addition to directing resources into agricultural research for development, ACIAR is well-placed to encourage other countries and organisations to support international agricultural research.

The enhancement of food security will require strong growth in the yields of agricultural commodities and efficient utilisation and distribution of the products of agriculture. Ability of the poor to access food supplies through improved incomes and income distribution is also critical. Efficient use of the world's agricultural potential requires open international trade in agricultural products as well as exchange of technology, leading to increased production in Australia as well as in the developing countries which are the particular focus of ACIAR. The

ambition to halve the number of undernourished people in the world by 2015 (Rome Declaration on World Food Security, 1996) places additional pressure on global food systems.

Rapid income growth in the Asia-Pacific region in the decade to 1997 not only increased the total volume of food consumed, but changed the pattern of human consumption of agricultural commodities. The consumption of animal protein (meat, fish, milk) increased relative to cereal grains, and more fibre was needed for clothing as well as for fuel, pulp and paper products and construction materials. There was increased recognition of the importance of ecologically sustainable development of food, fibre and renewable energy industries. All of these developments further increased pressure on regional and global agricultural systems. The momentum of incomes growth in East Asia has been broken by the financial crisis, but only temporarily. Continued population growth and the resumption of incomes growth will continually reissue the challenge to reconcile the competing claims on agricultural resources. Reconciling these and other challenges and providing cost-effective solutions through collaborative R&D is ACIAR's business.

PLANNING AND REVIEW PROCESSES

ACIAR recognises the need to analyse and evaluate continually the policy context and operating environment, to articulate strategic directions and to review the effectiveness and efficiency of its programs and processes. The Board of Management focuses on the policy context and, with the Director and management, has instigated a number of internal and external reviews in recent years. As an Australian government statutory authority, ACIAR also has in place arrangements by which corporate performance is monitored against objectives. This occurs primarily through the Centre's Annual Report to Parliament, through internal and external audit processes, and through regular monitoring of corporate and program performance by the Board of Management.

In 1996 ACIAR undertook a comprehensive strategic planning process to review the fundamentals of its allocation of resources to geographic regions and program areas. A new Corporate Plan was developed through this process.

Sunset Review of ACIAR

ACIAR was reviewed in 1992, at the request of the Minister for Foreign Affairs, by the Joint Committee on Foreign Affairs, Defence and Trade (JCFADT) of the Australian Parliament. The positive outcome of the JCFADT review led to an enhanced mandate and the removal of a sunset clause in the ACIAR Act. The review also produced suggestions for improvement in ACIAR's program and operating procedures which have set the context for ACIAR's operations and programs since then.

Simons Review of the aid program

In 1996 the Australian Government commissioned Mr Paul Simons, Ms Gaye Hart and Professor Cliff Walsh to undertake an independent review of the Australian aid program. The Simons Review recommended a focus in the aid program on the reduction of poverty through sustainable economic and social development. The Government accepted this in principle, agreeing that the objective of the Australian aid program would be to advance Australia's national interest by assisting developing countries to reduce poverty and achieve sustainable development.

Importantly, the Government noted that Australia's expenditure on agriculture and rural development in the aid program had been declining over the previous decade, yet recognised that this sector was critical in alleviating poverty and in achieving sustainable development in developing countries and that ACIAR had a critical role to play. It proposed that AusAID and ACIAR undertake a review of the agricultural sector of the aid program to ensure that Australia's policies and priorities were effective, noting that this joint review would also help strengthen the interaction between ACIAR and AusAID to improve the effectiveness of agricultural development outcomes. This review proceeded during 1998 but at the time of writing has yet to report.

Nairn Review of ACIAR

Against this background of the Simons Review recommendations and the Government's support for ACIAR's role, and its functions as set out in the Act, the Centre's Board of Management felt that it was both timely and appropriate to seek independent and formal evaluation of the Centre's performance and the extent to which both the broad direction and functioning of ACIAR were effective and efficient. The Board was also cognisant of the period that had elapsed since the sunset review and the desirability of independent formal review of statutory authorities at regular intervals.

In 1998, the Board of Management commissioned Professor Malcolm E Nairn AM FTSE (Chair), Professor Gelia T Castillo and Dr Robert B Dun AM FTSE to undertake an independent external review of ACIAR with the following terms of reference:

(A) To evaluate:

1. the impact and relevance of research supported by ACIAR in raising incomes, reducing poverty and managing natural resources for agriculture in developing countries;
2. the benefit to Australia of ACIAR's activities;
3. ACIAR's interaction and collaboration with other research organisations, agricultural policy makers, relevant Government Departments (and agencies) and other competitive R&D (research and development) funders in Australia and partner countries;
4. the effectiveness of, and opportunities for improvement in, processes for:
 - determining the geographic location of research
 - formulating research priorities
 - determining the scope of the overall research portfolio and research programs
 - selecting, designing and appraising new research projects and terminating old ones
 - managing projects
 - monitoring and evaluating the quality and impact of research
 - stimulating adoption of technology from ACIAR's projects
 - implementing its training program;
5. the effectiveness of ACIAR's external communication and information management activities;
6. the effectiveness of ACIAR's structures, governance and management of its human resources, finances and research support services.

(B) To report in writing to the Board of Management of ACIAR by 31 October 1998.

The Review team was asked to assess performance, identify weaknesses and suggest strategies for improvement, but not to be prescriptive about research goals and priorities.

The report of the reviewers was presented to the ACIAR Board on schedule, and copies are available from ACIAR upon request. The reviewers made 15 recommendations that are listed later in this document.

The Board's Policy Statement

The insights of the Nairn review team are a major impetus for this policy statement. In setting out the current policy framework and future directions for ACIAR it builds upon the Board's policy deliberations over recent years, on other external inputs such as the Simons Review and a recent review of ACIAR's training programs, and on internal review and analysis of the policy context and critical operational issues. It sets the scene for the development of strategies by which ACIAR can remain at the forefront of international agricultural research for development.

Further details of ACIAR's mission, goals, outcomes, indicators and strategies may be found in ACIAR's Corporate Plan 1997-2001.

FUTURE STRATEGIES

Delivering benefits from research

The external review concluded that there is strong evidence of ongoing support for ACIAR, and particularly for the beneficial research partnerships that ACIAR facilitates. The benefits of ACIAR's programs include contributions to food security, poverty alleviation, natural resource management, and thus improved incomes, health and skills, through adoptable technologies and requisite policy influence; an increased body of scientific knowledge; and increased research capacity. Both Australia and developing countries derive benefits from new technologies, mutually beneficial policy reforms, and the internationalisation of R&D knowledge and perspectives.

ACIAR recognises its role as the primary Australian facilitator and funder of international agricultural research for development. ACIAR's primary focus is on delivering benefits to developing countries. ACIAR acknowledges the need to focus on the impact of its work on development, and to communicate more explicitly its achievements in contributing to the reduction of rural poverty, the enhancement of food security and the conservation of the natural resources for agriculture.

ACIAR's policy is to ensure mutual benefit to partners and to Australia. ACIAR recognises the need to better understand and measure the benefits from research. Agricultural development has important environmental and social dimensions, and ACIAR's research projects will continue to take account of the partner countries' social, economic and environmental framework.

Recognising their considerable contribution to poverty alleviation and food security, ACIAR will maintain substantial support to the International Agricultural Research Centres.

Interacting with stakeholders

ACIAR's policy is to develop its program through close interaction with stakeholders in both partner countries and Australia. ACIAR's partnership model, in which researchers in Australia and partner countries are assisted to work collaboratively to solve problems of agreed priority remains ACIAR's most fundamental operating strategy. Over recent years, ACIAR has been refining this model to ensure that partner countries with very weak R&D capability can access Australia's agricultural research capability better. This is a great challenge, which ACIAR will pursue in a difficult environment in the period ahead.

ACIAR will operate in Papua New Guinea through modalities that recognise and service effectively the special needs of the country. It is recognised that effective agricultural research and its application face special challenges in Papua New Guinea and the South Pacific that will require continued adjustment to ACIAR's work. Recognising that ACIAR's conventional mode of operation needs to be modified to suit Papua New Guinea's needs, the ACIAR Board of Management has developed a modified partnership model for collaborative research with Papua New Guinea, based on a recognition of the need to intensify capability-building and to provide long-term support to participating institutions and individuals in the country. The new model is under discussion with the Papua New Guinea partners and other aid agencies,

including AusAID, to finalise and expedite its implementation. ACIAR has analysed the special requirements of small Pacific Island countries, and will consider a regional partnership model. ACIAR will consult in a cost-effective manner with the countries of the region, the regional agencies and the region's key donors in developing and implementing a revised Pacific Islands partnership model.

ACIAR works closely with AusAID to utilise synergies between the two organisations. The two agencies cooperate in the formulation of rural development priorities and the determination of respective or joint roles. There is increasing cooperation in the funding and implementation of R&D activities important to AusAID's country strategies. ACIAR also works with other donors in research projects, and will seek opportunities to work more effectively with them in designing and implementing research activities within multidisciplinary rural development projects and in supporting appropriate development activities that flow from ACIAR's research projects.

ACIAR places high priority on the effective definition of the priorities of partner countries and is steadily improving its consultation processes. The Policy Advisory Council has a special role to play in priority setting, especially in the determination of regional priorities. ACIAR also consults with Australian stakeholders, including Commonwealth and state departments, R&D providers, the Rural Industry R&D Corporations and the Non-Government Organisations in the identification of Australian research priorities, policy directions and sources of expertise.

Improving the processes

Determining the geographical location of research

ACIAR allocates its bilateral research resources to developing countries in Australia's area of interest on a regional basis that reflects the geographical focus of Australia's broader aid program. The allocation to regions and countries is reviewed regularly. During the next few years, ACIAR will maintain a regional allocation of research resources within the following percentile bands:

Region	% of bilateral research budget
Southeast Asia	50-60
Papua New Guinea and Pacific Island Countries	10-20
China	10-20
South Asia	10-20
Africa	5-10

Allocation of ACIAR's resources to partner countries in Southeast Asia reflects their changing circumstances. As countries reach higher levels of income ACIAR will work with them increasingly as partners in the delivery of technical assistance to less-developed third countries than as direct recipients of development assistance. This process is evident in ACIAR's relationship with Malaysia. The natural process of graduation of other Southeast Asian countries has of course been disrupted by the economic problems since mid 1997.

In Indonesia, ACIAR looks particularly for collaborative opportunities to strengthen its contributions in eastern Indonesia. Within the Southwest Pacific region, ACIAR's resource

allocation recognises Australia's particular interest in, and obligations towards Papua New Guinea.

In allocating resources to the priority regions, ACIAR takes account of the regional distribution of its resources delivered indirectly through Australia's contribution to the International Agricultural Research Centres (IARCs). ACIAR will maintain support to appropriate IARCs to achieve a balance and a complementarity between their multilateral programs and ACIAR's bilateral program. Thus in Southern Africa, for example, while ACIAR's primary bilateral focus is Zimbabwe, South Africa and Mozambique, ACIAR also promotes agricultural development in the region through strategic contribution to the IARCs.

Formulating research priorities

ACIAR's policy is to operate through research priorities formulated in consultation with partner countries, taking account of Australian capacity to deliver. In developing research projects for these regions, ACIAR places emphasis on priorities determined in consultation with partner countries, and will communicate these priorities effectively to research providers in Australia. ACIAR is reorganising its internal structures and procedures to enable a more frequent assessment of the priorities of partner countries to be undertaken.

Determining the scope of the research portfolio and research programs

ACIAR's research programs encompass agricultural and natural resource economics, animal production, crop production, fisheries, forestry, management of land and water resources, and post-harvest technology. ACIAR will continue to support projects in all of these program areas and in cross-program, multi-disciplinary areas. The relative priority accorded to each of these areas of research opportunity will be determined from time to time through strategic planning processes.

ACIAR seeks co-funding of its projects by other aid agencies, non-government organisations and the private sector, on a case-by-case basis, in order to ensure that public funds for aid and agricultural research are used effectively.

Developing and managing projects

Cost-effective program management and professionalism are vital to ACIAR's attractiveness and success. Ongoing improvement in ACIAR's processes for selecting, designing and appraising new research projects and terminating old ones will be pursued. ACIAR will:

- take steps to shorten the timeframe and simplify the processes in project development;
- take a flexible approach to requests for funding the increasing costs of research equitably in partner countries and Australia, based on realistic assessment of the benefits of the collaboration;
- continue to employ a mixture of proactivity and reactivity in project selection, and will investigate the feasibility of augmenting established processes with a trial of expressions of interest for some programs of research;

- communicate its project selection criteria to researchers in Australia and partner countries;
- match the size and duration of research projects to the requirements of the research task; and
- continue to provide support in key partner countries through administrative support teams headed by an ACIAR Country Manager.

Monitoring and evaluating quality and impact of research

ACIAR's policy is to evaluate the quality, benefits and development impacts of its research programs and projects, and to feed this information into the planning phase of the project cycle. A range of complementary approaches are used to assess impact, including rigorous benefit:cost analysis and evidence of adoption of beneficial technologies and policies.

Stimulating adoption of technology from ACIAR's projects

ACIAR's projects are predominantly at the research end of the R&D spectrum, and the prime responsibility for extension and technology transfer rests with the partner countries. However, ACIAR accepts that Australia's ability to capture its share of the benefits may be greater than that of partner countries, and does not see the presence of Australian benefits as a weakness for the program. ACIAR does recognise the central importance of the partner country benefits, and will:

- intensify its efforts to ensure delivery of benefits to partner countries, and commit resources to the research-extension interface (but not to extension *per se*) where appropriate and cost-effective;
- intensify its efforts to focus researchers and reviewers on the desired development outcomes of projects.

Implementing an effective training program

ACIAR has a mandate to support training schemes that are related to its research programs. ACIAR has recently reviewed its training program, and is making changes to improve its effectiveness. ACIAR's training activities will reflect the priorities of ACIAR's partner countries and, where appropriate, of the associated geographical regions and International Agricultural Research Centres. This will be achieved primarily by focusing training on the requirements for research programs and projects supported by ACIAR. Because ACIAR's research priorities are determined through regular consultation with partner countries, regional organisations and International Agricultural Research Centres, the alignment of training with research will ensure that training meets the needs of partner countries and regions. In some cases, ACIAR will provide relevant training to partner institutions in advance of planned research activities. Opportunities will be explored to maintain long-term contact with students as they graduate from ACIAR's John Allwright Fellowships scheme and return to their home countries.

Communicating effectively

ACIAR's policy is to ensure effective management and communication of information both outside and within the organisation so that awareness and use of the results of ACIAR-funded research are fostered, and good working relationships are maintained with stakeholders. In implementing its recently developed Information Management and Communication Strategic Plan, ACIAR will improve its capacity to use modern communication to achieve its goal of disseminating information on program and project outputs to a wide range of stakeholders in partner countries and Australia. A particular effort will be made to communicate the development benefits of ACIAR's research projects.

Improving structures, governance and management

The ACIAR Board will continue to maintain a focus on developing policy and monitoring policy implementation. The Board will continue to seek advice and guidance from the Policy Advisory Council, particularly on regional research priorities. The effectiveness of ACIAR's structures, and of the management of its human resources, finances and research support services is reviewed from time to time and modified to improve operational effectiveness. ACIAR is restructuring its senior management to bring together for administrative and planning purposes all aspects of information management, and to better integrate its research, development and training activities.

THE RECOMMENDATIONS OF THE NAIRN REVIEW

Recommendation 1

ACIAR should be more transparent as a development organisation committed to poverty alleviation and food security.

The Review team recommends that, to fulfil its mission, ACIAR:

- reorient its focus more towards development impact;
- demonstrate explicitly its achievements in poverty alleviation at the rural level;
- justify the underlying strategy and maintain at least the current level of support to the International Agricultural Research Centres; and
- monitor the CGIAR study on the impact of agricultural research on poverty alleviation.

Recommendation 2

The balance in Australian and partner-country benefits should be apparent.

The Review team recommends that ACIAR:

- encourage a broader, long-term view of mutual benefits by Australian partners;
- continue to focus projects on the development priorities of the partner country rather than on Australian interest;
- review the effectiveness of its current country consultations process; and
- make a more targeted investment in research planning, prioritisation and roundtable consultation with all relevant stakeholders, including extension-focused agencies, in both developing countries and Australia.

Recommendation 3

ACIAR should be committed to, and prepared to allocate funds for, the research–extension interface. In doing so, it will have the support of both developing country and Australian partners.

The Review team recommends that ACIAR continually evaluate its portfolio to identify development opportunities and explore various mechanisms on a case-by-case basis to assist the institutionalisation of an adoption culture, including:

- funding a participatory, interdisciplinary and interagency diagnostic phase or situational analysis;

- ensuring appropriate leverage of funding from the relevant agencies so that they will develop a sense of ownership of the project;
- extending the research up to the pilot extension phase;
- working effectively with AusAID, with NGOs and with the commercial sector to identify and facilitate a technology promotion phase to appropriate ACIAR research projects;
- focusing on the communication of research results and the delivery of technology options to extension workers and, ultimately, to farmers; and
- providing an ‘after-sales service’ to encourage the research impetus and stimulate technology transfer.

Recommendation 4

ACIAR should give priority to capacity-building through focused training.

The Review team supports the general thrust of the recommendations of the ACIAR training review, and recommends that ACIAR develop and promulgate a research program focused training strategy that takes account of national and institutional needs and priorities, and of a variety of possible approaches that could include:

- a larger program of postgraduate fellowships;
- enhanced linkages with AusAID;
- stronger linkages to trainees both during and after their fellowship; and
- diversification of training activities to include short-term and sandwich courses, fostering opportunities for young Australians to train in developing countries, English language training to improve the research collaboration, and continuing linkages with the Crawford Fund for International Agricultural Research and the International Foundation for Science.

Recommendation 5

ACIAR should be willing to accord priority to partners in need, and be open to the concept of ‘graduating’ countries as their development needs diminish and the research impact becomes more diluted.

The Review team recommends that ACIAR not widen its geographic focus but that it continue to concentrate its efforts in a timely way on regions and countries where its mission can most effectively be realised, through:

- regular review of the relative priority accorded to regions and countries, taking into account changing development needs and potential to achieve impact; and

- development of clear policy arguments for the retention of agricultural research support to more advanced countries.

Recommendation 6

ACIAR has to be able to provide persuasive evidence of the adoption and benefits of its research projects.

The Review team recommends that ACIAR:

- more effectively communicate the way in which the benefits flow from ACIAR projects to ultimately achieve poverty alleviation, improved food security and sustainable natural resource management;
- place less reliance on the academic assessment of potential economic benefit and increase emphasis on evidence of adoption;
- review its guidelines for project proposals and for external reviews in order to focus researchers and reviewers on the adoption of the research and better demonstrate the project's outcomes in terms of relevant technologies, capacity-building and extension potential; and
- in the spirit of partnership, give greater acknowledgment to the role of all participating agencies in demonstrating the benefits of agricultural research and development initiatives.

Recommendation 7

Operative success depends on the clarification of effective leadership roles.

The Review team recommends that the roles of the Board of Management, the Policy Advisory Council and the Director be delineated as follows:

- an overt and consistent focus by the Board on the policy framework, as the context for strategic planning and the catalyst for organisational change, and a less intensive focus on the project portfolio; this would be assisted by greater delegation of its project monitoring and approval role to the Director and by effective consultation with the Council;
- a more active role for the Council of input to policy discussion and advice to the Board on regional and country-specific development needs, priorities and issues, assisted by a broadening of the membership base and effective consultative mechanisms;
- an outward and strategic focus by the Director who, as CEO, is accountable primarily to the Board, on guiding and advising the Board on the policy framework, motivating staff and stakeholders toward shared goals, and providing organisational leadership in the management of change;

and that the Board seek the Minister's endorsement of its role in appointing and formally monitoring the performance of the ACIAR Director, institute formal performance appraisal

arrangements with the Director, and seek to rectify the ambiguities of responsibility that have arisen under the *Financial Management and Accountability Act 1997*.

Recommendation 8

Operative success depends on building an effective working partnership with AusAID.

The Review team recommends that ACIAR and AusAID develop a mutual focus on rural development that will involve:

- inputs to the development of country and regional priorities and strategies;
- further training and capacity-building initiatives; and
- enhanced cooperation in the identification and implementation of research and development activities, including collaboration in projects directed towards agricultural policy;

and will be assisted by:

- a Board-endorsed policy position paper on ACIAR–AusAID cooperation;
- an invitation to the Director-General of AusAID to be a member of the ACIAR Board of Management, together with appropriate input from the ACIAR Director to policy dialogue in AusAID on agriculture and rural development in the aid program; and
- strengthening commitment to the existing array of informal contacts at all levels.

Recommendation 9

The Review team recommends that ACIAR seek the Minister's endorsement of amendments to the ACIAR Act that will improve the effectiveness of the Board of Management and Policy Advisory Council by delineating their respective roles and responsibilities and improving linkages with AusAID.

Recommendation 10

Operative success depends on the introduction of an adaptable and flexible research partnership model that adjusts to changing and differing needs over time and country location.

The Review team recommends that ACIAR examine alternatives to the usual mode of operation in countries or regions where the research infrastructure is inadequate to maintain a balanced input, focusing initially on the special needs of Papua New Guinea and the Pacific countries by:

- for Papua New Guinea, deliberately changing the partnership balance, recognising both the potential of its natural resource base and the weakness of its infrastructure. This revised

approach, toward which ACIAR has already taken steps, would gain great strength through cooperation with AusAID;

- for the small island countries of the Pacific, moving to a regional partnership akin to the approach used by ACIAR in restricted grants with the International Agricultural Research Centres;
- seeking adequate Pacific representation on ACIAR's Policy Advisory Council; and
- the ACIAR Director preparing a policy paper for the Board of Management to use as a basis for possible future interaction with the region's key donors.

Recommendation 11

Operative success depends on concentration of effort through targeted research and development activities that are situated firmly in the context of identified development priorities and that reflect the complementary niche for ACIAR in stimulating research and development outcomes.

The Review team recommends that:

- ACIAR and AusAID interact in the formulation of agricultural and rural development priorities and strategies in the Australian aid program, and determine their respective or joint roles;
- ACIAR be prepared to envisage a limited number of opportunities to work with other donors in a multidisciplinary development effort;
- ACIAR be willing to fund the research and development effort for as long as is appropriate to the country, the problem and ACIAR's own role.

Recommendation 12

ACIAR could demonstrate capacity for corporate change and achieve a more effective structure.

The Review team recommends that:

- there be clear leadership and organisational structure; and
- both Deputy Directors be motivated to seek structural and program enhancements that maximise the potential of staff and programs to contribute effectively to the achievement of ACIAR's identified goals and priorities.

Recommendation 13

ACIAR could improve its capacity to use modern communication to achieve its goal of disseminating information on programs and project outputs to a wide range of stakeholders in partner countries and Australia.

The review team recommends that a key task of the Deputy Director, Corporate Programs, be to manage the imperative of linking traditional communication with information technology and to take decisive positive steps toward implementation of ACIAR's Information Management and Communication Strategic Plan.

Recommendation 14

Cost-effective program management and professionalism are vital to ACIAR's attractiveness and success.

The Review team recommends that ACIAR:

- take steps to shorten the timeframe and simplify the processes in project development, and involve Research Program Managers and external critics together in this process;
- take a flexible approach to requests for funding the increasing costs of research equitably in partner countries and Australia, based on realistic assessment of the benefits of the collaboration;
- continue to employ a clever mix of proactivity and reactivity in project selection but test the approach of seeking expressions of interest in project areas that ACIAR and partner countries have determined to be priority areas for development;
- continue to provide support in key partner countries through administrative support teams headed by an ACIAR Country Manager; and
- appoint Research Program Managers for terms of up to six years, with major performance review after three years, and encourage and support them, and ACIAR staff generally, to maintain relevant skills and awareness of the policy context and operating environment.

Recommendation 15

ACIAR is a highly successful statutory authority in the Australian aid program, and has the potential for even greater development impact. The Review team confidently expects that a compelling case could be developed for the allocation of substantial additional funds to ACIAR.

The Review team recommends that a case be written for a substantial budget increase that takes account of the need and potential for ACIAR to:

- foster the adoption of research results and undertake related development activities across a larger number of promising research projects than is currently possible;
- undertake, with AusAID, well-focused agricultural policy projects that combine research and development;

- increase Australia's contribution to the International Agricultural Research Centres in recognition of the clear development impacts and benefits to Australia of the centres' programs;

- meet the challenges of participative, multidisciplinary research efforts that are essential to address the complex problems of natural resource management in developing countries;
- improve the ability of developing-country researchers to continue the research and development effort in their own countries through expanded but focused training and capacity-building programs;
- accept the rising demands for cost recovery by researchers in Australia and developing countries; and
- implement an effective corporate structure.