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INTRODUCTION

This review was commissioned by the International Institute for Applied Systems Analysis (IIASA) Council in 2016 and its focus and structure are determined by a detailed set of Terms of Reference (ToR) developed by the IIASA Council. Our Panel has endeavored to collect evidence on each of the issues contained in the ToR, so that our reasoning would be both based on evidence and transparent. We have had superb cooperation from the IIASA Council, the Director General and the IIASA staff in providing a trove of information and much of this information is either displayed in the body of the report or as attached appendices. We have also been fortunate to have good response rates from several different IIASA stakeholder groups who gave their time to answer our numerous questions and survey instruments. We are also very grateful for the outstanding support provided by Dr Melody Mentz, who was engaged as staff support for our committee, entirely independent of the IIASA organization in Laxenburg.

During our work, we have become convinced that IIASA is at a crucial turning point in its history. There are several factors, both internal to IIASA and in the external world, that lead us to this conclusion. Broadly stated, IIASA is an institution that produces excellent science of global relevance, but is currently facing significant governance, leadership and trust challenges. Despite the challenges, there is a real sense of loyalty to the institution among its internal stakeholders, which provides a source of good will as a firm basis on which to build a stronger organization. We try to give a detailed account of these internal issues in the report.

Before turning to these internal issues, it is worth considering some external forces. To do so we need to recall the changes that have occurred in the world since the conception of IIASA in an important act of science diplomacy in the late 1960s. The bipolar political world of that time had come very close to a nuclear war. Building bridges through science made good sense as a first step in greater engagement. It took about five years to establish IIASA, but the notion that major challenges could be addressed cooperatively through a systems analytic framework quickly caught on. IIASA established a stable funding base through National Member contributions and it used these resources to attract more project-related funding to address big-picture questions. IIASA became an attractive place for bright scientists interested in addressing global challenges. It helped pioneer important areas of global change research and it attracted gifted young people through its Young Scientists Summer Program (YSSP) and post-doctoral programs.

Over time IIASA became a stable and respected force in international science. But the world today is very different from that of the 1960s. We are challenged by environmental change that is outside historical experience and which is interpreted and responded to in a multitude of ways depending on politics and culture. On the social front, we are said to be living in a “post-truth era” where evidence does not count in some quarters and where science is increasingly seen as another interest group rather than a valued source of knowledge. The economic and political order that emerged in the post-World War II days is challenged by increasing fragmentation and national interests supersede the ideal of creating internationally shared public knowledge goods. In the realm of science, systems approaches have become more mainstreamed in the scientific (particularly global change) community, with a growing number of organizations and initiatives working in the same domain as IIASA (e.g. Future Earth) and relying on similar funding sources.

This complicated landscape is a challenge for an institution like IIASA and it requires wise and long term oriented leadership to navigate the shoals of the 21st-century world.

IIASA is fortunate in having a distinguished body of alumni scattered around the world, many in leadership positions. IIASA is tied into a global science network that shares the ideals of IIASA and that provides important points of contact throughout the world. There are no or few conditions on national member fee contributions and IIASA has used these financial resources to advance the global knowledge base and to encourage the wise use of this knowledge resource in policy. In our view IIASA is of great value and it has a history of “punching above its weight”. Our recommendations are intended to contribute to securing the necessary conditions for the organization to continue playing this role within the current landscape.

With these introductory comments, we turn now to the substantive matters of the review. To be as responsive as possible to our charge, we organized the report to align as directly as possible to the ToR. We have also attempted to minimize discursive text, to make our report easy to read and to make our reasoning transparent. Accordingly, we structure our report explicitly around the six objectives stated in the ToR and have linked the nine sets of key evaluation questions to each of these objectives.
We then enumerate specific findings under each sub-objective and offer a set of recommendations that flow from the findings. We hope that this format will facilitate discussion of the report and will help provide a framework for the implementation of our recommendations.

In the body of our report we have included several detailed suggestions to expand upon our recommendations and provide illustrations of how our recommendations could be operationalized. We note in text at each of these instances that these examples are not intended to be prescriptive, but are intended to reflect collective wisdom that can serve as the starting point for discussions. The examples are based on the Panel’s expertise and experience, but are also drawn to a large extent from the insights and suggestions that have been thoughtfully provided by IIASA’s stakeholders through their survey responses and interviews. We trust that the Council and IIASA will treat these examples as they are intended.

During its work, the Panel gathered extensive amounts of evidence from the following sources:

<table>
<thead>
<tr>
<th>Online surveys</th>
<th>Site visits</th>
<th>Document analysis</th>
<th>Interviews</th>
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<tr>
<td>IIASA current staff</td>
<td>Two site visits to IIASA served as an opportunity for the Panel to engage with staff across all functions and levels of IIASA. Semi-structured interviews, unstructured interviews and staff presentations informed the Panel’s deliberations.</td>
<td>An online portal was set up by IIASA to provide the Panel with relevant documentation. Key to the evaluation was the written self-assessment prepared by IIASA, and a second written input document prepared by the IIASA staff in response to questions from the Panel.</td>
<td>The Panel interviewed a limited number of stakeholders to supplement the site visits. This included interviews with former DirectorGenerals and Council Chairs and current members of Council.</td>
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<td>IIASA staff alumni</td>
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<td>YSSP and Postdoc alumni</td>
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<td>National Member Organizations (NMOs)</td>
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Table 1: Overview of data collection sources used by IIASA Institutional Review Panel

The Panel notes that during the time of the Institutional Review, IIASA commissioned a Governance Report conducted by a senior individual at the National Research Foundation (NRF), South Africa (one of IIASA’s NMOs). The report will be presented to the IIASA Council in June 2017 – at the same time as the Review Panel’s report. The full report was not made available to the Panel; however, a presentation of key findings and recommendations was made to the Panel during the second site visit. Where relevant the Review Panel report references similarities (or differences) with the findings presented to us from the Governance Report.
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KEY FINDINGS AND RECOMMENDATIONS

We begin by highlighting a limited number of key findings and recommendations that cut across objectives and which we believe are of fundamental concern to IIASA. These key findings and recommendations are not a replication of the recommendations in the review objectives; rather, they are pitched at an integrated and strategic level. Immediately following this, we present a full list of all our recommendations (organized by review objective).

Whilst the issues highlighted below are not exhaustive, they represent matters the Panel believes require high priority. It is through the implementation of these recommendations that the Panel believes IIASA can ensure that it is not only fit-for-purpose, but also future-proof.

KEY FINDING AND RECOMMENDATION ONE: CONTINUED LEGACY AND CONTRIBUTION TO EXCELLENCE IN SCIENCE

IIASA has a legacy of excellent science, is an institution of high reputation, and has made notable contributions in the scientific and policy domains. It is critical to preserve and develop further this legacy in the face of new challenges.

The Institute is now in the last stages of its ten-year strategy Research for a Changing World (2011-2020), and the next stage of research needs to be developed. The challenge will be to focus activities and avoid over-diversification, whilst balancing global priorities, the national needs of members, and translating global insights into regional, national, and local value.

KEY FINDING AND RECOMMENDATION TWO: REFLECT ON AND REFINE IIASA MISSION AND VISION

Taking all contextual factors into account, the Panel believes IIASA needs to reflect on its vision and mission, in other words, its core purpose. IIASA’s raison d’être should be based on an understanding of what it is that makes IIASA unique, and why the world needs an organization of this nature.

The current vision and mission (see insert on the right) highlight the Institute’s core contribution (identifying solutions through applied systems analysis) and its intended ultimate impact (to improve human and social wellbeing and to protect the environment). However, the current vision and mission do not draw attention to the range of ways in which IIASA accomplishes this – for example through science diplomacy, capacity building and the specific combinations of those activities. Only guidance at the policy level is noted as an instrument for translating science into impact.

IIASA currently has multiple narratives to explain and make sense of what it does, which tends to suggest a lack of focus and clarity about the scope of its mandate. IIASA should identify its main goals and objectives which will comprise its core mandate in determining the organization’s agenda – both in terms of setting priorities and selecting activities. Goals and objectives should be impact oriented, with an understanding of what success looks like and how it can be measured. A reflection on the vision and mission is a starting point to redirect and refocus.

Furthermore, the Panel believes that given the Institute’s current membership, IIASA needs to rebalance its portfolio of activities in a way that better serves the needs of its National Member Organizations (NMOs). This will necessitate a reconsideration of the integration of research and capacity strengthening (broadly defined); this will also require IIASA to articulate more clearly its understanding of and approach to things such as science diplomacy, as well as the science-art nexus. This does not imply, that IIASA should only react passively to NMO’s (heterogeneous) demands. A proactive supply strategy of IIASA is a precondition to balance IIASA’s perspectives, strength, and interests with NMO’s needs.

Box 2: IIASA Vision and Mission
KEY FINDING AND RECOMMENDATION THREE: REVISIT AND CLARIFY THE VALUE PROPOSITION FOR MEMBER COUNTRIES

Although member countries are represented at a proportionally higher rate than non-member countries in terms of research and capacity-building activities, there are only limited benefits which are exclusive to members. In other words, hypothetically speaking non-member countries could accrue all the same benefits as member countries do1.

The Panel believes that an integral component of the sustainability of the Institute is finding ways to directly increase the benefits to member countries through an integrated approach to planning and funding. Revisiting and clarifying these benefits should flow from a reconsidered vision and mission (see point Two above), and should be a component of an institutional renewal process (see point Six below).

Although not prescriptive, the Panel offers a few ideas on how to increase direct member benefits in Recommendation R2.3 (see List of Recommendations by Objective below).

The Panel further believes that membership engagement is also about identifying members’ responsibilities – including towards supporting international science as a global public good. In other words, the issue of benefits for NMOs should not only be about the ‘what’s in it for us’ question, but be balanced by ‘what we contribute’. IIASA and its NMOs need to work together collaboratively and take joint responsibility for realizing the Institute’s vision.

Given the diverse expectations of the current NMOs, and the core identity of the Institute as an international Institute focused on global issues, meeting the diverse expectations of NMOs is not a simple task. The Panel recommends that once governance concerns are addressed (see point Four below), attempts to find innovative and feasible ways to clarify the member value proposition and mechanisms for proactive member engagement could be an important task for the Council. This process should also consider the IIASA membership policy, and issues of non-compliance.

Engaging with member countries in proactive research, in taking high-level research results down to national levels and in building capacity to be able to achieve this active engagement, must be incorporated in the internal evaluation of performance of different programs.

KEY FINDING AND RECOMMENDATION FOUR: SUBSTANTIAL FOCUS ON GOVERNANCE AND LEADERSHIP REFORM

The review has revealed a set of serious governance and leadership problems2. The IIASA Council recognized the need to modernize and address governance and leadership challenges by commissioning the first external institutional level review in the history of the organization. The ToRs presented to the review panel clearly identified many of the issues confronting IIASA as structural. These issues have evolved over time with the growth of the institute, the growing diversity of demands from NMOs, and increasing funding pressures – to name only a few factors. IIASA is clearly at a point where its structure and historical “ways of doing things” are no longer adequate. The panel believes that correcting the system in other words, the Charter, governance, and management arrangements, must be considered an urgent priority as IIASA moves forward.

Subsequent to the appointment of the review panel, the processes and procedures leading up to and during the November 2016 Council’s consideration of the reappointment of the IIASA DG for a third term further revealed the fault lines in the leadership and governance of the Institute. These stresses appear to have converged and escalated into an institution-wide crisis of trust. This has created an untenable situation and threatens to destabilize the institution and calls for urgent and careful attention from Council as both internal and external stakeholders are paying close attention to how the situation is going to be resolved. The panel does not believe it is within the scope of their charge to comment in detail on the specifics of this “trigger event”, nor does it have all the information needed to understand the complexity of the issues. The Panel is aware that the council has opted to have one of its own members facilitate a special session to resolve these issues in its June meeting in place of an external facilitator. If this attempt is not successful, the council must engage an external facilitator to resolve this crisis. Without a satisfactory resolution of the matter, the panel is

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1 This excludes voting rights and participation on the council.

2 In the context of this recommendation, governance is used to refer to the structures processes and workings of the Council as the governing body of IIASA, whilst leadership is used to refer to the internal management structure processes and workings of the Institute.
concerned that all other efforts to facilitate change resulting from the review will be met with scepticism and the potential value of the review to IIASA will be undermined. With this in mind, the panel has made every attempt to ensure that its findings and recommendations speak to some of the underlying structural stressors, and we hope that the comprehensive set of recommendations, along with the mechanisms we propose, are sufficiently robust and thoughtful to create a platform for all parties to confidently “come to the table” in the interest of building a stronger IIASA together.

There is a fairly comprehensive system of governance and management already in place (through several committees within Council and within the Institute) – but they are all advisory in nature based on traditional interpretations of the Charter. The absence of a delegation of authority, clear decision-making points and the concentration of decision making in the hands of the Director General and Chief Executive Officer (DG&CEO) contributes to this. Regardless of who the DG&CEO is, this mode of management is simply outdated. A concentration of power is a concentration of risk, as well as a drain on motivation and innovative thinking.

Efforts to rectify the situation are urgently needed. Responsibility and accountability must be distributed more broadly through the Institute through a systematic effort to delegate power, responsibility, and decision making, and to create functional mechanisms for accountability and transparency. The Panel believes that resolution of the governance, the leadership and the trust crisis should not be addressed in isolation from each other, and should be approached in an integrated fashion.

The Panel has made several suggestions related to the governance structure and the leadership structure of IIASA.

There is an urgent need to put in place a support structure for the Council in the form of a Secretariat that is situated in IIASA but reports directly to the Council.

**KEY FINDING AND RECOMMENDATION FIVE: MODERNIZATION OF IIASA INTERNAL SYSTEMS**

IIASA needs to modernize its internal processes to better ensure accountability and to improve efficiency; a responsive and agile system is needed.

This will first entail revisiting in detail the Rules and Operating Procedures to ensure that they are (i) compliant with relevant legal frameworks, (ii) assure a system of accountability, and (iii) are appropriate to an organization of IIASA’s size. Once this has been developed conceptually, appropriate tools (software, hardware etc.) can be sourced to manage the process.

**KEY FINDING AND RECOMMENDATION SIX: APPOINT A TASK FORCE TO SUPPORT AN INSTITUTIONAL RENEWAL PROCESS**

IIASA needs significant institutional renewal in terms of governance and internal structures. The Panel believes that a comprehensive process of revitalization and reengineering should be considered a pressing and urgent priority for the Institute, and that in the interest of long-term institutional sustainability, adequate resources (human and financial) should be invested in this process over the period June 2017 to December 2018. Three overarching issues need to be integrated into the institutional renewal process (i) the value proposition for member countries, (ii) substantial focus on governance and leadership reform and (iii) investment in the modernization of IIASA. These three matters are discussed in points Two to Five above. Addressing these issues in this timeframe will allow the development of the research agenda for 2020 and beyond to be strategically developed – unencumbered by governance and management concerns. There are many possible approaches to implementing a renewal process. The Panel offers some alternatives that might be considered. The IIASA Council and Management could consider the full set of findings and recommendations in the report and work on preparing an initial response to the report which could be presented and debated openly at the November 2017 Council meeting.

The Panel understands that the owner of this renewal process is the Council. However, the Panel suggests that a small task force be appointed to support this process in the interests of transparency, mutual accountability, and joint responsibility for decision making. In times when trust has been eroded, efforts towards renewal have a better chance of success if the processes are truly participatory (rather than exclusionary), and include a strong emphasis on openness. Institutional renewal processes that call for substantive change can also be deeply unsettling (legitimately so) for all parties involved, but particularly the employees who truly are the
Institute’s primary asset. For these reasons, a representative task force which is responsible for liaising between and representing the intersection of all IIASA’s immediate stakeholders\(^3\) can help to mitigate fears and provide strong legitimacy to the process.

The Panel believes the task force would benefit from the inclusion of (at minimum) the following:

- one member representing IIASA Management (elected by directorate staff);
- one member representing IIASA scientific leaders (elected by the researchers at IIASA);
- one member representing IIASA support function leadership (elected by the support staff at IIASA);
- one member from either the IIASA Staff Association (STAC), or from the administrative and professional staff association (CAPS) (elected by STAC and CAPS);
- representatives from Council – possibly one representative from each committee (elected by the Council);
- one representative from the Science Advisory Council (SAC) (elected by SAC);

The task force should nominate one representative responsible for documenting and recording the work of the task force and communicating with the IIASA community on behalf of the task force. Attention should be given to ensuring gender representation in the task force composition.

The Panel believes that IIASA could benefit from appointing an external facilitator to chair the task force and to assist in the renewal process – ideally someone who is deeply familiar with the international landscape of scientific organizations/initiatives and policy frameworks in this domain, who has a strong track record in organizational development skills, and who possesses excellent facilitation skills. Alternatively, a Chair could be elected from within the task force or directly appointed by Council.

It is also likely that IIASA would need to consult external experts (including legal representation) during this period to advise on matters including human resources (HR) and intellectual property rights. Ad hoc members to the task force could be appointed for this purpose for limited periods of time.

The task force would report firstly to the IIASA Council, but also to the DG&CEO on matters related to implementation.

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**FUTURE-PROOFING IIASA**

Over its history, IIASA has been very good at identifying major global challenges and initiating research programs around these challenges that have provided high quality inputs to policy and have stimulated further research at other institutions.

Our committee hesitates to be prescriptive in suggesting how IIASA might constrain or define its future opportunities in research, capacity building, and in the translation of science to policy. The future is largely unknowable and the key to continued success is to adopt policies and processes that enable a nimble and adaptive response to new challenges.

Over the past 40 years, IIASA has indeed shown itself to be nimble and adaptable and it has navigated a changing international landscape with considerable skill. At crucial points in the past IIASA has been blessed with visionary leadership at the Council, DG&CEO, and program levels and we see no reason why this should not continue to be the case.

Attention to the issues raised in the report will contribute significantly to helping IIASA mitigate its immediate threats and weaknesses. Ongoing reflection internally and externally is needed going forward to ensure that IIASA can remain responsive.

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\(^3\) Immediate stakeholders would include IIASA Council, Directorate, and all IIASA staff.
LIST OF RECOMMENDATIONS BY REVIEW OBJECTIVE

SECTION 1: JUSTIFICATION AND GENERAL POSITIONING

R1.1 The potential exists for IIASA to further carve out a niche for itself globally and to entrench its reputation as a completely unique institution in the shifting global science arena by reconsidering its vision and mission to more explicitly incorporate the full scope of the Institute’s contributions (science, capacity strengthening, policy relevance and science in and for diplomacy 4).

The Panel offers the following statements as a set of articulations that could inform thinking around a more integrated vision and mission, based on what the Panel believes IIASA does, and has the potential to do.

- IIASA leverages its leading systems analysis scientific research excellence as well as its vast, influential global network to create global partnerships that address global problems, and to provide boundary-spanning leadership through bridging divides between scientific disciplines; the scientific community and policymakers; and across geopolitical divides.

- IIASA provides global leadership by conducting high-quality, policy-relevant systems analysis research in the area of global change for sustainable development, actively seeks to translate this into evidence-based advice with impact, and empowers its NMOs to do the same nationally.

- IIASA builds capacities for global advanced systems analysis through a synergistic combination of innovative actions targeted at individual, institutional, national, regional, and global levels.

- IIASA provides a platform for science-informed geopolitical relationship strengthening by serving the global community as a neutral and honest broker.

R1.2 We recommend strongly that the development of a refined and clarified mission and vision form part of the broader revitalization process (Key Finding and Recommendation Two and Six). This should be informed by a truly consultative process which ultimately leads to the formulation of a clear strategy and implementation plans for each of the components of the mission, their specific combinations, and their specific importance (in terms of allocation of time, people, and finance).

SECTION 2: IIASA’S ADDED VALUE

R2.1 IIASA needs to find ways to manage the divergent expectations of its members, whilst not losing sight of its ultimate contribution to a global good. The renewal process suggested in Key Finding and Recommendation Six of this report is an opportunity to clarify this, and the findings from this section reinforce the centrality of Recommendation 1.2.

R2.2 IIASA should avoid overpromising simply to get new members on board, and should focus on balancing the supply (what the Institute offers) with demand (the diverse expectations of NMOs). This will include clarifying the balance between global, regional, and national activities, as well as the balance between research, capacity building, and science-to-policy activities.

Ultimately, IIASA must be realistic about its capacities.

R2.3 There needs to be a scaling up of direct engagement in activities that benefit member countries for some NMOs to see true value for their membership including research engagement, capacity building and empowerment to benefit from IIASA’s research results. Specific ways of doing so need to be driven from within the Council; however, the Panel offers a few suggestions in the body of the report.

R2.4 Having said the above, it is also important that IIASA work towards re-creating ownership of the global good component of IIASA’s value offering.

R2.5 There need to be clear agreements between NMOs and IIASA at the time of joining and the opportunity to review the agreements once all outcomes have been accomplished.

R2.6 Training and capacity strengthening (individual, institutional and national) are important in bringing science together for the global good. To be true to its mission, IIASA must engage all stakeholders in

4 This specific component should be considered in the context of the Panel’s findings on science diplomacy.
doing research, specifically the Global South and the results of IIASA’s global research must eventually become within the reach of all of its NMOs.

To be credible, IIASA research must be done with the relevant NMOs interested in direct cooperation with IIASA, not about them. Capacity building of researchers, institutions and systems in regions not as well prepared for IIASA’s research programs must be regarded as an integral part of doing credible research with partners.

SECTION 3: VISION, MISSION, STRATEGY AND MEMBERSHIP

PART A: VISION, MISSION AND STRATEGY

R3A.1 The Panel recommends that IIASA strongly consider a re-articulation of its core mission, vision and values in line with Key Finding and Recommendation Two and Recommendation R1.1. This is a fundamental decision which must be made about the core purpose of IIASA.

Should IIASA deem a shift necessary, the Panel recommends that this be the first and foremost activity in the revitalization process. The outcome of this should inform decisions around the Strategic Plan, science activities, internal structure, NMO engagement etc. In other words, form should follow function.

R3A.2 The Panel believes that currently IIASA is trying to address all needs and all expectations in parallel; it is spread too thinly and runs the risk of a decline in research quality and ultimately reputation. In other words, although the scope of research work IIASA undertakes is delimited in the vision and mission, the scale needs to be carefully considered.

The Panel suggests that IIASA halt the design of any new initiatives until Council has reached an agreement on the focus and balance of activities for the future and has developed the post-2020 strategy.

R3A.3 For the post-2020 Strategy and Research Plan the Panel strongly recommends a more results-based planning and management approach, with a multi-year strategic plan and annual implementation plans.

This should include written plans for the four core activities: science – capacity building, policy advice, and science diplomacy – as well as for any other activities which underpin their overall strategy (including communications, HR and support functions, etc.).

The Strategy and Research Plan should articulate the balance between science, capacity building and science to policy (to be informed by the results of the NMO survey), and should provide a single coherent narrative on how programs and initiatives work together synergistically to achieve IIASA’s mission and vision.

The Panel suggests that IIASA consider a theory-of-change-based approach to designing its strategy and implementations plans. Theory-of-change-based approaches are well suited to organizations with complex ambitions and whose impact can be realized through multiple pathways (rather than a single linear rationale).

This approach will help IIASA identify (i) more specific targets, (ii) a clearer description of what success would look like – including a range of indicators for measuring impact, and (iii) plans for tracking and monitoring progress – including transparent reporting of progress.

PART B: MEMBERSHIP POLICY

R3B.1 The Panel suggests a Council retreat as part of the institutional renewal process (see Key Finding and Recommendation Two) where issues of membership (rationale, action plans, fees policy etc.) are openly debated to reach a consensus on the fundamental goals of IIASA, and how it wants its membership to evolve.

R3B.2 The Panel does not recommend further growth in national members until there is a consensus on the goals and purposes of IIASA, as well as on the membership strategy among the current NMOs. Once consensus has been reached, a revised membership strategy should be developed that is ratified by Council.

R3B.3 The Panel believes IIASA will benefit from setting and applying clear criteria for categorizing NMOs into a specific fee category. These could be phased in over a period of several years. The revision of
amounts payable within each fee category should continue to be adjusted for inflation on a regular basis. This idea is explored further in the section on Financial Sustainability.

R3B.4 The Panel is not convinced that the proposed Draft Non-Compliance Policy for NMO Contributions is adequately clear and explicit. Upon request from IIASA during the first site visit for inputs on the matter of non-compliance, the Panel provides a set of comments on the document in the body of the report.

These comments seek to help IIASA identify mechanisms which are consistent and clear in the interest of good governance, whilst not undermining the philosophical rationale for membership, which seeks global and regional representation, as well as inclusivity. The suggestions are intended to substantially increase transparency in matters related to non-compliance, given the implications of this on voting rights.

SECTION 4: IIASA ACTIVITIES: QUALITY AND IMPACT

R4.1 Whilst addressing other issues raised in the report, care should be taken not to negatively impact the science programs. Efforts need to be made to ensure that scientists are recognized and incentivized and that the quality of future work will meet the standards of the past.

R4.2 The impact agenda is likely to intensify in coming years, and IIASA will have to increasingly become systematic and strategic about how to measure and demonstrate its impact in policy advice, training, and science diplomacy. Policy advice strategies, training strategies, and science diplomacy strategies should be developed and made explicit.

In line with R3A.3, it is recommended that IIASA develop an overarching theory of change which will allow the Institute to identify appropriate indicators and provide a coherent framework to set up efficient mechanisms for monitoring and evaluation across all functions, to reflect on the progress and success of the institute. This approach will enable IIASA to go beyond anecdotal or case-study-level evidence and to demonstrate its impact more comprehensively and convincingly. This will also enable the Institute to find ways of recognizing impact and NMO engagement as factors in scientist evaluations.

R4.3 There are increasing demands for a range of capacity-building initiatives from NMOs. However, the feasibility of meeting these demands and implementing these ideas is directly linked to financial resources and human capacity internal to IIASA (see also the insert on Financial Sustainability). This reiterates the importance of R2.2 and R2.3, which call for a clarification of how much of its resources IIASA can commit to capacity strengthening, and considering this, an increase in direct member benefits in terms of these activities.

R4.4 Expanding the postdoctoral program in collaboration with NMOs is one way of directly increasing IIASA’s contribution to capacity development within member countries.

R4.5 Regular institutional-level reviews should be implemented. The Panel recommends that these take place every six years to coincide with or precede the appointment or reappointment of the DG&CEO.

Additional recommendations related to internal auditing, as well as staff performance management and satisfaction, are provided under Section 6: Governance and Organizational structure.

FINANCIAL SUSTAINABILITY

RFS.1 As stated in Recommendation R3B.3 the Panel believes IIASA will benefit from setting and applying clear criteria for categorizing NMOs into a specific fee category, and continuing with the practice of regularly adjusting for inflation.

However, given that the majority of NMOs already believe they are contributing their fair share to IIASA, it may not be prudent to assume that fee contribution categories can be radically adjusted.

A combination of applying criteria for fee contributions and regular inflationary increases, supplemented by limited increases in the number of NMOs, will likely be adequate in enabling IIASA to achieve its targets for core funding.
RFS.2 Given the aforementioned approach to funding, the panel recommends that the Council reconsiders its policy of limiting externally-raised funds, whilst at the same time implementing a more intentional focus on sourcing funds directly related to the Institute’s mission and vision.

While it is important to ensure research activities are focused and coherent (the core rationale for limiting funding from external sources), the panel believes this objective can still be achieved through leveraging member’s funding and IIASA’s reputation to access substantially more resources to support a wider scope of activities, and ultimately more impactful research.

The panel further recommends that funding obtained externally should always (rather than whenever possible, as stated in Resolution #228) be in line with the Institute’s Strategic Plan for all IIASA activities – research, capacity building, and science-to-policy objectives. The alignment of these externally-funded proposals with NMO goals can be easily maintained through pre-approval of proposed external funding applications exceeding a pre-determined threshold amount by the executive of the council.

RFS.3 External funding need not only be sourced from research funding sources, but could also be expanded to include philanthropic donors. More attention could be given to raising funds to support enhanced capacity-strengthening activities. This should be done collaboratively by IIASA researchers and NMOs from developing countries through targeting donor agencies or foundations.

RFS.4 Viable and context-appropriate mechanisms for increasing donations to IIASA (and Friends of IIASA) should be sought. The initial drive for this is likely needed to come from IIASA given the low current impetus from external drivers.

SCIENCE DIPLOMACY

RSD.1 Council and IIASA need to engage more deeply and critically around the idea of science diplomacy and its role within the Institute. This includes an articulation of the working definition of science diplomacy relevant to IIASA, and an assessment where this fits in with the Institutes vision, mission, and priorities. Vague concepts with implicit meanings detract from, rather than enhance, focus.

The question of how to position science diplomacy within the Institute should be one of the issues taken up in the renewal strategy.

SECTION 5: COHERENCE, FEASIBILITY AND CAPABILITIES

COHERENCE AND FEASIBILITY OF ACTIVITIES

R5A.1 IIASA needs a coherent narrative to explain and promote directions that are enshrined in the IIASA Strategic Plan (theory of change). This narrative should:

- guide all functions within the Institute in terms of what activities get selected and implemented;
- define the types of activities the organization undertakes – across all functions, and how these are prioritized; and
- the narrative should show how there is cooperation with NMOs.

This narrative should provide the context for a Council-approved implementation plan with sufficient level of detail to guide all programs and initiatives.

- The implementation plan should be updated annually and it should illustrate coherence and articulate clear targets.
- Process documents which guide the selection, design, and evaluation of initiatives would add further value.

From this, IIASA should develop clear, but flexible indicators (i.e. there should be a range – not only quantity but also quality). The indicators should cut across all IIASA functions – this includes the research and support functions. Performance of staff and the Institute should be measured across these indicators.

R5A.2 There is a need for formal mechanisms for recognition of efforts that contribute to a wider diversity of IIASA’s strategic goals, including policy impact, collaboration with NMOs, and contribution to capacity building. The current incentive structures only reward scientific output and the amount of external
funding obtained, and where relevant the number and scale of cross-cutting initiatives a Program is involved in.

MECHANISMS FOR INITIATING, TERMINATING AND MODIFYING ACTIVITIES

R5B.1 For each type of activity, a process should be described for initiation, continuation, or termination of projects, and these processes should hold true across multiple implementation plans and serve as the vehicle for how the Institute implements its strategy. Clear decision points, and responsibility for decision making and approval, continuation, and termination need to be articulated and made clear to all role players. Criteria for success should be documented to assist decisions to terminate, continue, or modify activities.

R5B.2 To increase Council input into the research directions of IIASA, the Council should be fully engaged with the Institute’s strategic agenda by co-designing and approving strategy documents and five-year research plans for the Institute. The dissatisfaction of Council with its inputs into the research agenda should thus be addressed by paying attention to the processes and procedures that culminate in the design of these high-level documents.

Council could also consider appointing liaisons to specific programs and projects that would serve as feedback mechanisms between Council and the researchers.

IIASA CAPABILITIES

R5C.1 The Panel recommends that IIASA prioritize the development of the Human Capital Management Plan (HCMP) as a component of the renewal process. However, the Panel recommends that the plan also take into consideration the matters of succession planning, standardized job descriptions, and performance management.

Appropriate human and financial support should be given to the Head of HR in the short term to enable a speedy process of putting adequate systems, processes, and documents in place.

R5C.2 Internal capacity needs should be driven by the institutional implementation plan, ensuring that the Institute can achieve its set targets. Once IIASA has set the Research 2020+ agenda, and developed an institutional implementation plan, a more targeted analysis can be done around what (if any) additional capacities are needed internally.

R5C.3 IIASA should consider what can be done to bolster a culture of trust, shared responsibility, and mutual accountability. All three elements are currently lacking. The situation may well require external facilitation.

Mood and morale should be more carefully monitored on an ongoing basis. This is a responsibility of both the Council and the DG&CEO.

SECTION 6

IIASA CHARTER

R6A.1 The Panel believes there are an adequate number of substantive issues to justify an amendment to the Charter. Further, the IIASA Charter needs to reflect current standards with respect to transparency, compliance, accountability, and effectiveness appropriate for the organizational configuration (in other words an association, as compared to a company).

The Panel recommends IIASA embark on a process of examining the Charter carefully at the end of the proposed renewal process (see Key Finding and Recommendation Six), to reflect all the changes that evolve from this process.

Council Resolutions that have implications for governance should be incorporated into the Charter.

R6A.2 Rules and Procedures should be developed to supplement the Charter, based on a detailed analysis of the Resolutions and the outcomes of the renewal process, along with expert legal input. The Rules and Procedures should include clear procedures and standards for appointments/reappointments within the Institute’s senior-level management structure, as well as within all standing committees of the Council.
The Panel believes that IIASA should seek ways to enhance the functionality of its Council Committees in a manner that solidifies their actual contribution to the governance of the Institute. In order to do this, IIASA must carefully consider the value and intended contribution of each committee. This is broadly in line with how the Panel understands the recommendation made in the Governance Report (conducted by the NRF), which proposed a reconfiguration and empowerment of the Council Committees. The findings from the Review Panel Report need to be carefully weighed alongside those in the Governance Report and a process initiated to design the most appropriate structure for IIASA from both a functional and a legal perspective.

The Panel believes that it may not be necessary for IIASA to continue with all the committees it currently has, and the Panel encourages the Council to rethink the structure and responsibilities of its committees carefully. A rethink of the structure need not mean that the currently envisaged contribution of any committee is lost, but that roles are reconceptualized for efficiency and impact. The focus should be on minimizing bureaucracy and maximizing effectiveness, whilst remaining cognizant of legal responsibilities and the needed expertise on the committee.

Committee Members do not necessarily need to be NMO representatives in the Council. Committee Members could also be specialists representing NMOs (e.g. a Chief Financial Officer of an NMO organization in the Finance Committee). However, the Council remains responsible to nominate and elect the Members of different committees.

Once defined, roles and responsibilities for committees need to be documented in the new Rules and Procedure. Sufficient levels of authority must be delegated to committees to enable them to make a meaningful contribution.

IIASA needs to consider an alternative governance structure – alternative models range from incremental, modest changes to more substantial reforms. The Panel does, however, believe that more substantial changes may be appropriate, but offers two suggestions below (one incremental and one more substantial).

INCREMENTAL CHANGE SCENARIO

One modest change would be to reduce the Council meetings to one per year (as mandated in the Charter) and to empower the elected Executive Committee (ExCo) to make decisions between Council meetings.

The ExCo should be chaired by the Council Chair, and consist of no more than eight members elected by the Council to the Committee.

The Council should have an Annual Meeting Agenda as with a normal Annual Meeting of this kind of nonprofit association, and a special meeting of the full Council can be called at any time. The ExCo is responsible for setting the Agenda for the Annual Meeting.

Under this scenario, the ExCo would be required to meet more frequently (on various platforms) and play a far more active role, and committees will need to take responsibility for ensuring that they fulfill their mandates between meetings.

SUBSTANTIAL CHANGE SCENARIO

A more substantive change is to regard NMOs as constituting an Assembly, and delegate the decision-making power to a Governing Council, which includes the Executive Committee and the committees.

The Assembly would

- meet once a year for an annual general meeting (with an agenda set by ExCo);
- meet every second year for an annual meeting combined with a Member’s Conference; and
- elect a governing council every three years.

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5 Including the financial Report, Activity Report from last year, Activity Plan for coming year, some presentations of strategic progress (e.g. some programs or cross-cuts), decisions which are not in the mandate of the ExCo, and all those issues which the Charter describes for the Council.
In this scenario, the Member’s Conference would take a leading role in giving scientific and technical advice to the Executive Committee and the Directorate. Besides strategic decisions, the agenda for the Conference could also include creative discussions of the offerings to NMOs.

R6B.3 The Council had its own secretariat in the past and the Panel recommends that this practice be revived in the form of an executive assistant to provide appropriate support for the Council and Executive Committee. The following would be important roles for the executive assistant:

- Ensure timely, relevant information provision and flow between Council and IIASA, as well as between Council Executive and Council Members.
- Assist the Council Chair to prepare the Agenda for meetings, in consultation with Council members and the DG&CEO.
- Preparation of documents to support decision making (in accordance with the relevant strategic documents). Rather than being drowned in information, Council needs to be provided with informed options.
- Follow-up on actions requested by Council members between meetings.
- Support the committee chairs in following up on action between meetings and preparing reports for their Council presentations.

The executive assistant should be physically situated within IIASA, but they do not report to the Director. Their contract is issued by the Council Chair and can only be terminated by a Council ExCo majority vote. Reinstituting this role will ensure that the Council meetings focus on setting strategic directions and that time invested on administrative issues is minimized.

R6B.4 The Council needs expert guidance on the legality of actions at the time of its meetings, and on due process (related to the need for rules of procedure). For example, the IIASA General Counsel could review the agenda of Council meetings to identify legal questions in advance and could attend Council meetings to provide advice where required. As a case in point, we note that the Council had to seek retrospect legal advice on the question of the reappointment of the DG&CEO in November 2016 and that this should have been anticipated.

R6B.5 In addition to any structural changes that are instituted, there is a need to pay attention to the following:

- Procedures and general rules of good governance that ensure accountability on all levels through an intact system of checks and balances within IIASA’s governance. This should include clear procedures for the conduct of Council gatherings and Committee meetings.
- Mechanisms to ensure transparent decision-making processes during and between Council meetings. This includes requiring timely access to relevant information for all council members.

IIASA ORGANISATIONAL STRUCTURE

R6C.1 Transparency and trust are cornerstones in a specialist organization like IIASA, and it will be important to rebuild these. If managed correctly, the institutional renewal process is a key opportunity to build trust and ensure transparency. The task force recommended in Key Finding and Recommendation Six is an important vehicle to do so.

R6C.2 The growth in scale of IIASA necessitates the redefinition of the Deputy DG position into one with specific responsibilities in the management of IIASA more in line with that of a Chief Operating Officer (COO) position. The COO would represent the DG&CEO internally, spending substantial time as shepherd of internal matters, including the staffing, funding, and other issues that cut across the entire Institute.

The Panel recommends IIASA consider a model whereby the DG&CEO is supported by two Deputy Directors – a COO (whose responsibilities include Finances, HR, Governance, Administration and Infrastructure), and a Science Director (who could fill the leadership gap related to coordination across science programs). This would reflect an executive structure that is aligned with the essential structure of the organization, comprising a focus on science and support. A third directorship (although not immediately pressing as is the case with the other two roles) could focus on communications and stakeholder (including membership) engagement.
There should be clear job descriptions for each Member of the Directorate, linked to clear definitions for decision-making power and responsibilities.

The CEO should report to the Executive Committee of the Council with an ex-officio seat on the Committee. The COO would have an ex-officio position on the Finance Committee, and other Deputy Directors an ex-officio seat on the appropriate committees. All ex-officio seats will be non-voting.

R6C.3 There is also a need for a reconstituted and empowered management board. Members of the Management Board should include the Directorate and the persons who oversee the Finance, Infrastructure and HR. Each member of the Management Board should have their own job description, including the right to make decisions within their scope of activity and to approve payments accordingly. All persons holding positions within the Directorate and the Management Board should hold the appropriate qualifications and have the requisite experience to assume full responsibility for decision making and accountability.

The views and contributions of staff are channeled to the Management Board through their respective committees which are already in place. Committee Chairpersons can be invited to participate in Management Board meetings as relevant.

It should be noted here that the Governance Report (conducted by the NRF) also identified the clear need to distribute and delegate decision-making and authority more evenly throughout the Institute, and proposed the constitution of a Management Board. There are, however, differences between the Panel’s recommendations and the Governance Report with regards to the level of the Deputy DG(s).

It remains IIASA’s prerogative to implement the reconstituted management structure as deemed best for the organization. However, based on the recommendations above, a possible structure is graphically depicted in the report.

R6C.4 For its size, IIASA should strive for a lean, but not hierarchical structure. Organizational reengineering processes should focus on designing a system which is not overburdened by processes, but which has proper quality assurance and compliance systems in place, including an internal audit function which would report to the COO.

IIASA would benefit greatly from an overhaul of its decision-making process, with more formal operational guidelines that empower and authorize support staff to make decisions at the appropriate level. Operational guidelines should also include the actions taken by management in the decision-making process, so that it is clear to all staff how decisions are being made at each level (this will also foster more transparency across the Institute).

In 2000 IIASA had a detailed administrative audit. IIASA may want to consider another similar audit, to assist in identifying governance and administrative deficiencies and to help formulate corrective actions, after evaluating the recommendations in this and the NRF reports.

R6C.5 The Panel recommends that if IIASA wants to continue along the path of increasing integration, the Institute should strongly consider a matrix structure for the management of its various research activities. This structure would be enabled by the appointment of a Science Director.

A matrix structure would remove the administrative line function responsibilities away from the Institute’s most senior-level researchers and enable greater flexibility between projects. The Panel developed a skeleton case study to explore the feasibility of a matrix approach. There are many ways to configure a matrix structure, and the illustrative example in the report is only a single approach. The Panel offers this example to demonstrate ways in which the implementation of such a structure could help to address some of IIASA’s current challenges.