

EXECUTIVE COMMITTEE

THIRD REGULAR MEETING

San Jose, Costa Rica
4–12 August, 1983

Kingston, Jamaica
19–21 October 1983



IAS

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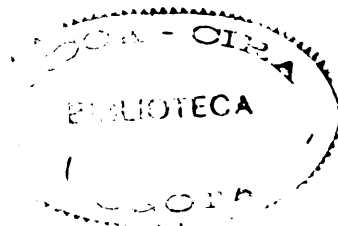


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EXECUTIVE COMMITTEE

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PROCEEDINGS OF THE THIRD REGULAR MEETING OF THE EXECUTIVE COMMITTEE
OF THE INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE

San Jose, Costa Rica
August 4-12, 1983

Kingston, Jamaica
October 19-22, 1983

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IICA/CE/Acta3(III-0/83)
12 August 1983
Original: Spanish

**PROCEEDINGS OF THE THIRD REGULAR MEETING OF THE EXECUTIVE COMMITTEE OF
THE INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE**

Section One
San Jose, Costa Rica
August 4-12, 1983

The Third Regular Meeting of the Executive Committee of the Inter-American Institute for Cooperation on Agriculture (IICA) was held in compliance with the stipulations of the Rules of Procedure of the Executive Committee and by agreement of the Second Special Meeting of the Inter-American Board of Agriculture, which met in October, 1982 in San Jose, Costa Rica.

I. PARTICIPANTS

In accordance with Chapter II of the Rules of Procedure of the Executive Committee, "Participants," the following Delegates from Observers participated in the meeting:

Delegates

Carlos García Suárez, Bolivia (Regular)
Mario Assis Menezes, Brasil (Regular)
Percy Abols, Canada (Regular)
Victor Jarjour, Canada (Alternate)
José Ernesto Soto Gómez, El Salvador (Regular)
Denis Noel, Grenada (Regular)

Oscar González Hernández, Guatemala (Regular)
 Sergio Mollinedo, Guatemala (Alternate)
 Roberto Villeda Toledo, Honduras (Regular)
 Raúl Torres, Paraguay (Regular)
 Mirta de Barbot, Uruguay (Regular)
 Nelson Tineo Valladares, Venezuela (Regular)
 Noel García, Venezuela (Alternate)

Observers

Carlos Borda Mendoza, Colombia
 Cristina Rojas Rodríguez, Costa Rica
 Eugenio Morales Matamoros, Costa Rica
 Ricardo Ortiz Vidal, Chile
 Isidoro Rodríguez, Dominican Republic
 Isis de la Mota, Dominican Republic
 Julio César Castillo, Nicaragua
 Teresa Lugo Smith, Nicaragua
 Bayardo Serrano, Nicaragua
 Carlos Salcedo, Panama
 Hedley M. Romy, Suriname
 Robert Scherle, United States
 Chester Benjamin, United States
 Donald E. J. Steward, United States

Permanent Observers Countries

Dietrich Schellert, Germany
 Dong Ryun Shin, Korea
 Theodoros P. M. Wit, Netherlands

Observers Inter-American System

OAS

Fernando Bravo

PARO

Pedro Acha

IACW

Isolda Heredia de Salvatierra
 Rosa Grefias Morales
 Margarita de Macaya

Other ObserversCATIE

Gilberto Pérez Bogarín

IICA Personnel included: the Director General, the Deputy Director General, the Assistant Deputy Directors General for Operations, Program Development and External Affairs, the Director of the Cabinet, the Director and Representative in the United States and Canada, the Director of Animal Health, the Director of Public Information and Institutional Support, Advisers to the Director General and other Institute officers.

II. INAUGURAL SESSION

The Inaugural Session began at 10:00 on Thursday, August 4, 1983, in the United States of America Room in the Central Offices of IICA in San Isidro de Coronado, in the Providence of San Jose, Costa Rica.

The Regular Delegate from Uruguay presided over the Inaugural Ceremony which began with a rendition of the National Anthem of Costa Rica. The Director General of IICA then took the floor and gave a warm welcome to the participants and special guests in the Meeting. Ms. Cristina Rojas then spoke on behalf of the President and the Minister of Agriculture and Livestock of Costa Rica. She expressed her country's pride in hosting such a distinguished assemblage, and offered all available facilities. She expressed her wishes for successful deliberations.

The Chair of the Second Regular Meeting of the Executive Committee, the Regular Delegate from Uruguay, Ms. Mirta de Barbot, then officially called the Third Regular Meeting of the Executive Committee to order, she expressed her pleasure in having the privilege of working with such highly qualified Delegates. She extended her wishes for a successful meeting.

The texts of the messages given in the Inaugural Session are included as attachments to the Report of the Meeting.

III. PREPARATORY SESSION

The Preparatory Session was chaired by the Delegate from Uruguay, Ms. Mirta de Barbot. She explained that the session had been convened to address the points outlined in Article 47 of the Rules of Procedure of the Executive Committee. The agreements reached in this session would be submitted for approval by the Committee in its First Plenary Session, programmed for the same day. In accordance with the session agenda, the first order of business was the election of the Chair and Rapporteur of the Meeting. Article 35 and 39 of the Rules of Procedure required that the Chair and Rapporteur be elected by majority vote of the Representatives of the Member States.

The Delegate from Venezuela nominated the Delegate from Canada to chair the Meeting. The Delegate from Bolivia seconded the nomination, and the Delegate from Canada was duly elected to the Chair. The Delegate from Brazil nominated the Delegate from Guatemala as Rapporteur, and the motion was carried unanimously.

The new Chairperson immediately submitted to the Committee the provisional Agenda for the Meeting, which had been drawn up on the basis of the Second Regular Meeting of the Inter-American Board of Agriculture, matters pending from the First Regular Meeting of the Board, and Article 27 of the Rules of Procedure of the Executive Committee. The Director General requested the floor to explain the contents of the Agenda before the Committee began its deliberations. He said that from the moment that the new Convention on the Inter-American Institute for Cooperation on Agriculture had been ratified, a new stage in the institutional life of IICA began. From that time on, the Executive Committee had played an important role in agricultural cooperation, acting in the name of the Board between Regular Meetings and adopting decisions in matters not of the exclusive competence of the Board.

Up to the present, the Executive Committee had held three meetings. The First Regular Meeting took place in San Jose, Costa Rica from June 9-12, 1981, in accordance with agreements reached at the First Special Meeting of the Inter-American Board of Agriculture, held in San Jose from February 17-19, 1981. The Second Regular Meeting of the Executive Committee was convened in accordance with its Rules of Procedure and agreements reached at the First Regular Meeting of the Inter-American Board of Agriculture held in Buenos Aires, Argentina, in August of 1981. This Second Regular Meeting took place in San Jose and was divided into two sections; the first was from September 12-17, 1982, and the second was from October 25-26 of the same year. The Third Regular Meeting of the Executive Committee was an important one because the agenda included matters critical to successful Institute operation in compliance with the mandates of the Member States.

Dr. Morillo presented the items that were to be analyzed by the Committee. He grouped the items by topic, as follows:

1. Items that the Committee should resolve and present to the Board:
 - a. The inclusion of the Commonwealth of Dominica and Saint Lucia on the Executive Committee. He pointed out that the inclusion of two new countries as Member States would necessitate modifying the membership and rotation of the countries in Group IV of the Executive Committee according to the pertinent JIA Resolution.
 - b. Proposed IICA Staff Regulations. Dr. Morillo emphasized that the major resource of the Institution was its personnel. When the new Rules of Procedure of the General Directorate were approved by the JIA, it became necessary to modify the "Personnel Administration Manual" that since 1978 had provided the policies and regulations on IICA's International

Professional, National Professional and General Services Personnel. The objective of the proposed document was to establish norms for the operation of the General Directorate. The document would not modify the mandates received from the Inter-American Board of Agriculture, but instead complemented them.

- c. Proposed IICA Financial Regulations. Board approval of the new Rules of Procedure of the General Directorate had also necessitated modification of the "Finance and Resource Administration Manual" that had until now guided the General Directorate's activities in this area. The proposed Regulations established procedural norms relating to budget, finances, auditing and accounting. It would expand and complement the Rules of Procedure of the General Directorate, and incorporate the resolutions of the Second Special Meeting of the Board. When approved, these regulations would guide the financial operations of the General Directorate, improving IICA's capacity to serve the Inter-American community by functioning in a more efficient framework.
- d. Progress Report: System for the Determination of Salaries for IICA's Personnel. One of the modifications proposed by the Director General covered Article 6(b) of the Rules of Procedure of the General Directorate. The purpose was to facilitate the determination of remuneration and benefits for all personnel of the Institute. Remuneration and all benefits were now being studied in conformance with the budgetary mandate of the Board.
- e. Progress Report: Report about the Administrative Dispositions for the Classification of IICA's Personnel. A proposal was being made to modify Article 30 and add a new Article 12 to the Rules of Procedure of the General Directorate. The objective was to clarify the difference between the classification of positions and responsibilities and classification of IICA personnel. In order to complete the process of changes Regulations being proposed, and comply with the mandate implicit in the Rules of Procedure of the General Directorate, the Institute's classification standards would be revised and the resulting proposal would later be presented to the Executive Committee for consideration.

2. Reports, studies or items agreed upon or requested by the Board in previous meetings:

- a. Report from the Director General on Progress made in implementing the Resolutions of the Second Special Meeting of the Inter-American Board of Agriculture. This document reported the progress made to date on implementing the Resolutions of the Second Special Meeting of the Board, and included a copy of the

contract signed February 21, 1983 between the Government of Costa Rica and IICA concerning the Tropical Agriculture Research and Training Center (CATIE). This new contract assured the continued functioning of CATIE for the next 20 years. The contract was approved on the third debate of the Costa Rican Legislative Assembly on May 26, 1983, and was ratified by the executive branch on June 17. Notice of the Agreement was published in the official register "La Gaceta" on July 5, as prescribed by Law No. 6859. To date, Panama, Nicaragua and Guatemala had officially expressed their desire to participate as Regular Member of CATIE. The progress made on three other resolutions from previous meetings was also included in the report.

- b. Report from the Director General on Renegotiation of Basic Agreements with the Member States. With the ratification by the Member States of the new IICA Convention on December 8, 1980, significant structural changes were introduced. In accordance with Article 38 of the Convention all privileges and immunities granted to the former Inter-American Institute of Agricultural Sciences were transferred to the new Inter-American Institute for Cooperation on Agriculture. However, the new structure and legal status of the Institute made it necessary to negotiate new agreements with the Member States.
- c. Report from the Director General on a Study of the Possibility of Transferring the Pan American Foot and Mouth Disease Center from the Pan American Health Organization (PAHO) to the Inter-American Institute for Cooperation on Agriculture (IICA). In accordance with Resolution 21 of the Second Special Meeting of the Board, the General Directorate of IICA and the Pan American Health Organization appointed work groups to produce the report, analyzing in detail the background and present status of the Pan American Foot and Mouth Disease Center. The study also included a comparative analysis of certain administrative aspects of PAHO and IICA, and presented the advantages and disadvantages of other options to be considered by the Committee, for the final location of the center.
- d. Proposed Criteria for Establishing New IICA Programs. In accordance with Resolution 26 of the Second Special Meeting of the Board, the document submitted to the Committee contained proposed criteria for determining priorities for new IICA program proposals. A draft Resolution was attached to the document.
- e. Report from the Director General on Regulations Covering the Level and Use of Overhead. Because extra-quota projects made up a large portion of the total budget, the policies regulating the level and use of overhead were of great importance. The existing norms had been studied, and the criteria necessary for

determining the portion of overhead that IICA should charge to cover indirect administrative and technical costs were analyzed. The most appropriate method of distributing these funds was also considered. Standards for determining the charge of indirect administrative and technical costs were attached to the document.

- f. Report from the Director General on the establishment of a Reporting System of IICA Extra-Quota Resource Projects. In accordance with Resolution 34 of the Second Special Meeting of the Board, the Director General submitted the required information in tabular form to the Committee, including all variables stipulated in the Resolution. Information concerning agreements and contracts being negotiated in 1983 was not included in the report, as it would be incorporated into the Report on Contracts in Excess of US\$250 000.
- g. Progress Report on the Implementation of the Medium-Term Plan 1983-1987. During the period November 1982 to May 1983. In accordance with Resolution 14 of the Second Special Meeting of the Board, a progress report corresponding to the period from October 28, 1982 to May 31, 1983 was presented to the Board. It focused on activities undertaken to initiate the institutional actions established in the Plan, which included guidelines for technical action, administrative action, external affairs, and personnel.

3. Reports from the Director General on Institute Activities in Financial Status:

- a. 1982 Annual Report. In accordance with Article 20 (d) of the IICA Convention, the annual report on the activities and financial status of the institution for 1982 was being presented. The report contained 17 chapters which included: status and trends of agriculture in Latin America and the Caribbean; the new orientations of IICA; institutional relations activities undertaken by the Institute in 1983, arranged under the ten programs approved by the Board; the Simon Bolivar Fund; special program and projects; and a summary of financial statements. It could be seen from the report that the Institute had not been lax in its support of agricultural development and rural wellbeing in its Member States.
- b. Simon Bolivar Fund. In accordance with Article 23 of the Rules of Procedure for the Simon Bolivar Fund, a report of Fund activities undertaken during 1982 was submitted to the Committee. For each project, the report presented a short summary of the problem being addressed, the objectives and progress, and the most important accomplishments of projects terminated in 1982.

- c. Report of Quota Collection. As of December 31, 1982, 15 countries were behind in paying their quotas (including Cuba), some of which had accumulated nonpayment over several years. During the first six months of 1982, US\$7 954 456.00 was collected. Included in the document as an appendix was the "Quota Status of Member States" as of June, 1983.
- d. Financial Report and Report of the External Auditors. These reports were submitted to the Committee using a format approved by the Board of Directors of the Inter-American Institute of Agricultural Sciences in 1973 and later ratified by the JIA in accordance with Resolution 7 of its First Special Meeting, in February of 1981. The document included a general analysis of fiscal years 1982 and 1983, and information concerning the execution of the budget during the first part of fiscal year 1983. One section was devoted to extra quota funds and included a summary of funds received to cover the costs of technical supervision and institutional support. The financial resources managed by IICA had come from three different sources: quota paid by the Member States, special funds (Simon Bolivar Fund) and trust funds (contracts, conventions and specific agreements). Compared to fiscal year 1981, 1982 showed a 29.8 percent growth in available resources. The largest growth corresponded to trust funds, which showed a 61 percent increase over the previous year. The present Administration had to meet inherited obligations amounting to US\$3 000 000, which seriously threatened the Institution's liquidity, but the financial policies of the Administration had succeeded in eliminating the debts without diminishing the pace of cooperation services to the Member States during 1982.
- e. Report from the Director General on Extra-Quota Contracts in Excess of US\$250 000. In accordance with Article 3 of the Rules of Procedure of the Executive Committee, the report concerned extra-quota contracts with national and international organizations, covering Institute personnel, services and administrative costs, in the contracts in excess of US\$250 000. Details were presented on sixteen contracts signed between January 1, 1982 and April 15, 1983. The document also included a list of 15 projects under negotiation that could eventually formalize into contracts greater than US\$250 000.

4. 1984-1985 Draft Program-Budget

The Draft Program-Budget for 1984 and 1985 was to be submitted to the Committee. The document had been prepared in accordance with the order and structure established in Chapter IV of the Rules of Procedure for the General Directorate and the agreement on project and resources established by the Board in previous meeting.

The technical cooperation projects included in the Proposed Program-Budget had been structured through the process of reaching agreement on priorities with each of the Member States. The quota Program-Budget was to contain two parts: the first was for fiscal year 1984, for US\$19 875 019, and for fiscal year 1985 for US\$21 465 040 or an increase of eight percent over the previous year. This increase would cover only the rise in costs due to inflation in the Member States, and corresponded to increases approved in previous years. The second part contained a sum of US\$1 017 500 for 1984 and US\$1 210 400 for 1985, in response to recommendations made by the countries in the Eighth Inter-American Conference on Agriculture, held in Santiago, Chile, in 1981, and resolutions of the Board. The resources would be allocated to four special projects in fields identified as high priority.

5. Proposals of the Director General

- a. Proposals by the Director General for modifying the Rules of Procedure of the Inter-American Board of Agriculture, the Executive Committee and the General Directorate. When the Rules of Procedure went into effect, it had become evident that there were errors of style and in some cases of substance, that needed to be corrected. In its Second Special Meeting, October, 1982, the JIA, through Resolution 18, had instructed the Director General to review the Rules of Procedure and propose modifications of style and substance. Included as an appendix was a list of proposed changes. In order to facilitate understanding of the proposed changes, the document also included the corresponding sections as approved by the Board.
- b. Hemispheric Food Security Project. The objective of this hemisphere-wide project was to collaborate with the Member States in designing and executing national food security projects, deriving benefits from Inter-American cooperation. The project would allow for a diagnosis of the problem of food insecurity, an analysis of policy alternatives, the identification of projects and the establishment of an institutional basis, as necessary for devising an operating strategy that would reduce this insecurity. The two-year project would have both a hemispheric and national component, the latter a result of concurrence with the countries.
- c. Multinational Project for Cooperation in Agroenergy. The JIA, in its Second Special Meeting, had resolved that IICA should initiate a multinational projects for the cooperation in agroenergy, starting in 1983. The project would lay the groundwork for the eventual organization of a program in this area. IICA and OLADE had signed an agreement to support the development of programs and projects in the field of agroenergy. The general objective of the document was to cooperate with the Member States of IICA and OLADE to develop systems and alternative sources of energy of agricultural of

forest origin. These system would contribute to alleviating the energy crisis, and must be readily available, low in cost, and simple to operate. They would complement food production or have very minimal negative effects. The planned activities for 1983-1984 and 1985 would include seminars concerning bioenergy topics, in-service training and short courses, development of instructional manuals and genetic information and documentation in this field.

- d. Hemispheric Numerical Information System for Agricultural Development. Recommendation No.1 of the Eighth Inter-American Conference on Agriculture had urged IICA to set up systematic retrieval of information for evaluating the status of the agricultural sector and diagnosing it. This would also be useful for reinforcing the analytical capabilities of the Inter-American System.. With this project, IICA would developed a system for the retrieval, management, analysis, and dissemination of agricultural information in Latin America and the Caribbean. The data would be an aid for the diagnosis, formulation and evaluation of national and regional policies and projects.
- e. Hemispheric Agricultural Credit and Insurance Project. Agriculture Credit and Insurance had proven to be a necessary component of the rural development strategy. IICA had now built up the technical capability for supporting banks and insurance institutes with agricultural portfolios, in managing their programs, so they could compete in the credit and insurance market. The objective of the project was to provide conceptual and methodological, guidance in the field of agricultural credit and insurance, and support the countries in designing and carrying out national projects in this field. The institutions benefiting directly from the project would be banks and insurance institutes with agricultural portfolios. The project would initially be managed by a central group supporting the countries in the design and implementation of projects for diagnosing general financing and risk problems in agriculture, and for designing and managing credit and insurance programs. The project would have a total cost of US\$250 000 in 1984 and US\$250 262 in 1985.

The following documents had been prepared in compliance with regulations, and would be discussed at the proper time: Regulations on the Pension of Former Director General of IICA, Mr. Armando Samper Date and Place of the Fourth Regular Meeting of the Executive Committee; Provisional Agenda of the Second Regular Meeting of the Inter-American Board of Agriculture (Kingston, Jamaica, October 24-28, 1983); Provisional Schedule of the Second Regular Meeting of the Inter-American Board of Agriculture (Kingston, Jamaica, October 24-28, 1983); and Topic for the Round Table Discussion of the Second Regular Meeting of the Inter-American Board of Agriculture: The Status of Agriculture and Rural Development in Latin America and the Caribbean.

Upon completing his presentation, the Director General suggested that, in view of the workload and the complex nature of the material to be discussed by the Executive Committee, perhaps discussion could begin with the documents on the Rules of Procedure and regulations, and the inclusion of the Commonwealth of Dominica and Saint Lucia. The report on the Pan American Foot and Mouth Center could then be discussed, taking precedence over the other reports, in response to a request by the Observer from the Pan American Health Office. Then the IICA status reports could be introduced, and would provide a basis for the following item, decisions on the Program-Budget. Decisions on the proposed agenda and working schedule for the Inter-American Board of Agriculture, and on the Round Table, would be left for last.

The Technical Secretary read the agenda in the order suggested by the Director General.

The Delegate from Brazil proposed that one more item be included on the provisional agenda, regarding the amount of quotas, by comparison with the 1983 Budget. He requested that this topic precede Item 12 on the original Agenda, followed by the Report on Quota Collection, Financial Report and Report of the External Auditors, and so forth.

The Director General reported that the matter had already been solved to satisfaction, and the levels to be charged would be those that appeared in the Quota Resolution approved in 1983.

The Delegate from Brazil asked whether there were a consensus on maintaining the amount as projected in the 1983 Quota Scale resolution.

Dr. Morillo explained that the matter had been satisfactorily solved through administrative means, and there would be no need to change the method of collecting Member State quotas. The balance would be charged in accordance with the Resolution approved by the Board.

The Technical Secretary explained that IICA would charge the countries the amount approved by the Board in the Resolution of the previous year.

The Delegate from Honduras stated that he saw no need to add the Brazilian proposal to the Agenda, as it was included in the document on Quota Collection.

The Delegate from Brazil stated that he agreed that there was no need to introduce a new item, but that the item on Quota Collection should include an explanation on charging 1983 quotas.

The Chair declared that the Brazilian motion had carried, and that the Agenda was approved in the new order.

Costa Rican television networks had meanwhile requested an interview, and the Chair therefore declared a break.

The next item for discussion was the membership of the Credentials Committee, to be appointed in accordance with Article 50 of the Rules of Procedure. The Chair proposed the following countries: Bolivia for the Andean Zone, Paraguay for the Southern Zone, Honduras for the Central Zone, and Barbados for the Caribbean. Barbados was not yet present, but was expected, and therefore the proposal was approved by the Preparatory.

The Style Committee was then established, in compliance with Article 51 of the Rules of Procedure. The Chair suggested the following members: El Salvador for Spanish, Canada for French, Grenada (soon to arrive), for English, and Brazil for Portuguese. The proposal was accepted.

Articles 52 of the Rules of Procedure stipulated that working committees were to be established and that topics, proposals and reports were to be assigned to them. The Chair suggested that, subject to ratification by the First Plenary Session, the working committees could be established as discussion developed on the items of the Meeting. This was approved by the Preparatory.

The next item was establishment of a deadline for the submission of proposals. It was agreed that Tuesday, August 9 at 18:00 would be the deadline, with the understanding that this did not cover any proposals produced by working committees.

In the discussion on the approximate duration of the Meeting, the Director General of IICA proposed that the Committee hold a second section of the Meeting in Jamaica just prior to the Meeting of the Board. The first section could continue through until Saturday, August 13, in view of the high number of items under consideration.

The Chair explained that other alternatives were available, in addition to those proposed by Dr. Morillo. Following a lengthy discussion with participation by the Delegates from Guatemala, Bolivia, Honduras and El Salvador, it was agreed that the first section of the Committee Meeting would end on Friday, August 12, in accordance with the previously established program schedule. The Meeting would be continued in a second action, to be held in Jamaica prior to the Meeting of the Board.

The order of precedence was established by the drawing of lots, as follows:

Paraguay
 Venezuela
 Trinidad & Tobago
 Grenada
 Barbados
 Brazil
 El Salvador
 Uruguay
 Bolivia
 Honduras
 Guatemala

Canada would occupy the first position by election.

The Director General of IICA then invited participation from the floor for the discussion of Other Business.

The Alternate Delegate from Canada spoke on behalf of the Head of his Delegation and expressed gratitude for the distinction conferred upon his country in its election to chair the Third Regular Meeting of the Committee. The preparatory section was adjourned at 13:15.

IV. FIRST PLENARY SESSION

Approval of the Agreements Reached in the Preparatory Session.

The Provisional Chairperson of the Third Regular Meeting of the Executive Committee called the First Plenary Session to order on August 4 at 15:00, and requested approval of the agreements reached during the Preparatory Session.

Election of the Chairperson and the Rapporteur.

The plenary unanimously agreed to approve Mr. Percy Abols, Head of the Canadian Delegation, to chair the Third Regular Meeting of the Executive Committee. The Chair suggested that he be designated by acclamation, and this was approved. Because Mr. Abols would not be joining the Meeting, until the following day, it fell to the Regular Delegate from Paraguay to preside, in accordance with the order of precedence. However, the Regular Delegate from Paraguay had not yet arrived, and therefore, the Chair would be temporarily occupied by Mr. Nelson Tineo, Regular Delegate from Venezuela.

The provisional Chairperson thanked the Committee for all the cooperation it had provided and asked Mr. Tineo to occupy the Chair.

Mr. Tineo thanked the Committee for the distinction he had received. He then stated that as Chairperson, he had the responsibility of approving the agreement of the Preparatory Session concerning the Rapporteur. He added that the Delegate from Guatemala, Mr. Oscar González, had been unanimously selected, and suggested that the proposal be approved by acclamation. The members of the Committee approved by acclamation the designation of the Regular Delegate from Guatemala as Rapporteur of the Meeting.

Mr. Oscar González spoke on behalf of his country and expressed gratitude for the honor of participating as an Officer of the Executive Committee. He offered to cooperate in the progress of the Meeting.

The Chair then noted that it had been agreed to approve the Agenda, Document IICA/Doc.56(83)rev.1, which had been distributed in the Room. The Chair reported that this was the same Agenda that had initially been distributed to the countries. The only change was the order of the items, and, at the suggestion of the Delegate from Brazil, the inclusion of "Quota Collection 1983," as a subitem of the Report on Quota Collection, Item Nine.

There was no discussion, and the Chair declared the Agenda approved. The Chair then reported that the Credentials Committee would be made up of the following countries: Bolivia, Paraguay, Honduras, and Barbados. This was approved by the Plenary. The Style Committee had been made up as follows: El Salvador for Spanish, Canada for French, Grenada for English and Brazil for Portuguese. This was approved.

It had been agreed to recommend to the Plenary that working committees be set up during the course of the discussions, as the business of the Meeting unfolded. This was approved by the Plenary.

The Chair then reported that the deadline for the submission of proposals or resolutions had been set for Tuesday, August 9, at 18:00 o'clock.

He added that this deadline would not be valid for any working committee that the Plenary may establish. There were no discussion, and the deadline was declared approved.

The next order of business was the duration of the Meeting. It had been agreed to adopt the Provisional Schedule distributed as IICA/CE/Doc.57(83)corr. The Chair also announced that it had been agreed to hold a second session of the Committee Meeting prior to the Meeting of the Inter-American Board of Agriculture, to discuss items pending from the present Meeting that might require additional analysis.

The Order of Precedence was approved as established by drawing of lots, as follows: Canada, Paraguay, Venezuela, Trinidad & Tobago, Grenada, Barbados, Brazil, El Salvador, Uruguay, Bolivia, Honduras, and Guatemala.

The Chair then asked whether the members of the Plenary had any further items to discuss under Other Business.

The Delegate from Guatemala proposed to the Committee that, prior to the discussion of the Proposed IICA Staff Regulations, the General Directorate give a report of the problems that had arisen with Institute staff. He also requested a position statement by the Staff Association, in order to provide additional criteria before discussion of the Proposal, so the Committee could decide whether it were a problem that should be examined by the Inter-American Board of Agriculture in Jamaica.

The Director General stated that it would be no problem for him to report to the Executive Committee on his actions as Director General in the areas of finances, administration, personnel, and relations with the countries, in compliance with his mandate. As for including a presentation to the Committee by the Staff Association, he stated that according to the Rules of Procedure, the Director General was the interlocutor for the Association, to the governing bodies of the Institute. For this reason, he was the channel for reporting to the Committee on issues related to the Association.

The Delegate from Guatemala reiterated the advisability of receiving a specific report before discussing the Proposed IICA Staff Regulations, as though this report, the Committee could learn the opinions of the Staff Association.

The Chair stated that the Director General would take care of presenting the report before introducing the Proposed IICA Staff Regulations.

This completed the discussion of Other Business, and the first item on the approved Agenda was introduced.

Item 1. Proposal by the Director General for modifying the Rules of Procedure of the Inter-American Board of Agriculture, the Executive Committee and the General Directorate.(Document IICA/CE/Doc.78(83)corr.)

The Director General began with an explanation of the document, stating that the Inter-American Board of Agriculture, in its First Regular Meeting, held in Buenos Aires, Argentina in August, 1981, had approved the Rules of Procedure of the Inter-American Board of Agriculture, the Executive Committee and the General Directorate. Once the Rules of Procedures had gone into effect, errors of style and translation were discovered, as well as inconsistencies of substance that needed to be corrected. For this reason, the Second Special Meeting of the Board, held in San Jose, Costa Rica from October 27 to 29, 1982, had approved Resolution IICA/JIA/Res.18(II-E/82), charging the Director to perform this task. The results were to be reported to the Executive Committee in its 1983 Regular Meeting. During the pertinent review of the Rules of Procedure, certain Articles were discovered that required simple modifications of substance or content. He explained that, in order to simplify understanding of the document, the left-hand column contained the articles in their original form, while the right-hand side showed the proposed modifications.

The Director General then requested the Legal Adviser to assist in presenting the modifications. Ms. Tirza Rivera, Legal Adviser to the General Directorate, stated that it would be difficult to follow the modifications in both English and Spanish, as some affected only one language or the other. She explained that the corrected text in Spanish followed the same system as that the English text, with indications of modifications made in only one language. The corrected text in Spanish had very few modifications. Changes proposed only in the English text were indicated as "English only" in the Spanish document, and vice versa.

The Legal Adviser then gave a detailed explanation to the members of the Committee of the system used for presenting the proposed modifications of style and of substance. She then requested the following corrections of Document and IICA/Doc.73(83)corr.:

Article 2.b, Modifications of Substance, Rules of Procedure of the Inter-American Board of Agriculture, page 11. The text would be modified as follows: "To designate and remove the external auditors, taking into consideration the proposals by auditing firms, which the Director General must obtain and submit every two years."

On page 32, Modifications of Substance of the Rules of Procedure of the General Directorate, the proposal for Article 6.a would be modified to read as follows: "To administer the financial resources of the Institute, and to obtain proposals from external auditing firms every two years, for submission to the Board."

In Modifications of Substance of the Rules of Procedure of the General Directorate, page 36, the following text for the last sentence of the proposal for Article 94 was proposed: "The Director General shall obtain proposals from external auditing firms every two years and submit them to the Board, so the Board may make the corresponding designations."

The Legal Adviser then gave an explanation of all the proposed modifications of substance indicated in the document that had been distributed. She expounded on the reasons and justifications for the suggested changes of each article.

The Chair thanked the Legal Adviser for her explanation.. Before opening the floor to discussion by the Delegates, he welcomed the Delegate from Grenada, who had joined the Meeting.

The Delegate from Brazil then took the floor to discuss Article 2.b of the Rules of Procedure of the Board. He suggested that the end of the Article read as follows: "through a competitive system performed in conjunction with the Member States."

The Observer from the United States discussed the proposed modifications of the Rules of Procedure of the General Directorate, especially those articles concerning the relationship between this document and the Proposed IICA Staff Regulations, which would perhaps be discussed in an Executive Committee meeting in Jamaica, prior to the meeting of the Board. Specifically, he mentioned Article 16, paragraph 6 of the Rules of Procedure of the Executive Committee, on page 14 of the first version of the document in English, indicating that he preferred the original English.

The Observer from the United States then mentioned Article 31 of the Rules of Procedure of the General Directorate, on page 23 of the revised document. For Directors of National Offices, he suggested that "shall be positions of trust" be replaced with "may be positions of trust;" he also suggested that "...these rules of procedure and the Staff regulations" be added at the end of Article 54 on page 24. He noted that he preferred the original text for Article 62. Finally, in Article 64, he suggested that the word "Quota" be replaced with "Assesment." In Article 82.d on page 27, he stated that he preferred the original, and made the same observation for Article 97.b on page 31 and Article 106 of Chapter VIII.

The Chair asked the Observer from the United States to prepare for the Legal Adviser a note containing his suggested changes of the English version, so that they could be compared with the original in Spanish, as many changes had been made only in the English version.

The Chair opened the Floor to discussion of the proposal made by the Delegate from Brazil, concerning the establishment of a competitive system for receiving proposals from external auditing firms. The proposal was approved by the Plenary. He then requested the Observer from the United States to repeat his ideas on changes concerning personnel.

The Observer from the United States expressed concern about the proposed new Articles. For example, the provisions of the new Article following Article 11 on page 32 were already contained in Article 30.

The Director General explained that, given the nature of the proposed changes in the Rules of Procedure of the General Directorate and implicit difficulties with present regulations, it was essential first to have a decision on these. It would then be possible to clarify the situation and prevent confusion as to whether or not duties, remuneration and responsibilities were set by the Board. This would also clear up the confusion between position and person and would make the staff regulations more meaningful. He explained that these clarifications were needed first, and that the proposed Staff Regulations and Financial Regulations needed to be seen in light of these changes. This would solve the problem in which Article 30 and Article 31 confused classification of position with personal classification. For these reasons, the amended document would now contain a new article, separating the two concepts. It could then be decided how people would be assigned to positions. He added that the Staff Regulations should be consistent with this article of the Rules of Procedure of the General Directorate, and that Staff Regulations could not be prepared on the basis of confused issues. This would hinder effective Human Resources management.

The Legal Adviser noted that although the two articles used similar wording in fact they dealt with two different matters. The new Article 11 bis covered classification of positions.

The Director General was responsible for classifying positions, according to the mandate of the Convention, and would also decide what positions and offices were necessary. In the hierarchical structure of the Institute, these classifications of positions were to be reviewed on a regular basis to adapt them to the interests and needs of the Institute. She explained that Article 30 involved personal classification, or the classifications of individuals, on the basis of Curriculum Vitae, experience, years of service, and quality of work. This personal classification was to be reviewed regularly. Thus, it was a question of two different classifications. The first was the classification of position, to be done by the Director General. It involved assigning responsibilities to each position and specifying the qualifications needed for occupying each one. The other was a classification of the individual on the basis of personal merit, past performance, experience, and academic background.

The Observer from the United States indicated that he had clearly understood the explanation given by the Legal Adviser. He suggested that the problem could be avoided in English by changing the word "These" to "Personal Classifications."

The Director General then responded to the use of the word "quota" in English, noting that the Convention on the Institute, in Article 23 of the English version, said, "The Member States shall contribute to the maintenance of the Institute through annual quotas established by the Board in accordance with the system for calculating quotas of the Organization of American States." For this reason, the same word had been used in the Rules of Procedure. It was also carried through in Chapter IV, Article 64 of the present version, which stated, "Quotas for the Regular Fund shall be annual and shall be paid each year." A modification of style was being requested in this Article, but the terms "Quotas" would be maintained, as used in the present Rules of Procedure and the Convention.

The Delegate from Brazil stated that he had a concrete motion to make concerning this Agenda Item and, if possible, Agenda Item 2. He expressed his concern as to whether the small number of countries participating in the discussion meant that most were in agreement with the proposals, or whether they had not had time to study the document. He noted that the documents had been sent late, and it had been very difficult to study all 29 items in such a short time. He added that the Agenda contained very important items that should be consulted with specific bodies. He explained that his motion was for this item to be discussed by a working group of the Committee. As for Item 2, he agreed that the subject be referred to the Committee meeting to be held prior to the meeting of the Board in October. He had been unable to prepare the document on Item 2, because there was so much to study. Specifically, he moved that Item 1 be examined by a working group made up of those countries interested in discussing it, and that Item 2 be referred to the October section of the Committee meeting.

The Chair expressed support for the motion by the Delegate from Brazil, and agreed that the documents had been received late.

The Director General showed great concern for the problems introduced by the Delegate from Brazil and the Chair, speaking as the Delegate from Venezuela, concerning delays in the receipt of documents sent to the Executive Committee for study. He assured them that the documents had been delivered to Washington, as was done every year, on the exact day specified by the Rules of Procedure, and he much regretted that they had not reached the countries in time to be studied. He stated that he would try to improve this system in the future, and requested the Delegates to suggest more expeditious means of sending the documents, especially in view of the limited amount of time still available before the Meeting of the Board.

The Delegate from Brazil requested the floor to state that he would appreciate the Director General's taking the initiative to change the system for sending documents. He also acknowledged the efforts made by the General Directorate to have the documents ready on time to be studied.

The Delegate from Honduras suggested that copies of the documents could be sent simultaneously to the Ambassadors to the OAS and to the Ministers of Agriculture in the countries. The Director General explained that this was the system presently used by IICA. Copies were also sent to the Directors of IICA Offices in the countries.

The Rapporteur indicated that the motion by the Delegate from Brazil, that a working group be set up to discuss the first item and that the second item be postponed until the second section of the Executive Committee Meeting, was still on the floor. He also suggested that this motion include items three and four, on reports for the determination of salaries and classification of personnel.

The Delegate from Brazil observed that if items three and four were to be included, item five could also be left for the Committee Meeting in Jamaica.

The Rapporteur seconded the Brazilian motion to set up a working group to discuss these differences in more depth and lay the groundwork for the subsequent discussion of other regulations. As for the dispatch of documents, he suggested that the period stipulated for sending the material be reviewed as delivery mechanisms in the countries themselves were often slow. A number of bureaucratic channels had to be followed before documents could be received. At the same time, he raised to the consideration of the Plenary the possible repercussions of lengthening the delivery period for the documents to 60 days. He agreed with the Brazilian suggestion of setting up a working group of all countries, whether members or observers on the Committee, that were interested in taking part.

The Chair stated that it would be difficult to set up the working group in view of the number of Delegates present. Most of the countries had only one Delegate, and a working group could not meet at the same time as the Plenary.

The Delegate from Brazil suggested that work be done at night.

The Chair again submitted the Brazilian motion on the working group to the floor, stressing that it be set up right away, and include the countries interested.

The Observer from the United States requested that when the working group were set up, the United States would like to be included as an Observer Country.

The Chair declared the establishment of the working group approved. It was only necessary to decide who would participate and what time it would meet.

The Technical Secretary stated that even if the working group were set up, it would be necessary for seven of the twelve Member Countries of the Executive Committee to remain in the Plenary. He explained that ten of the twelve countries were present, and that Canada, Brazil, Grenada, El Salvador and the United States had signed up for the working group. He noted that the alternative was still available for the working group to begin when the Plenary was adjourned, and work into the evening.

The Director General then made mention of the proposal that was on the floor to refer discussion of the Rules of Procedure, the regulations, and the

personnel systems to the second section of the Third Regular Meeting. He noted that this would facilitate the analysis of the documents by the countries. As for the Financial Regulations, the changes that had been made were not substantial, and the document was not long. Therefore, he recommended that it be analyzed during the first section. He requested permission to introduce the document to the Plenary.

The Chair reminded the Plenary that the Brazilian motion was still on the floor for setting up a working group and referring Items Two, Three, Four and Five of the Agenda to the second section of the Executive Committee Meeting, to be held in Jamaica. He requested approval of this motion. The Director General noted that Item Five would remain pending, following an introduction of the document, and the decision on delaying discussion until the Jamaica meeting could be made afterwards.

The Observer from the United States requested the floor and noted that the topics covered by the Financial Regulations and the Staff Regulations were very complex. He requested that the Proceedings reflect that the United States had received the documents in the period required by the Rules of Procedure, but even so, time had been insufficient to study the implications and all the items on the Agenda.

The Delegate from Canada expressed agreement with the Delegate from Brazil. He added that his Delegation had received the Financial Regulations on time, but had been unable to study them in depth. He noted that he had brought a Manual on Canadian Government Administration Departments, and that he would pass it along to the Secretariat as a model for IICA's Financial Regulations.

The Chair requested that the Delegation from Canada make copies of the Regulations available to the countries, so it would aid in the analysis of the document.

The Delegate from Canada stated that, although some of the chapters did not apply directly to IICA, others may prove useful, and requested that copies be made.

The Chair submitted to the consideration of the Plenary the motion that Items Two, Three, Four and Five be referred to the second section, noting that it would be possible to approve the postponement of these items to the Meeting in Jamaica, but that the Financial Regulations could be introduced immediately.

The Delegate from Honduras reminded the Plenary that the decision-making authority of the Executive Committee was clearly defined in the Rules of Procedure, and that these decisions should not be postponed. He noted that there were many items to be discussed, and that the presence of IICA staff members would be useful for clarifying many points.

The Technical Secretary stated that the point raised by the Delegate from Honduras had been extensively discussed in the General Directorate, and that

there were a number of alternatives that could be used for the Committee to complete its work on the 29-item Agenda. The first alternative would be to extend the duration of the Meeting. Another would be to set up working groups from the very beginning, as had been suggested by Brazil and Canada, to work specifically on certain documents. Another, as proposed by the United States, would be to work in Jamaica prior to the meeting of the Board. Another alternative also discussed was to set up a working group following the Meeting of the Committee. It would have 30 days to submit its report. A final alternative would be to hold a Special Board Meeting in 1984.

The Delegate from the United States noted that the two-day Committee Meeting in Jamaica would not be long enough for a study of the documents.

The Chair then adjourned the First Plenary Session.

V. SECOND PLENARY SESSION

The Second Plenary Session was called to order at 9:00 on Friday, August 5. The Chair stated that, as agreed, a working group would be set up to discuss Agenda Item 1. If the number of Delegates present so permitted, the group would meet during that day; otherwise, it would work in the evening. He reiterated that Items Two, Three and Four would be discussed in the second section of the Executive Committee Meeting, to be held in Jamaica.

Item 5. Proposed IICA Financial Regulations

The session began with the Item Five, Proposed IICA Financial Regulations. The Director General gave a brief explanation of the document and reported that it contained standards on budget, auditing, finances and accounting. Thus, it was an expansion of and supplement to the Rules of Procedure of the General Directorate. He added that the idea was for these Regulations to provide operating guidelines for the Director General, that would not require amendment of the Rules of Procedure of the General Directorate, approved by the Board. These Regulations, like other Regulations for the General Directorate and the resolutions of the Board, reinforced IICA's capabilities for providing services to the inter-American community. They established a more efficient framework for action. He noted in addition that this was an essential step for the subsequent preparation of a Financial and Accounting Manual, which would contain procedural details, specific terms of reference, and obligations to govern IICA's operations in this area. Thus, it would be possible to meet the requirements of Article 2.j, Chapter I of the Rules of Procedure of the Inter-American Board of Agriculture, and Article 3.g, Chapter I of the Rules of Procedure of the Executive Committee. He observed that the document open to discussion was a revised version, different from that which had been received by the countries. The key differences were in Chapter III, Auditing. Both the Rules of Procedure of the General Directorate, and the version of the document that had been mailed earlier, were extremely brief in their discussion of Internal Auditing, and it was deemed advisable to make the role of the Internal Auditor more explicit. The Chapter III included three types of audit: systematic audit, selective audit, and special audit. The system had been adapted to the proposed modification of the Rules of Procedure of the General Directorate on External Auditing, so that competitive bids would be obtained and the Board could make decisions on the designation and removal or replacement of auditing firms.

Mr. Fabio Villacís briefly summarized the major areas contained in the document, and proposed that the Regulations be reviewed article by article.

The Chair opened discussion on the proposal that the document be read article by article.

The Delegate from Uruguay and the Delegate from El Salvador agreed with the suggestion.

The Delegate from Canada made the Canadian Model for Financial Administration available to the Secretariat. He added that it was not necessary to analyze the document article by article.

The Director General requested the floor to clarify the nature of the document. He explained that manuals covering the different points would be prepared, in order to expand upon and specify general standards indicated in the Rules of Procedure. This would be comparable to the document presented by Canada.

The Delegate from Canada stated that the document being presented expressed financial philosophy, but omitted a number of items that had to do with administrative systems. In his opinion, these items should be presented in Jamaica.

Mr. Villacís took the floor to expand upon his earlier explanation of financial philosophy in the proposed Regulations. He stated that many of the items mentioned by the Delegate from Canada were included in summary form. He also added to his earlier explanation of the reorganization of IICA's administrative and accounting systems, noting that the Institute intended to modernize account management through computerized systems.

The Director General remarked that it was vitally important for IICA to have the Committee discuss the contents of the document, and to receive its comments and observations. Otherwise, the present situation would still exist when the October meeting began in Jamaica. The administration would have no observations from the Committee for making changes in the document. It was important to learn what instructions the Committee wanted to give.

The Delegate from Brazil stated that in no case was he in a position to make recommendations on the document, which required a very intense process of review. Therefore, Brazil moved that the document be referred to the second section of the Committee Meeting.

The Chair reminded the Delegates that so far, four documents had been deferred to the second section of the Committee Meeting. In that section, time might prove too short for an in-depth discussion.

The Delegate from Honduras moved that the Committee give the countries thirty days to send their comments on the Regulations in writing. That way, the General Directorate could prepare an analysis of the comments or observations sent by the countries, and the Executive Committee could have a clear position on the subjects at hand, at the October section of the Meeting.

The Delegate from Guatemala made specific reference to Article 1.2.5 of Chapter I of the document, on CATIE. He stated that his Delegation would like a clearer explanation of the presentation of the Center's Program-Budget, and noted the stipulations of the Contract signed between IICA and the Government of Costa Rica.

The Article should establish that, on request from the CATIE Council of Directors, IICA's biennial Program-Budget must specify financial contributions to the basic budget of the Center. These must not exceed five percent of IICA's total budget.

The Chair reminded the Plenary that three motions were on the floor: to continue discussing the document article by article; to refer the item to the Meeting in Jamaica; and the suggestion by the Delegate from Honduras that the countries commit themselves to send their observations in writing, in thirty days.

The Delegate from Bolivia seconded the motion by the Delegate from Honduras.

Nevertheless, he disagreed that there were three motions on the floor. It had already been decided to first receive an explanation by the General Directorate of the philosophy of the proposed Regulations, before deciding whether or not to refer them to the second section, in Jamaica.

The Chair reminded the Plenary that this had already been done, and that the document would be referred to the second session.

The Delegate from Brazil withdrew his motion and supported the motion of The Delegate from Honduras.

The Director General stated that he would be pleased to receive written comments, and he would try to incorporate into the document those observations which were clearly compatible with one another. He could prepare a revised version for the consideration of the Committee in Jamaica. He suggested that the reading of the document continue, and that observations continue to be made.

Mr. Fabio Villacís was again given the floor and proceeded with a detailed explanation of all the articles of the Proposed Financial Regulations. In completing his explanation, he noted that the glossary of terms was not identical in the two languages, for obvious reasons.

The Regular Delegate from Grenada, Mr. Denis Noel, expressed concern over having first received the Financial Report and the Report of the External Auditors without have studied in detail the proposed Financial Regulations. His delegation had noticed certain weaknesses in the present 1982 Financial Report, and he wanted to be certain that these flaws had been corrected in the proposal. In addition, he asked the Director General how he intended to deal with the problem of financial obligations, as the primary problem facing IICA's present administration was the three million dollar obligation already assumed, which reduced liquidity, interest payment on the debt, totalling US\$307 000, and the funds receivable from national and international institutions for specific projects, totalling 1.7 million dollars. The Delegate from Grenada wanted to know specifically whether the proposed Financial Regulations covered these issues.

The Director General explained that IICA's indebtedness was governed by specific resolutions of the Inter-American Board of Agriculture. For the year 1981, the Board had authorized the General Directorate to open a three million dollar line of credit with the Bank in which IICA conducted financial operations, to cover delays in quota receipts from the countries. This was the upper limit on possible indebtedness authorized by the Board, for this specific purpose.

When the present Administration had assumed the General Directorate of IICA, as had been reported at that time to the countries, the Institute was in a position of minimal liquidity. In response to the concern of the Delegate from Grenada, the Director General reported that a plan had been established for budget execution, and the presentation of a timetable for this execution was obligatory. This would make it possible to prepare a timetable for disbursements.

The JIA had recommended that the Member States inform the General Directorate at an early date of their own payment schedules. In addition, the General Directorate was making internal improvements to adapt execution and disbursement to fund receipts. The proposed accounting system established a commitment for payment and for a pertinent reserve. Since the time IICA finished paying the debt assumed in 1981, the Institute had incurred no further debt or interest payments. Rather, it had even been possible to place resources in interest earning investments to benefit the Institute.

The Delegate from Grenada reiterated his question as to whether the proposed Financial Regulations included provisions for financial obligations, especially when IICA advanced resources for initiating projects with national and international organizations.

The Director General stated that the year before, the JIA had declared that IICA must not use its own resources for advancing funds to initiate activities under agreements or contracts financed with extra-quota resources. The Institute would dedicate major efforts to ensure the receipt of monies advanced for projects funded with external resources, in order to prevent the use of regular funds for this purpose, thus complying with JIA Resolution 31. Article 2.2.1 of the document stipulated that external resources would be received and controlled by the Institute, which would carry out its activities and projects on the basis of reimbursements as part of a financial plan oriented toward enabling the Institute to receive fund advances charged to contracts and agreements.

When the Session was resumed, the Chair reminded the Plenary that there were still two motions on the floor. One was to examine the Financial Regulations article by article, and the other was for the countries to send IICA their observations in thirty days. He suggested that the motion by the Delegate from Honduras be accepted. In thirty days, the countries would send IICA their observations, and as much as possible, any country with comments to make would send copies to the other Member Countries on the Committee, so they could all examine the comments in advance. After the proposals had been received, IICA would not have time to send them back to the countries. Therefore, the revised document would have to be distributed to the Committee in the second section of the Meeting, to be held in Jamaica.

The Technical Secretary summarized the situation concerning the thirty-day period for sending comments on the proposed Financial Regulations, noting that the corrected document would be read only after the Delegates arrived in Jamaica. There would not be time to send it to the countries in advance.

The Delegate from Canada requested that the motion of the thirty day period be repeated. The Chair explained that the document would be examined by the countries, and that within a period of thirty days, observations could be sent to the Central Office of IICA. As much as possible, countries with comments would send them directly to the other countries on the Committee, with the understanding that the Committee would receive the revised version of the document, with observations by all countries, at the second section of the Meeting, in Jamaica.

The Delegate from Uruguay applauded the idea of exchanging opinions among the Member Countries of the Committee. This would make it possible for them to have an idea of the positions of the other countries before the meeting in Jamaica. The President declared the motion approved.

Special Item: ~~Signing of a Letter of Understanding between the Spanish Ministry of Foreign Affairs and the Inter-American Institute for Cooperation on Agriculture Concerning the Provision of Spanish Technical Personnel for IICA Projects~~

Before the Second Plenary Session recessed, at 10:30 AM a special session took place to sign this letter of Understanding. Present at the session were the participants of the Third Regular Meeting of the Executive Committee and the Ambassador of Spain, the Honorable Gonzalo Fernández de Córdova, accompanied by members of his diplomatic office.

The Director General of IICA initiated the ceremony with a brief address that referred to the great significance that the signing had for IICA and its Member States. He expressed IICA's appreciation for the continued cooperation of Spain, which in 1975 had become IICA's first Permanent Observer. The Spanish Ambassador to Costa Rica then stated that it was a great pleasure and honor for Spain to be a Permanent Observer of IICA, and as an eminently agrarian country, Spain would continue to cooperate energetically with the institutions and countries of the New World in the development of its agriculture and rural well-being.

The ceremony continued with the official signing of the document.

Item 6: Report from the Director General on a Study of the Possibility of Transferring the Pan American Foot and Mouth Disease Center from the Pan American Health Organization to the Inter-American Institute for Cooperation on Agriculture

The Director General introduced the item by explaining that in accordance with Resolution 21 of the Second Special Meeting of the Inter-American Board of Agriculture, the General Directorate had appointed a task force to prepare the document that was presented to the Committee, in cooperation with a similar group appointed by the Pan American Health Office. The document presented a detailed analysis of the Pan American Foot and Mouth Disease Center and examined the possibilities of transferring the Center from PAHO to IICA.

The Director of the Animal Health Program of IICA, Dr. Frank J. Mulhern, was asked to summarize the contents of the study.

Dr. Mulhern explained the history of the Center and its growing importance gained through the years. He stated that in 1978, the Directors of the Pan American Health Organization had requested that the international organizations directly related to agriculture come forward to take over the Center, and IICA had responded. Dr. Mulhern then asked that Dr. Hector Campos López be allowed to outline the principal points, since he had worked on the document on behalf of IICA.

Dr. Campos López explained how the document was divided into its different Chapters, and emphasized the information relating to the structure of the Center, and its earnings, expenses and personnel. He indicated that the document also contained a comparative analysis of the principal administrative aspects of PAHO and IICA.

With relation to the possible transfer of the center, he stated that four options would be studied. Option A was to transfer the Center as a Regular Institute Center. Option B would transfer it as a Specialized Center of IICA. Option C would transfer it into an Associated Center of IICA. Option D suggested that the Center remain in PAHO, with an agreement under which IICA would be permitted to participate in all policy strategy and program decisions of the Center. He explained the advantages and disadvantages of each option, and the conditions necessary to implement them.

Dr. Mulhern continued by requesting that Dr. Pedro Acha be allowed to speak on behalf of the Pan American Health Organization.

Dr. Acha greeted the Committee on behalf of the PAHO Director and Expressed his pleasure in participating in the discussion of the Center.

He stated that the matter had been taken up at the Twenty-first Pan American Health Conference, and that only the results of the discussion by IICA Directors were still being awaited. Dr. Acha indicated that his Organization had been pleased to participate in producing the document,

particularly because such an in-depth study was required for any Center to be transferred, created or terminated, and that the study must be reviewed by the governing bodies. He added that his Office had reviewed the report in detail, and was willing to arrive at a decision concerning the four options.

He observed that his Organization and the Center belonged to the United Nations System, which was especially important with relation to personnel. He concluded saying that whatever alternative was agreed upon, it was important that the Center continue serving the countries.

The Observer from Nicaragua intervened to say that the region presented optimum conditions for livestock development, with its high percentage of suitable land, and for developing other agricultural products and byproducts. She also observed that the region contained various well-defined climatological zones which would favor the promotion of subregional programs for improving the development and extension of advanced technologies in the area of livestock production, on the basis of the unique climatic and socio-economic conditions of the countries of each subregion. She stressed that facts had shown that scientific-technological objectives could not be attained through isolated efforts, but required actions beyond the technical and financial capabilities of the majority of the countries. Coordination should be the key to a subregional strategy based on strengthening national services, such as the implementation of programs appropriate to our geographic and sociopolitical conditions. It was of singular importance for the countries of the region to guard against the possibility of outside interests imposing actions in the area of health, that would block programs for collaboration and commercial cooperation among some countries. She reiterated the call for organizations of the region to cooperate closely in dealing with the problem of foot and mouth disease. In closing, the Observer from Nicaragua supported the fourth option, which would keep the Center in PAHO, under a special agreement for IICA to participate in the activities of the Center.

The Panamanian Observer stated the necessity to strengthen regional mechanisms that would protect and preserve the frontiers of exotic diseases that threatened the already weak activities of the agricultural sector.

In the past, the Republic of Panama had made substantial contributions to guarantee the presence of vesicular disease-free zones, and had sacrificed one third of its territory in the border zone between Darien and Colombia, in order to maintain a natural frontier. The country scrupulously controlled the advance of vesicular diseases into the Central American Isthmus and in the rest of the countries. In 1981, Panama had joined a regional effort supported by international organizations, to establish the Vesicular Disease Diagnostic Laboratory. To date, few countries had joined this effort, which would guarantee the operation of a laboratory in the area, and make infrastructure available to the countries.

The Delegate then turned to the alternative proposals in the document and expressed his support of option D. Nevertheless, he stated that his country's decision would be presented in writing, with supporting information

to the second section of the Executive Committee Meeting, to be held prior to the Board Meeting.

The Delegate from Uruguay stated that the topic was of special interest for her country, which had given high priority to foot and mouth disease control campaigns. Unfortunately, Uruguay was having problems with foot and mouth, and its exports were feeling the effects. Uruguay's position, stated in the Twenty-First Pan American Health Conference, which had been held in Washington in September, 1982, was for the Center to remain under the aegis of PAHO.

The solution which would cause the least disruption would be for the Pan American Foot and Mouth Disease Center to remain in PAHO, under a special agreement with IICA. This would permit IICA to participate in Center activities. She suggested that it would be more appropriate to cast IICA in the role of receiving technical support from the Center for animal health programs and activities of interest to IICA's member countries.

The Delegate from Brazil commented that his country had contributed to the Pan American Foot and Mouth Disease Center for 32 years, and would continue to support it. He added that he had taken note of the information in the document, including the national organizational efforts being sought in this area for Brazil, but had not made a judgement on the subject. There were still some questions about financing for the project, which were not clear. He did not understand how the resources would be transferred, and noted that the fourth alternative appeared to be the most favorable. It would also be consistent with a resolution approved by RIMSA III the past April, requesting an effort to plan activities regarding animal health in international organizations in the American within an integrated program for the region.

The Delegate from Grenada congratulated the authors of the paper and expressed his preference for the fourth alternative, as there were still a number of uncertainties, if the Center were transferred immediately. For example, there would be a need to guarantee that funds would also be transferred. He mentioned the fact that PAHO had 34 Member States, while IICA had 29. He suggested that a draft resolution be prepared for submission to the Board, supporting the fourth alternative.

The Observer from the United States also congratulated IICA and PAHO for the study and suggested that the Executive Committee support the fourth alternative. This would allow the Center to remain in PAHO under a special agreement with IICA.

The Delegate from Canada requested information concerning the time required to implement each of the four options and the relative cost of each.

The Chair welcomed the Regular Delegate from Canada, Mr. Percy Abols, elected Chairperson of the Meeting, who had just joined the Committee.

The Delegate from Honduras noted that for the Executive Committee to select or recommend an alternative at that time, would be a very hasty decision. He noted that the document reflected that in fact, there were only two viable alternatives--C and D--and added that alternatives A and B involved many difficulties in view of the advantages and disadvantages indicated in the text. He pointed out that the study should include an analysis of the financial implications of alternative C, so the Executive Committee could make a decision. He suggested that it would be a good idea to take a more in-depth look at the financial implications of alternative C and, on that basis, to make a decision in Jamaica. In case alternative C were not adopted, this would give the Institute time to make a decision for the JIA meeting, and at that time have ready some type of agreement, already discussed with PAHO, on alternative D. The Ministers or Representatives on the JIA could then make a decision. He expressed his support of the idea that the two most viable alternatives, C and D, should continue to undergo an in-depth study on the financial implications of alternative C and the type of agreement that could be reached if the Executive Committee and the JIA so decided in Jamaica.

The Delegate from Venezuela stated that, when he reviewed the document, he had immediately realized that alternative D was the most viable, although it appeared necessary to look more deeply into the advantages and disadvantages. He observed that this would be a good time for the Director General to give more information on the advantages and disadvantages, as well as on Brazilian support. He explained that in principle, his Delegation would support option D, and agreed with the proposal by the Delegate from Honduras that a more in-depth feasibility study be performed of the third and fourth alternatives. This would provide a firmer foundation for reaching agreement in the second section, to be held in Jamaica.

The Delegate from Guatemala commented that, having reviewed the document and studied the advantages and disadvantages of the four alternatives, he agreed with the statements made by the Delegates of other countries, on three principal points. The first was the transfer of the Center to IICA, which had a number of financial and legal implications in the area of labour. Another fundamental point was the Center's present coverage, in terms of countries. He added that he supported alternative D.

The Director General then spoke on behalf of the team that had worked on the document. He thanked the Delegates for their comments on the quality of the work and made special mention of the PAHO and IICA teams, which had been supported by Center staff and by personnel in Brazilian institutions. He then commented on the opinions expressed by the Delegates, noting that they reflected an in-depth analysis of the study, and the manifest interest of the member countries. He stressed that the most viable option, which would provide the best guarantee for the countries in terms of continuity and quality of Center services, would keep the Center inside the structural framework of the Pan American Health Office, but would provide closer ties with IICA. This would connect it to the agricultural sector in the countries and allow for more direct services to flow from the Center to national programs in the agricultural sector. The Center itself would grow and become stronger with the support of IICA's continent-wide and national-level programs. He added that it would be possible to establish reciprocal ties of support which, as a result, would improve the capability of PAHO, the Center and IICA to provide services to the countries. He explained that the overall direct financial implications of option C would include the transfer of Center operating funds totalling around six million dollars, in addition to US\$860 000 in central PAHO administrative costs.

As for the specific type of agreement, he reported that it was a question of negotiations and inter-institutional arrangements. Thus, it would be advisable for the Executive Committee itself to provide guidance on what type of terms could be used for reaching the final agreement, especially for defining the objectives and scope of cooperation. He suggested that the Committee prepare a draft resolution authorizing the Director General to initiate negotiations with the Pan American Health Office, and providing a frame of reference for objectives.

The Delegate from Honduras expressed that opinion that, although alternative D might be the most viable, he was hesitant because of the concern that different countries had expressed, on several occasions, about the transfer of the Center. Alternative C would also make it possible to transfer the Center to IICA as an Associated Center, and he suggested that a resolution be approved that would allow for both alternatives to be evaluated in October.

The Delegate from Bolivia expressed support for alternative D and recommended that the Meeting set up a subcommittee to define the scope or points of reference for negotiation with PAHO. However, he found that the observation or precaution of the Delegate from Honduras was also worth considering, and suggested that the members of the committee that had produced the study present a report before the conclusion of the Meeting. This report should answer the questions raised by the Delegate from Honduras.

The Observer from the Dominican Republic commented that in fact there was a consensus on the advisability of adopting alternatives C or D. Alternative C, even if selected for implementation, may encounter organizational problems which, in the beginning, could interfere with the normal pursuit of Center activities. He also suggested that the Committee give the Director General of IICA the authorization to set up a commission that would study the possible scope of an agreement between IICA and PAHO, and that this commission present the terms of reference to the meeting in Jamaica.

The Delegate from Grenada agreed with the suggestion of the Observer from the Dominican Republic, for authorizing the Director General to establish a commission that would prepare a draft IICA-PAHO agreement to be discussed in the Committee Meeting prior to the JIA Meeting in October.

The Delegate from Venezuela proposed that those members of the PAHO/IICA commission, who were present at the time, meet to prepare the evaluation requested by the Delegate from Honduras, by the following week.

The Delegate from Guatemala agreed with the proposal of supporting alternative D and of drafting the terms of reference for an agreement.

The Director General of IICA explained that the IICA team and the PAHO Observer were present in the room, and added that the IICA/PAHO Commission could be set up immediately. It could then present the Plenary with the evaluation requested by the Delegate from Bolivia. He pointed out that from September 19 through 23, the Inter-American Animal Health Commission would be meeting in Mexico City, and the statement issued by this Committee Meeting could be studied at that time and enhanced with COINSA observations. He also reported that negotiations for the signing of a broad agreement between IICA and the Pan American Health Office were well underway. The terms had been presented by the two Directors to the PAHO Executive Committee during its recent meeting in Washington.

The Chair of the Committee opened the proposal of the Director General to the discussion of the Plenary.

The Delegate from Guatemala agreed fully with the proposal of the Director General, and suggested that the Committee give him authorization, so that this Agenda item could be settled more quickly. This was approved by the Plenary.

The Chair adjourned the Second Plenary Session at 13:15.

VI. THIRD PLENARY SESSION

The Third Plenary Session began at 15:00 hours on Friday, August 5. The Regular Delegate of Canada, Mr. Percy Abols, who had joined the Meeting that morning, chaired the session.

The Delegate from Canada thanked the Executive Committee for electing him to chair the Third Regular Meeting.

Before addressing the Order of Business, the Chair welcomed Dr. Isolda Salvatierra, President of the Inter-American Commission of Women, and gave her the floor.

Intervention of IACW

Dr. Salvatierra expressed her gratitude for the opportunity to speak before the Committee, and stated her satisfaction that IICA had assigned a high priority to the problems of women's participation in rural development. She pointed out that the Integrated Rural Development Program of the Institution's Medium-Term Plan, included among its objectives the organization and training of women, and attention to rural women. She made reference to the Resolution approved by the Inter-American Board of Agriculture, to combine efforts with the Inter-American Commission of Women, to hold an Inter-American Seminar on Rural Women. This seminar would examine the social aspects of the status of women in rural areas, and their contribution to agricultural and rural development. She also requested the Institute's participation in holding a seminar to evaluate the progress and obstacles that had emerged in the Women's Decade.

The President thanked Dr. Salvatierra and proceeded to initiate the work of the session according to the Order of Business, with the Annual Report of IICA.

Item 7: Annual Report 1982

The Director General asked that Mr. André Ouellette be permitted to present the document to the Committee.

The Director of Public Information and Institutional Support indicated that the Annual Report was based on end of year reports prepared by the Program Directors, and the National Office Reports written by the National Directors. Similar documentation was used to write the chapters corresponding to the Simon Bolivar Fund (Chapter 14), special Programs and Projects (Chapter 15), and specialized Centers (CATIE, CIDIA, CEPI, Chapter 16).

He added that the report reflected the General Directorate's stress on analyzing the status and trends of Latin American agriculture (Chapter 1), and what the Institution considers as its framework for philosophy and operations in the present decade. This framework, prepared from a diagnosis formulated by a Group of Five Experts and presented to the Second Regular Meeting of the Executive Committee, in 1982, formed the conceptual foundations of IICA's view of agricultural production and development in the Member States, the status of the rural population and conflicts generated by land tenure, the organizational needs of producers and the granting of other services and infrastructure, such as credit, technology, marketing and material development, that contributed to human progress and that of the rural environment in the Americas.

Chapter 2 of the Annual Report gave a brief account of the new IICA since the ratification of the 1979 Convention, and outlined the implementation of the new organizational format of the present Administration. This chapter summarized IICA's new character in the Latin America context of the Americas. The Chapter gave an analytical description of the Medium-Term Plan, and described the essence of the background, objectives and philosophy of each of the ten programs now underway. A summary table of the 22 Resolutions agreed upon at the Second Special Meeting of the Inter-American Board of Agriculture, held in October of 1982, was included.

The Report described the status of IICA's external relations in Chapter 3. It specified the agreements and contracts signed with institutions of the Member States, with organizations of the Inter-American System, with regional and subregional organizations, with official entities of the United Nations Organization, and with the governments and institutions of IICA's Permanent Observer States.

The remaining chapters of the Annual Report (Chapters 4 to 13) presented the institutional activities performed in the framework of each of the ten official Programs. The description of activities by country would help the Member States identify the impact and orientation of Institute support during the Report period and would facilitate a more accurate picture of the national institutions benefiting from the efforts of IICA.

Chapter 14 constituted a progress report on the Simon Bolivar Fund. In addition to the project's background and objectives, the chapter included a review of Fund activities throughout 1982; its support activities for each IICA Program; and the type of activity undertaken in each country.

Chapter 15 of the Annual Report detailed the activities performed in 1982 for Special Programs and Projects. These included the Regional Council for Agricultural Cooperation (CORECA), the Regional Cooperative Program for the Protection and Modernization of Coffee Cultivation (PROMECAFE), the Training and Study Program on Agrarian Reform and Rural Development for the Central American Isthmus and the Dominican Republic (PRACA), the Multinational Projects in Planning and Management for Agricultural Development and Rural Well-Being (PROPLAN), the Cooperative Research Project on Agricultural Technology in Latin America (PROTAAL), the Inter-American Secretariat for Rural Youth, and the Agricultural Credit Insurance Project.

Similarly, Chapter 16 presented the activities undertaken by the three Specialized Centers of the Institute. These were the Tropical Agriculture Research and Training Center (CATIE), the Inter-American Agricultural Documentation and Information Center (CIDIA), and the Center for Investment Projects (CEPI).

The summary of the Institute's financial status (Chapter 17) detailed IICA's economic performance.

Finally, in order to offer the Member States up-to-date information concerning other important aspects of the Institution, the Annual Report included Appendices with summaries, by Program, project, activity and country developed by IICA's National Offices in 1982. This information included a directory of international, regular, temporary, associate and local personnel who worked in the Institute. The agreements and contracts were also enumerated, and a detailed list was included of almost five hundred publications that the Institute produced in 1982.

The President thanked Mr. Ouellette for his presentation of the Annual Report prepared by his Office, and congratulated the Office of Public Information and Institutional Support and those who collaborated on writing the document.

Item 8. Simon Bolivar Fund

The second item on the session agenda was the Simon Bolivar Fund Report for 1982, which was introduced by the Director General. He requested Mr. Paulette, Director of Special Projects, to give the presentation.

Mr. Paulette recognized the work of Mr. Guillermo Guerra, who had worked as Director of the Simon Bolivar Fund until March of the present year.

The report detailed for each country what had been accomplished during 1982; the problems the fund tried to resolve, and the activities, objectives and results that had been achieved. It contained in its final section three tables that showed the progress of fund projects from 1976 to the present, and those projects that had terminated in 1982. This section also included a table of fund income and expenditures during 1982, and another that presented the 1983 budget, listing a total of approximately 1 218 000 dollars that would permit the Fund to function for that year.

In 1982, 26 projects were carried out in 23 countries, and five multinational projects were conducted. Three were in the Northern Area, one was in the Caribbean Area, and one was in the Andean Area. A hemispheric project took place, for evaluating all the Simon Bolivar Fund projects. The total was therefore 32 projects developed during 1982. The report included descriptions of each of the 26 national projects and the five multinational projects.

Mr. Paulette reported that twenty projects were currently being conducted by the Simon Bolivar Fund. They had not been intended to end in 1983, but would have to terminate this year if no additional resources were found. IICA had approached national and international organizations to obtain funding to guarantee the future of these twenty projects.

He reported that the Simon Bolivar Fund had trained a total of three ~~professionals~~ professionals. It had benefited six hundred national organizations, and thirty thousand farmers had been involved in its projects. The countries had contributed a total of fifteen million dollars as counterpart funds for the projects.

The Chair thanked Mr. Paulette for his presentation and asked the Director General to explain his view of the outlook for the future of the Fund.

The Director General assured the Committee that, on the basis of Resolutions by the Inter-American Board of Agriculture, the General Directorate had been approaching different governments of the Member States to obtain contributions for continuing the Simon Bolivar Fund. Direct contact had been made personally with the President of the Republic of Venezuela who, by means of an executive order, had included a figure as a new Venezuelan contribution. His position was that the year of the Bicentennial of the Birth of the Liberator Simon Bolivar would be an ideal time to begin a second phase for the Fund. Personal contact had also been made with the Ministers of Agriculture in the countries of the Andean Pact. Countries were encouraged to study the possibility of coming to Meeting of the Inter-American Board of Agriculture with information on their Governments' ability to contribute, during this year and the next, to begin the second phase of the Simon Bolivar Fund.

The Director General also reported to the participants that displays were being set up in all the Member States to publicize the Simon Bolivar Fund. They would culminate with a comprehensive, hemisphere-wide display to be organized for the Inter-American Board of Agriculture in Jamaica, in commemoration of the Bicentennial of the Birth of the Liberator Simon Bolivar.

During the break in the Third Plenary Session, the participants in the Meeting visited the display on the Simon Bolivar Fund, which had been organized by the IICA Office in Costa Rica.

When the Third Plenary Session resumed, the Delegate from Honduras asked whether the European Economic Community of the International Fund for Agricultural Development had been approached concerning the continuation of the Simon Bolivar Fund. He observed that all the countries in which Fund projects were underway had contributed counterpart funds, and this could be an important point for attracting other agencies. IFAD or the European Economic Community might be interested in supporting Fund projects, even on a temporary basis for only two or three years, until the situation in Venezuela changed. Otherwise, the Fund would terminate in 1983.

The Director General reported that, more specifically, conversations had begun with the Government of Spain to promote a Central American Agricultural Development Fund. It would receive contributions from IICA's Permanent Observer Countries in Europe, and it may have objectives very similar to those of the Simon Bolivar Fund. This could make it possible to strengthen service to Member States. There were two possible routes to take. One was for the negotiations to take place in the framework of the Council of Europe, and the other would be to use the framework of the European Economic Community. The conversations had begun during a visit that the Director General and the Assistant Deputy Director General for External Affairs had made to Europe. The Government of Spain had offered to take the initiative to raise the issue in the Council of Europe, where it was currently presiding. As for specific arrangements being made for contributions to the Simon Bolivar Fund as such, no concrete results were yet visible. Joint negotiations had been opened with the beneficiary countries, but in most cases, the channels for these negotiations had to be handled by the particular countries involved.

The Delegate from Honduras reminded the Plenary that for nearly ten years, IICA had been using a particular procedure to run Simon Bolivar Fund projects with the countries.

Major counterpart efforts were being made in these projects, and to terminate the Fund projects now, to be resumed at a later date, would not be easy.

He suggested that funding from inside the Institute be sought, in order to sustain Simon Bolivar Fund projects for another year until additional funds could be obtained from other sources. One possibility would be to use overhead.

Before the meeting broke for coffee, the Technical Secretary explained that the order of business for Monday August 8 would include all the Agenda Items related to Institute finances. When the session resumed, the Order of Business would commence with Agenda Item Fourteen.

Item 14. The Inclusion of the Commonwealth of Dominica and Saint Lucia on the Executive Committee

The Director General asked the Legal Adviser to introduce the Report.

The Legal Adviser, Tirza Rivera, gave a detailed explanation of the document, noting that Article 8.e of the Convention on the Institute stipulated that one of the functions of the Board was to elect the Member States that would compose the Executive Committee, in accordance with the principles of partial rotation and equitable geographic distribution. Article 13 stated that the Committee would be composed of twelve Member States elected for two-year terms, and that the Board would determine the manner of designating the Member States that would make up the Committee. This was done by the Board in its First Special Meeting. Resolution No. 2 defined the group of Member States made up of the countries of the Caribbean, excluding the Dominican Republic, Guyana and Suriname, and it did not allow for the inclusion of these two new States that had only recently joined IICA. Dominica and Saint Lucia would therefore alter the make-up of the fourth group as it had been formalized. With its new members, it would be made up of the following countries: Haiti, Guyana, Suriname, Barbados, Grenada, Trinidad and Tobago, Jamaica, the Commonwealth of Dominica and Saint Lucia.

The Chair requested that the Draft Resolution be read.

The Draft Resolution was then read, and the Observer from the United States suggested that the title be modified as follows: "Inclusion of the Commonwealth of Dominica and Saint Lucia on the schedule of participants of the Executive Committee". This was accepted and approved for referral to the Board.

Item 15. Report from the Director General On Progress Made in Implementing the Resolutions of the Second Special Meeting of the JIA

Dr. Morillo explained that the report on Progress Made in Implementing the Resolutions of the Second Special Meeting of the JIA contained an overall account of a number of Resolutions that did not require separate reports. It also included several independent documents that, due to the nature of the Resolutions, required the submission of specific reports. He requested that the overall section be presented by the Assistant Deputy Director General for External Affairs.

The Assistant Deputy Director General for External Affairs, Mr. Enrique Blair, gave a complete explanation of the Document. In each case, he discussed the actions IICA had taken to carry out the twenty-two Resolutions of the Second Special Meeting of the Board.

When Mr. Blair completed his explanation, the Delegate from Grenada congratulated IICA for the report. With reference to IICA's relations with the IDB, he observed that the document contained no information on projects for the English-speaking Caribbean, such as those that were under negotiation for the countries of the Andean Zone. Nevertheless, this had been requested in the resolution passed the previous year.

Mr. Blair explained that at no time had IICA omitted initiatives to include the Caribbean Area in negotiations for a major project, similar to that being carried out in the Southern Cone, that which was under consideration for the Andean Area, or that proposed for the Central Area. IDB fund allocations for financing projects of this nature were made very gradually. The IDB was an agency that funded economically feasible projects, and while these projects produced no immediate economic results upon completion of the project, they did require a long, slow maturing process, before results could be seen. The IDB did not always have sufficient funds available to help everyone simultaneously.

The Director General reported that, on a recent visit to the countries of the Caribbean, he had had the opportunity to converse with authorities in various countries and with the representatives of the Inter-American Development Bank. He had attempted to identify and, working with them, to prepare a project that would be active in the different countries. At the same time, it would have a multinational component oriented toward the use and conservation of resources for agricultural and forest production in the countries of the Caribbean. IICA had reached the point of setting up a technical working group and sending it to the area to draw up a profile that could be submitted to the countries and to the IDB team that was currently visiting the countries of the area.

The Delegate from Bolivia stated that he was satisfied with the progress made in complying with the resolutions, and he congratulated the Director General and Institute personnel. He noted that he brought a mandate from his Government, and instructions to express Bolivia's satisfaction with the results of the Cooperative Agricultural Research Program for the Southern Cone. This Program had demonstrated the advantages of development cooperation among the countries, and the wisdom of increasing the use of this type of aid. He added that he supported the suggestion of preparing a draft resolution on this subject, to be submitted to the upcoming meeting of the Board in Jamaica.

The Delegate from Brazil thanked Mr. Blair for his presentation, and expressed appreciation for the efforts made by the General Directorate in preparing the document. He reminded the Plenary that four of the six countries in the Cooperative Agricultural Research Program for the Southern Cone were present in the Meeting. They intended to submit to the consideration of the Committee a draft resolution to support continuation of the Program.

The Delegate from Uruguay made reference to the Cooperative Research Program of the Southern Cone. She expressed support for the sentiments of the Delegates from Bolivia and Brazil, and confirmed that work was currently in progress to submit a draft resolution under which a second phase of cooperation could be formalized. This was indispensable for the countries of the Southern Cone.

The Observer from Suriname reported that continuation of the Project to Reinforce the Coconut and Oil Palm Research Center in Suriname would be fully supported by his Government.

The Delegate from Venezuela extended congratulations to IICA for the work that had been done since October in order to comply with the resolutions that the Inter-American Board of Agriculture had issued to the Director General and IICA's personnel, to carry out activities in commemoration of the Bicentennial of the Birth of the Liberator Simon Bolivar.

As there was no further discussion, the Chair declared the Report from the Director General on Progress Made in Implementing the Resolutions, Document IICA/CE/Doc.58(83), approved by the Plenary.

Item 16. Report from the Director General on Renegotiation of Basic Agreements with the Member States

The Director General asked the Legal Adviser to introduce the item. The Legal Adviser reported that, when the 1979 Convention had gone into effect, the privileges and immunities of the Inter-American Institute for Agricultural Sciences had been transferred to the new Inter-American Institute for Cooperation on Agriculture. Article 38 of the Convention established the need to sign new Basic Agreements with IICA's Member States, and the negotiation of privileges and immunities could be done in one of two different ways. The system used by the OAS and the United Nations was the multilateral agreement, a single, basic and general agreement for all the Member States. The other system was the use of individual agreements between IICA and its Member States. She explained that the First Special Meeting of the Board had authorized the Director General to renegotiate the Basic Agreements, and had called for a study to be performed of the foundations for an agreement to be negotiated with the Member States, to grant privileges and immunities to representatives of the Member States attending Committee and Board meetings. A similar resolution had been approved by the Second Special Meeting of the Board. On the basis of these mandates, the Director General had sent instructions to IICA's National Offices in the Member States, to send their observations and comments on the need to sign new Basic Agreements. The Legal Adviser reported that a standard format had been drawn up to be used as a model in negotiations of new Basic Agreements.

At present, a Basic Agreement had been signed with Saint Lucia in the new framework. The Basic Agreement with Dominica would be signed soon. Basic Agreements were presently under negotiation with Chile, Canada, Jamaica, Peru, and Brazil, and discussions were about to begin with Costa Rica and Ecuador. Finally, she reported on the signing of agreements on privileges and immunities for Representatives of the Member States attending Board and Committee meetings. The Director General had already signed a specific agreement with the Government of Jamaica for the upcoming Board meeting to be held in Kingston. There had been no need to sign an agreement with the Government of Costa Rica to cover the Third Regular Meeting of the Committee, as privileges and immunities for representatives had already been covered in the Basic Agreement on privileges and immunities currently in effect with the Government of Costa Rica.

The Chair declared that the Plenary took cognizance of the report.

Establishment of the Working Group

The Technical Secretary reported that the following countries had signed up for the Working Group to study the Proposal by the Director General for modifying the Rules of Procedure of the Board, the Committee, and the General Directorate: Brazil, Canada, El Salvador and Grenada. Observers would include the United States and, as IICA support personnel, Dr. West, Mr. Blair, and the Legal Adviser. The Group would begin its deliberations at 18:30 and would receive simultaneous interpretation services.

The Chair adjourned the Third Plenary Session at 18:15.

VII. FOURTH PLENARY SESSION

The Fourth Plenary Session began at 9:00 hours on August 8 and was chaired by the Regular Delegate from Canada.

The Chair welcomed the Delegate from Paraguay, Mr. Raúl Torres, the Alternate Observer from Nicaragua, Mr. Bayardo Serrano, and the Alternate Delegate from Guatemala, Mr. Sergio Mollinedo.

The Rapporteur stated that during this Session, the first draft of the Proceeding of the Inaugural Session, the Preparatory Session and the First Plenary Session would be distributed, and later in the day the Second and Third Plenary Sessions would be handed out. The proceedings would be written in three languages. These documents corresponded to what had occurred during last week's sessions, and must be reviewed by the participants for their approval with pertinent modifications.

Item 9: Report on Quota Collection, 1983

The Chair recognized the Director General so that he could present the report.

The Director General predicted a productive week of work. The first report to be presented was on quota collection, with the original document as distributed and an additional report as requested by the Committee at the urging of the Delegation from Brazil. The member countries' different systems of budgetary design, approval and execution complicated the elaboration of a payment schedule of quotas approved at the last meeting of the Board. The present administration understood these difficulties and desired to maximize its cooperation with the Member States in order to solve this problem, which was further aggravated by inflationary processes that afflicted the contributing countries to varying degrees. Since member quotas were IICA's most basic operating resources, it was difficult to maintain the structure of cooperation and service under a system subject to such limitations. As of December 31, 1982, fifteen countries had fallen behind in paying their quotas, excluding Cuba, and some of these had been accumulating debts for some time. According to Resolutions 27 and 28 approved by the Board, the distribution of quotas for 1983 worsened the existing problem in some cases. During the first six months of this year, a total of US\$ 7 954 456.00 had been collected, corresponding to full quotas paid by seven countries and partial payment by three countries. The table entitled "Status of Quotas of Member Countries up to June 30, 1983" summarized the situation and showed the need to establish a dynamic relationship between IICA and the Member States to prevent quota debts from growing, so that projects could proceed as planned. The existence of a US\$ 2 775 520.00 debt accumulated over previous years, combined with a US\$ 10 000 000 debt for this year, portended a complicated situation over the

short term. The administration had obtained promising results in its on-going collection efforts, judging from the positive and encouraging responses it had received. The Director General asked the Director of Financial Resources and Management, Mr. Fabio Villacís, to present the data in more detail.

Mr. Villacís gave a detailed explanation of the tables distributed in the meeting room, showing the status of quota collections.

The Director General drew attention to the table entitled "Status of Quotas of Member States up to July 31, 1983", and explained that the column entitled "1983 Quota Resolution" listed quotas of each Member State as they appeared in Resolution 28, concerning the Quota Scale, for a grand total of US\$ 18 402 759. The data were calculated with the same method IICA had used in past years, without subtracting the Cuban quota, which had caused so much confusion among Board Members the year before. He clarified that the budget, with Cuba included, would total US\$ 18 402 795 and that the percentages by country were the same as those calculated in previous years.

Dr. Morillo explained that with the contributions negotiated in 1983 (column two), plus receipts, from now until the end of the year, of the differential amount corresponding to the 1983 Quota Resolution (column three), it would be necessary to modify the balance receivable by 31 July 1983, because it referred not to the balance between what was negotiated and what was received, but between what was received and the amount corresponding to the Quota Resolution. For example, Canada had paid US\$ 1 179 567.00.

The Quota Resolution had established US\$ 1 192 710 for Canada. Under balance receivable for this period, Canada appeared with a balance of zero because it had cancelled the total amount negotiated. Now a new balance of US\$ 13 143.00 would be negotiated with Canada, corresponding to the difference between the contribution negotiated and the amount listed in the Quota Resolution. As for the percentages corresponding to the different countries, the United States, for example, because of how the data were calculated, appeared to be paying 62.32 percent of the budget. Using the above system, the percentage paid would be 61.64 percent. Although this involved no change in amount, the elimination of the two lines - Cuba and the subtotal of the Resolution - should be formalized by the Board, but this would not affect the quota amounts of the Resolution.

The Chair thanked the Director General and Mr. Fabio Villacís for their full and detailed explanations.

The Observer from the United States requested clarification of the percentage corresponding to his country.

The Director General indicated the percentage for the United States would remain at 61.64 percent.

The Delegate from Brazil stated that he was in agreement with the budget, but requested an explanation of the Quota Resolution of the previous year. A somewhat inconsistent accounting device had been used, adding and removing Cuba, and the form in which Cuba had accumulated its 1983 quota was not clear. He indicated that it would be more logical to include Cuba, and to use accurate figures, but without resorting to such elaborate devices.

The Director General agreed with the Delegate from Brazil. He said that the Report of the Committee to the Board should request that the elimination of Cuba from calculations for the 84/85 biennium should be abandoned, and that the figures again be calculated as done in previous years. This was the method used in the Resolution attached to the Proposed Program-Budget for 1984-1985.

The Delegate from Canada expressed his concern about timely quota collection, emphasizing Resolution 32 approved the past year by the JIA and recommending a similar measure for the next meeting. He said it would be advantageous for the Institution to inform the Member States of the status of quota collections on a quarterly basis. In spite of the economic situation of Canada, the Delegate promised that his country would meet its international obligations.

The Chair thanked the Delegate from Canada for his comments, indicating that they would be taken into account, and declared the Report on Quota Collection approved.

Item 10: Financial Report and Report of the External Auditors

The Director General gave a general presentation of the Document, and requested that Mr. Fabio Villacís explain the corresponding tables.

Mr. Villacís presented the report in detail.

At the end of the presentation, the Delegate from Guatemala commented on Part F of the document, where the tables concerning the execution of the 1983 budget were presented. He indicated that it was necessary to make the pertinent corrections so that when the document was presented to the Board, the balance receivable would correspond to what had been discussed with reference to quota collections.

The Director General thanked the Delegate from Guatemala for this observation and indicated that the document would be updated for presentation to the JIA.

The Observer from the United States requested a clarification of page 17 and 21 of the Spanish document (16 and 21 of the English), with regard to the exchange rate differences.

Mr. Villacís explained that the difference was due to exchange rate differences and optimistic calculations, but the real amount was US\$295 560.

The Delegate from Guatemala expressed his confusion over the quantities that appeared in the different pages, first as unfavorable differences and later as positive ones. Mr. Villacís gave a fuller explanation of these points, to the satisfaction of the Delegate.

The Delegate from Grenada made the comment that the title on page 31 (page 32 of the Spanish) described regular funds, while the section dealt with special funds. The Director General indicated that the title of regular funds should be eliminated.

Again the Delegate from Grenada requested an explanation of the quota from the United States Department of Agriculture for US\$ 930 213 to the Caribbean Zone, appearing in Item 109.

The Director General informed him that the money was programmed for the African Swine Fever Eradication Project in Haiti.

The Observer from the United States commented about the commercial and miscellaneous operations on page 20 (page 21 of the Spanish), where earnings of US\$1 100 000 in 1982 were managed as a separate account to cover budget costs not approved by the Board.

He also stated that note 9 on pages 21 and 22 (pages 22 and 23 of the Spanish) showed overhead reimbursements of US\$1 335 000 in 1982, of which US\$709 000 were put into a special account. He indicated that these funds should be used as part of the total budget, which would reduce the quotas of the Member States. He observed that IICA apparently had adopted the practice of managing these types of funds separately, and that this practice should be changed. It was pointed out that the OAS used these funds to reduce the quotas of its Member States, and recommended that IICA do the same.

The Director General indicated that this item would be addressed later as Level and Use of Overhead, and would be explained in more detail at that time. He noted that he was making every effort to see that these funds were used to meet the needs of administrating and supervising extra-quota projects, so that the Institute would not have to use its Member States quotas to pay these costs. He indicated that IICA did not manage overhead monies in separate funds, but put them into a Regular Fund account, managed in accordance with budgetary procedures mandated by the Board.

Special Session: Signing the General Agreement for Technical Cooperation Between the Inter-American Institute for Cooperation on Agriculture and the Ministry of Agriculture and Fishing of the Netherlands

The signing of the Agreement took place at 10:30 hours in a special session. Present at the signing were the Delegates from the countries participating in the Third Regular Meeting of the Executive Committee, and the Ambassador Extraordinary and Plenipotentiary to Costa Rica from the Netherlands, Mr. Jan Willen Bertens.

When the ceremony began, the Director General of IICA expressed his pleasure to be participating in an event of such crucial importance for the Institute, as was the signing of the agreement for cooperation with the Government of the Netherlands, which had been a Permanent Observer of IICA since 1975. He also drew attention to the technical and financial cooperation received from the Government of Holland for implementing projects, and stressed that the signing of this Agreement would reinforce such cooperation.

The Honorable Ambassador of the Netherlands, speaking on behalf of the Minister of Agriculture and Fishing, stated that it was a great honor for him to sign the Agreement for Technical Cooperation. By means of this Agreement, IICA's Member States would obtain access to technical expertise of his country, to advance the development of agriculture in Latin America and the Caribbean.

The General Agreement for Technical Cooperation was then signed.

Item 10: Financial Report and Report of External Auditors (Continued)

When the Fourth Plenary Session resumed, the Delegate from Brazil noted that, while the countries had experienced negative effects because of currency devaluations, IICA should have benefited. He asked for information on the situation with respect to exchange rate differences in 1982.

The Director General explained that the rate used for exchange operations, and resulting income and disbursements, were being presented to give a precise accounting idea of the money involved. In some cases, the operations represented losses for the Institute, and in others, they brought gains. He added that records of these operations were presented in order to provide the Committee and the Board with more complete information.

The Delegate from Canada asked for further explanation of the level and contents of the General Working Fund.

The Director General asked Mr. Villacís to give more information on the General Working Fund and to provide numerical data on total quotas committed, quotas received, accumulated receivables, and the total budget as approved and as executed.

Mr. Villacís again used the flip chart and explained that the Institute's assets exceeded ten million dollars. Around four million dollars remained to be collected, and this was why the earlier explanation had shown a balance of US\$6.1 million. He commented that the US\$6.1 million were made up of US\$3.6 million in quotas receivable, US\$600 000 in other accounts receivable, some dating back six to eight years, US\$900 000 distributed in the different countries, and US\$1.2 million placed in special bank accounts.

Mr. Villacís continued his broad explanation using tables available to the Plenary, and discussed financial movements by the Institute during the past two years.

The Delegate from Canada asked for clarification of the amount of quotas collected by December 31, 1982, totalling US\$15.6 million, of which US\$14.6 million had been spent. This left a balance of one million dollars, but Mr. Villacís had mentioned only US\$300 000.

Mr. Villacís explained income and disbursements during 1982, and the Delegate from Canada stated that he was satisfied.

The Director General suggested that for the upcoming JIA meeting in Jamaica, the Financial Report should include not only figures, but also an explanation of the origin of the General Working Fund and the new account for "exchange operations."

The Observer from the United States made some general comments on the interpretation of budgetary figures, and requested that Mr. Scherle, a member of his Delegation, be recognized. Mr. Scherle first asked the possibility of a more detailed list of assets and obligations in the Financial Report.

The Director General explained that the document as it was presented did not give a statement of assets and accounts payable, or of liabilities as such. He added that IICA's accounting practices were different from those of commercial enterprises. However, he stated that an accounting record of all property and obligations was available. He added that a thorough, duly audited inventory had now been completed.

Mr. Villacis explained that in 1982, the administration had worked with a financial and budgetary distribution system designed in 1981. The Price Waterhouse audit had been performed with the same system. He noted that, with the approval of the Financial Regulations, it would be possible to modify the Institute's accounting and financial management and incorporate comments made by the Delegates.

Mr. Scherle from the United States continued his comments, expressing satisfaction with the progress made by the IICA administration in accounting and financial matters. He suggested that, to facilitate analysis of the information, a working group could be set up in the future to expedite the process.

The Chair commented on the efforts made by the General Directorate to present the document and to complete the inventory that was now available. He asked the Committee for comments on the suggestion of setting up a working group to which the financial statements would be referred in the future.

The Delegate from Guatemala disagreed with the idea of setting up a working group, as the General Directorate had internal mechanisms and capabilities for doing this task.

The Observer from the United States explained that the working group he had suggested would not have any decision-making power. Rather, it would be only a study group to support the Committee in matters of concept and interpretation.

The Chair asked whether the suggestion involved a "style" committee for financial affairs, and the Observer from the United States replied that it could take that form.

The Delegate from Canada recalled that in the Second Section of the Executive Committee the previous year, the suggestion to set up a working group had not been put into effect.

The Director General pointed out that there had been interest the year before in forming a Permanent Budget Committee. While such a committee could not operate as a separate, permanent body of the Institute, the Executive Committee did have the authority to set up working groups for specific purposes and for limited duration.

The Chair asked when, and under what circumstances, such an ad hoc working group could meet. The Delegate from Canada suggested that it could be during the meetings of the Executive Committee prior to discussion of the agenda item on finances.

The Chair declared the suggestion approved by consensus of the Committee, for setting up the working group. He also declared that the Report had been approved, with requested changes, for submission to the JIA.

The Director General thanked the members of the Committee for their favorable comments and reiterated his willingness to continue improving mechanisms for control, operation and rendering of IICA's financial accounts in order to maximize the efficient administration of resources entrusted by the countries.

Item 11: Report from the Director General on Regulations Covering the Level and Use of Overhead

Dr. Francisco Morillo quoted Resolution 33, approved by the Second Special Meeting of the JIA in 1982, stating that the Director General should take measures to regulate the determination of overhead charges for indirect administrative and technical costs, and to govern how they would be used and distributed. Following this introduction, the Director of External Financing, Mr. Guillermo Grajales, presented the document under discussion.

The Observer from Panama declared that his Delegation agreed with the presentation of the subject and expressed satisfaction that the Report set a twenty percent ceiling for overhead. Of this twenty percent, sixty percent would be allocated to the IICA Office in the country implementing the action, and forty percent would go to the Central Office. He added that of the sixty percent remaining in the country, the fifteen percent presently used for promotional purposes should be maintained as an additional support fund to cover contingencies in the work of the General Directorate.

The Delegate from Brazil stated that this topic was of great interest to the Member States for many reasons. This was particularly true for Brazil. Of IICA's grand total of overhead, sixty percent came from his country.

He believed it necessary for the regulations on the level and use of overhead to be consistent with the Convention on the Institute and with the mandates of the Board, so that IICA would not drift into a situation of specious regulations. Therefore, he stated that it would be impossible to accept the Report from the Director General, as it did not comply with the mandate of Resolution 33 of the Board meeting of the previous year. He added that the first operative point of the Resolution requested the Director General to establish a reasonable level of overhead for externally funded projects, reaching agreement with the authorities of national executor institutions so that these projects would carry a fair share of the direction, supervision and support costs of IICA. He pointed out that IICA had not complied with this mandate, as the national institutions with which IICA was carrying out such projects had not been consulted. He explained that only if they were involved, would it be possible to set a more reasonable level of overhead. The definition of overhead in the Report from the Director General, as "indirect administrative and technical costs," was accurate. However, if it were a question of "costs," this implied that the Institute would charge for service costs incurred, and there should be no money left over from the amount collected. Therefore, he did not understand how a sum of money from CATI's could be redistributed from the Central Office, as though it were a special source of funds just for this purpose. Article 23 of the Convention stated that the Institute would be maintained through quotas established by the Board for the Member States. These quotas were obligatory, rather than a favor that the countries paid the Institute. Resources acquired for overhead were for expenditures actually incurred; they were not a source of funding to meet other expenses. Brazil was aware that IICA needed to charge for indirect administrative and technical costs, but it did not agree that monies collected for this purpose should be transformed into a funding source, as was being proposed. Brazil believed that the function of IICA was to provide technical cooperation. This cooperation cost money, and could not be fully covered with quota income. However, it was not fair for the collection of money for indirect administrative and technical costs to exceed real needs. The Delegate from Brazil then asked the Director General to clarify these questions.

The Director General explained that the basis for regulations on the level and use of CATIEs lay in the Resolution in which the Board had instructed the Director General to adopt pertinent regulations. He commented that the standards that had been issued were strictly provisional, and had taken the form of an Executive Order. The key function of these regulations was to provide internal guidelines for the Institute.

The Delegate from Brazil drew attention to cases in which IICA could make contributions to help cover part of the twenty percent for indirect administrative and technical costs. He asked the Director General whether this contribution would be made in cash or in kind, or whether it would be shown only as an accounting device.

The Director General explained that the twenty percent for indirect administrative and technical costs was an approximate estimate, subject to variation according to the range, nature and site of projects performed. This did not mean that in some cases, these costs would be more or less than the

given percent. He added that whenever the Institute was to cover part of the percent for indirect administrative or technical costs, it would decide on an individual basis whether to do so in cash or in kind.

The session was adjourned at 13:15 hours.

VIII. FIFTH PLENARY SESSION

The Chair called the Fifth Plenary Session to order at 15:00 hours on August 8. He urged the participants to adhere to the schedule and reported that the Proceedings of the first sessions had been distributed.

Item 11. Report from the Director General on Regulations Covering the Level and Use of Overhead (Continued)

The Director General asked the Legal Adviser to explain the legal considerations of the Resolution and the Executive Order.

Ms. Tirza Rivera gave a full explanation of the legal side of JIA Resolution 33 and of Executive Order 5/83. She reminded the Plenary that the Convention on the Institute stipulated that the Member States would contribute to the maintenance of the Institute through annual quotas established by the Board. There was no question about the quota system.

Article 83 of the Rules of Procedure of the General Directorate stated that the Institute's Regular Fund included two Subfunds. Of these, the General Subfund could be credited with reimbursements for administration of contracts with other institutions. The working subfund was not to exceed fifteen percent of the annual quotas.

The Delegate from Brazil asked that Article 83, point a. of the Rules of Procedure of the General Directorate be read slowly.

Ms. Rivera read the Article.

The Chair reported that the Director General was interested in adding further information for the benefit of the Delegate from Brazil and the other members of the Committee.

The Director General stated that a number of Resolutions on extra-quota resources had been approved by the Inter-American Board of Agriculture, and should be mentioned. For example, Resolution No. 31 concerned quota collection. He read operative point 2 of this Resolution, which was given in Official Document No. 26. This document was distributed.

The Delegate from Brazil expressed his interest in framing a concrete motion consistent with the dictates of the Rules of Procedure and the Convention.

The Chair explained to the Delegate from Brazil that overhead was a flexible matter and not set in concrete.

The Delegate from Canada thanked the Director General for his explanation and suggested that perhaps there were a fourth group of countries that combined both IICA's interests and those of the countries with heavy food deficits. He explained his position that IICA should fully recover present costs of administering extra-quota contracts and agreements. An exception would be made for low-income countries with food deficits.

The Delegate from Honduras, Mr Roberto Villeda, suggested that perhaps they were going too deeply into the matter, aware that the information available was only provisional, and that a more detailed study was being prepared. The comments made by Brazil would be studied by the Institute and incorporated into the final report.

The Delegate from Brazil explained that in recent years, over ninety percent of IICA's activities in Brazil had been financed with the country's own resources, not just sixty percent. As for the Executive Order, he remarked that the General Directorate had adopted criteria that partially met with the regulations, but was proposing that from this time on, twenty percent be charged for overhead. This may not be the best for Brazil, where a lower figure might be more appropriate. He suggested that the figure not be taken as a reference point, as the matter should be handled case by case. He noted that the distribution of sixty percent and twenty-five percent was a bit premature. The most important issue was to define the factors involved. He noted that he did not agree with the fifteen percent distribution, which had no backing in the Rules of Procedure or in Article 83 a., and was arbitrary.

The Chair explained to the Delegate from Brazil that the Executive Order was an internal IICA document, and that the twenty percent figure that appeared to cause so many problems was in fact an estimated figure used as a point of reference. Fifteen percent was also controversial and difficult, but was simply a way of providing the Institute with the means to begin new extra-quota projects. Resolution 31 also stated very clearly that IICA could not use quota resources to begin extra-quota projects. If on one hand, IICA could not use quotas, and on the other, it could not use the fifteen percent of overhead costs, then it would be necessary to seek new sources.

The Delegate from Brazil pointed out that this subject was a problem, not just for Brazil, but for all the countries on the Committee.

The Chair reminded the Plenary that the decision was in the hands of the Board. The Committee could recommend a decision to the Board.

The Delegate from Brazil suggested that the Committee recommend the clearest position to the Board. In no way did the Committee want to impose an inflexible position.

The Delegate from Bolivia stated that it would be impossible to avoid making a statement on the subject. He noted that the Committee must be as concrete as possible, in the framework of the limited time available. In his opinion, the problem should be divided into two parts.

The Chair thanked the Delegate from Bolivia, and asked whether there were any further discussion.

The Observer from the United States congratulated the Director General and the Institute for their efforts to complying with the mandate of the Resolution. He stated that his country was very interested in having the Institute optimize the use of resources in the countries that most needed assistance. He also said that if overhead charges were to be imposed on every extra-quota projects, then US AID would have to pay such a charge just as would other organizations. So even though the United States quota would be reduced by such practice, the United States would pay in additional amounts as AID overhead payment on contracts with IICA. He pointed out that IICA had an obligation to recover the Institute's overhead costs when extra-quota projects were carried out by IICA. He also commented that it was important, first of all, to define overhead and determine on what items overhead should be charged. The overhead rate should be calculated as of a specific moment and be recalculated periodically. It should be mandatory to apply the rate as determined, with exceptions, partial or total, which should be made only if specific criteria are met. In every case where an exception is made the facts which were the basis for granting the exception should be recorded and made available to the Executive Committee and the Board in carrying out their oversight responsibilities. He said that the overhead should be dealt with 1) by contractual provisions which mandate some percentage of every project to be accounted as IICA's overhead cost, and 2) by accounting provisions to have estimated overhead costs (based on contractual obligations) considered as reimbursable costs to IICA and therefore subtracted from the total proposed budget to obtain an assessed budget figure (bottom line). On this last point, the objective is to have IICA subtracted estimated income from proposed budgetary needs to obtain a budget figure to be used for assessing member countries.

The Delegate from Grenada stated that a more in-depth study was required in order to produce a specific formula for overhead. He continued, stating that the English-speaking countries of the Caribbean hoped in the future to receive assistance from IICA's Office of the Assistant Deputy Director General for External Affairs, which to date had not been forthcoming. He expressed his hope that a formula could be developed for limiting the amount of IICA's resources that could be used in a single country, in order to avoid reducing opportunities in other countries.

The Director General, interested in clarifying the point, then discussed the level of overhead and its relationship to the Institute's total budget. He explained that the Institute was not attempting to charge overhead in the same fashion as a consulting firm interested in obtaining a profit or reserve

margin. The most objective way to view the budget would be as the sum of all quota income, plus extra-quota income and expenditures incurred in the implementation of quota projects and in both direct and indirect implementation of extra-quota projects. In this way, IICA could assume the responsibility for carrying out both quota and extra-quota projects. It would have the resources to cover all costs, whether direct or indirect. Mr. Enrique Blair gave a brief accounting explanation of the different systems and forms which had been used for handling the area of overhead in IICA, and some of the difficulties encountered in applying certain standards with pre-set margins. By contrast, what was being proposed was to calculate real costs on a case by case basis.

The Delegate from Guatemala went on to say that preinvestment funds should be sought as a possible solution to the problem, specifically to support IICA in negotiating contracts and projects.

The Chair summarized the questions on the floor, stating that Grenada considered the report to be a preliminary study and believed that the subject should be dealt with more deeply; Brazil believed that the fifteen percent overhead costs to generate new projects should be eliminated and questioned whether the twenty percent figure were just an estimate of overhead; the United States suggested that overhead balances should be put toward the quotas of the Member States; and Guatemala desired an alternative manner of generating projects. Since the Report of the Director General indicated that many studies of the overhead question were presently underway, and because it did not appear that the problem of overhead would be resolved in a satisfactory manner, the Chair suggested that the General Directorate move quickly on its studies so that a new report could be presented to the Second Section of the Committee, to be held prior to the Board Meeting, and requested that the interested countries, both members of the Committee and Observers, send their written suggestions to the General Directorate. There was general agreement, and the discussion was closed.

The Delegate from Guatemala asked if the proposal implied that the Executive Order was cancelled.

The Chair responded that the Institute needed to continue operating, and the Executive Order would remain in effect until arriving at an acceptable document. Until then it was necessary to maintain a point of reference. Since there were no other comments, the Chair declared a recess, indicating that the reading and approval of the Proceedings of the Inaugural, Preparatory, and First, Second and Third Plenary Sessions scheduled for the afternoon would be moved to the first item on the next day's agenda, followed by the Proposed 1984-1985 Program-Budget.

The Observer from the United States asked if the Proceedings would be read or if they could just present their comments tomorrow.

The Chair stated that those who had comments may pass them to the Rapporteur the following morning, and recessed the Session.

Item 12: Report from the Director General on Extra-Quota Contracts in Excess of US\$250 000

With the authorization of the Chair, the Director General requested that Mr. Guillermo Grajales, Director of External Financing, present the report to the Committee.

Mr. Grajales explained that the extra-quota projects cited in the report were divided into two groups; the first contained contracts that the Administration had signed between January 1, 1982 and May 15, 1983, and the second contained major projects presently being negotiated, some of which had been formalized into contracts after May 15. He stated that between January 1, 1982 and May 15, 1983, sixteen contracts had been signed for approximately US\$23 000 000.

The principal projects and agreements under negotiation involved Mexico, Guatemala, Nicaragua, Dominican Republic, Haiti, Colombia, Peru, Ecuador and six multinational projects.

Mr. Grajales continued by giving information about each of the contracts and projects now underway.

When the presentation was finished, the Delegate from Brazil inquired about the IICA/EMBRAPA-World Bank Contract, which did not appear in the report.

Mr. Grajales and Mr. Enrique Blair explained that the report contained contracts signed between January 1, 1982 and May 15, 1983, and that the EMBRAPA contract had been signed before January 1, 1982 and extended after May, 1983.

In his role as Delegate from Canada, the Chair requested information as to why overhead costs for most of the listed projects were very much lower than the twenty percent average of IICA's costs, as would be true for future projects.

The Director General explained that most of the contracts that appeared without overhead were continuations, additions, or extensions of projects. Others had been negotiated within the 1982-1983 period, using the former system, and it was not until the 1984-1985 period that the new system approved by the Board would go into effect.

The Observer from the United States expressed his satisfaction with the projects now under negotiation, and requested information concerning the procedure used to calculate overhead. He also solicited information about the Study of the Operation and Safety of the Valdesia and Barias Reservoir in the Dominican Republic.

Mr. Blair responded that in all negotiations, efforts were made to come as close as possible to the twenty percent overhead figure, but since all contracts were the product of negotiation, a high degree of flexibility must be permitted.

Mr. Grajales provided the requested information on the safety of the dam and the irrigation operations of the project being negotiated in the Dominican Republic. He used other examples to illustrate the projects that were presently in the process of negotiation.

The Observer from the United States expressed some opinions concerning the renegotiation of contracts. He stated that the business viewpoint must be considered in any negotiation, and it should be remembered that a buyer would go wherever he could get the same service for a lower price. He went on to mention other points that should be considered during the negotiation of projects.

The Chair thanked the Observer from the United States for his opinions and adjourned the Fifth Plenary Session at 17:50 hours. He reported that the Working Group that was studying the Proposed Modifications in the Rules of Procedure would convene immediately.

IX. SIXTH PLENARY SESSION

The Sixth Plenary Session was called to order at 9:00 on Tuesday, August 9. The Chair presented the Order of Business, which included: 1. Comments and changes on the Proceedings of the Inaugural Session, the Preparatory Session, and the First and Second Plenary Sessions; 2. Report of the IICA/PAHO Working Group on the possibility of transferring the Pan American Foot and Mouth Disease Center from PAHO to IICA; and 3. 1984-1985 Program-Budget.

Reading and Approval of the Proceedings

The Technical Secretary asked the Plenary for changes and comments on the Proceedings.

The Delegate from El Salvador noted that on page 9, paragraph 4, line 4 of the Proceedings of the Preparatory Session (page 9, paragraph 3, line 4 of the English), it stated that the quota budget was in two parts: US\$19.6 million for 1984 and US\$21.2 million for 1985. This was an eight percent increase, but he asked for clarification as to whether it meant eight percent for one year, but a different amount for the other.

The Chair explained that the comment by the Delegate from El Salvador was in reference to the Proceedings of the Preparatory Session and asked the Director General to respond.

The Director General explained that the eight percent was by comparison with the year immediately preceding, and this satisfied the Delegate from El Salvador.

The Chair stated that if there were no further discussion, the Proceedings of the Preparatory Session and the First Plenary Session were approved, and discussion could begin on the Proceedings of the Second Plenary Session.

The Delegate from Brazil said he had two comments on the report of the discussion on the possibility of transferring the Pan American Foot and Mouth Disease Center, but that he would give them in writing to the Technical Secretariat for inclusion.

The Delegate from Grenada asked for a correction on page 31 of the English version (page 31 of the Spanish version), concerning the Pan American Foot and Mouth Disease Center. His correction was noted by the Secretariat.

The Delegate from Canada made reference to his Delegation's comments on page 31 in the English version (page 32 in the Spanish). He explained that this comment had included two points in particular. One was the time required for each option, and the other was the relative cost of each item included in the options. He added that the second option reflected Canada's sentiments, and offered to give the Secretariat his comments in writing.

The Chair declared the Proceedings of the Second Plenary Session approved as corrected.

The Delegate from Canada suggested that summarized proceedings of the sessions be used, rather than verbatim records. The Chair expressed personal support for this suggestion.

The Observer from the United States stated that there may be some historical importance in maintaining a nearly complete record. He asked for someone with more experience with this type of document to comment on the type of presentation being used.

The Delegate from Brazil stated that he felt it was important to have detailed proceedings, in order to help the Delegates make their reports upon return to their countries.

The Delegate from Uruguay agreed with Brazil, and the consensus of the Plenary was to continue receiving detailed proceedings.

Item 13. Proposed 1984-1985 Program-Budget

The Chair asked Dr. Francisco Morillo to introduce the Program-Budget.

Dr. Morillo introduced the item and explained that Resolution 13, of October, 1982, and the objectives and strategies of the Medium-Term Plan for 1983-1987 had provided conceptual foundations for preparing the document. Technical cooperation in the proposed projects had been structured through a process of concurring with each Member State.

The Proposed quota Program-Budget was divided into two parts. The first totalled US\$19 875 019 for 1984, and the second was for US\$21 465 040 for 1985. This second included an eight percent increase over the budget of the previous year, to cover costs produced by the inflationary process in member countries.

The second part of the budget, totalling US\$1 017 500 for 1984 and US\$1 210 400 for 1985, was in response to recommendations that the countries had made in the Eighth Inter-American Conference on Agriculture. These resources would be allocated to four special projects covering areas of interest identified at that time as having a high priority. He explained that IICA was very aware of the financial and economic situation in some of the Institute's Member States, and therefore, the regular budget increase being requested was the very minimum needed for maintaining IICA's present operating capacity. He added that in recent years, the countries had approved budgetary increases of 16.6 percent for 1980, 20.4 percent for 1981, 10.5 percent for 1982, and 8 percent for 1983, and noted that the present Medium-Term Plan defined basic guidelines for general and specific budgetary increases.

He commented that, in response to these basic guidelines, a recent study had been drawn up on the problem of inflationary pressures, and was available to the representatives on the Board.

The study showed that the eight percent reflected in the proposed Program-Budget was the minimum increase necessary to ensure that no real reductions would be made in Institute resources or consequently, activities, for the upcoming biennium.

The Institute proposed the development and expansion of four projects, to be included in the present Programs. They were: I. Cooperation in Agro-energy; II. Agricultural Credit and Insurance; III. Food Security; and IV. A Numerical Information System for Agricultural Development and Rural Well-Being. These projects were a response to needs expressed by the countries on the Inter-American Board of Agriculture, in the Eighth Inter-American Conference on Agriculture, and in recent meetings of the JIA and the Executive Committee.

The Director General stated that the projects included in each of the programs were selected on the basis of priorities and needs expressed by the countries themselves, and in consideration of the Institute's capability for dealing with them. Each project had been agreed to with the pertinent governments or groups of Member States.

Dr. Morillo went on to explain that, together with the policy of concurring with the countries and of concentrating subject areas, it was necessary during the upcoming biennium to decentralize Institute operations in terms of decision-making and other responsibilities. In order for support, follow-up and supervision activities to be more effective, staff members responsible for national or international activities must be in locations that would maximize their opportunities to help solve the problems of the countries.

Dr. Morillo further stressed the following features of the Program-Budget: all IICA resources (both regular and external) had been programmed; external resources had been programmed in the same way as quota resources; resources for administrative overhead costs had been added to regular resources; and a small fund had been established for handling unanticipated, short-term situations.

Dr. Morillo pointed out that the proposal reflected how IICA reacted to a policy of austerity and undersood the problems of the countries. The Institute had made significant efforts to adhere to the goals of the Medium-Term Plan, for reducing administrative costs and allocating more resources to the technical cooperation services provided through IICA's National Offices and Centers.

He completed his remarks and asked Dr. Fabio Villacís, Director of Financial Resources and Management, to present graphic information on the subject, with the support of Mr. Luis Marambio, Head of the Division of Programming and Budget.

Mr. Villacís reported that overhead would generate US\$980 000 in 1983, and estimated that this total would rise to US\$1.3 million in 1984 and one million dollars in 1985. He explained that 1984 estimates were for 74 projects to be carried out, while seventy were planned for 1985. He added that there were thirty cases for 1984 and 29 for 1985, of countries negotiating projects for IICA with no overhead. The rest of the projects were being negotiated with an average overhead of eight percent, but it would be difficult to continue providing services in such a restricted framework. For this reason, it had been decided to present charges for indirect administrative and technical assistance costs.

Mr. Villacís expanded on his explanation of the geographic distribution of projects, programs and budgetary allocations to the General Directorate and the Centers.

When the Session resumed following a break, the Chair asked the Plenary for discussion on the presentation of the Program-Budget by the Director General and Mr. Villacís.

The Delegate from Grenada congratulated the Director General and Mr. Villacís on their presentation. He stated that many governments had been forced to cut back local programs due to the world-wide recession. He noted that, although his country was a small contributor to the Institute and to other organizations, its contribution was proportionally equal to that of medium-sized contributors, and his country had to make great efforts to obtain funding for its small contribution, just as the larger contributors did for their payments. The smaller contributors had the same problems justifying increases for programs of international institutions to their Ministries of Finance, when budgets for national programs were being cut.

The Delegate from Grenada continued, stating that he applauded the action of the General Directorate in the process of decentralization that was underway in the Institute. However, this movement had consumed significant 1983 budgetary resources, and he hoped this meant there would be savings in the 1984-1985 biennium, when these expenditures would not be required. His first question was how much personnel movement had cost in 1983, and how much would be saved under this heading for 1984-1985. His second question had to do with real expenditures expected for 1983, compared with what had been budgeted. He pointed out that in any case, increases should be calculated on the basis of expenses actually incurred in 1983, rather than amounts budgeted, which had been US\$18.2 million.

We went on to state that the Program-Budget should be viewed in light of the attitudes that such funding institutions as the World Bank adopted toward programs in the developing countries of the region. There should be a direct ratio between resource flow and fund application for the services that an institution such as IICA could provide. He pointed out the need to implement projects and resources for the Caribbean subregion.

The Delegate from Grenada completed his remarks by stating that a great effort should be made to seek voluntary contributions for programs, instead of increasing quotas. At this stage of the debate he could not commit his Delegation to any fixed percentage increase in the quota. ___

The Director General responded to the Delegate from Grenada by explaining that the effort to relocate personnel in 1983 had cost US\$800 000, as budgeted. He added that budgetary execution for 1983 was estimated to be 100%, and would probably increase by US\$500 000, as several pending accounts had been collected and would improve the cash situation. He explained that IICA had followed with interest the budget processes of other agencies, such as the OAS and PAHO, and remarked that IICA had fallen behind certain actions taken by other agencies. In a concrete example, since 1981, the Institute had given no salary increases to its International Professional Personnel. The Director General also reported that, on the basis of the authorization given by the Executive Committee and the Board in past meetings, the process of reaching agreement with the countries on programs and projects, based on the governments' own preferences, had been stepped up. Voluntary contributions were made through projects designed essentially to channel this type of funding for technical cooperation in the countries or multinationally.

The Delegate from Grenada thanked the Director General for his explanation. He stated that it was interesting to learn that US\$800 000, or approximately five percent of the budget, had been spent to relocate personnel.

The Director General explained that during the present year and in future years, the Institute would continue to transfer personnel, in accordance with the Rules of Procedure approved in the meeting in Buenos Aires, which stipulated that staff members would be moved on the basis of years of service in a country. He added that no significant reductions for staff transfers could be expected, as the processes of concurrence and project development generated new needs to transfer, and this item also included movement for recruitment and repatriation.

The Observer from the Dominican Republic asked whether IICA's cooperation under point 4 of the Director General's presentation, for short-term, unanticipated activities, was for technical purposes, or also included economic support. It was necessary to know what mechanism was used to request these activities.

The Director General explained that this type of item had been included in the budget as a result of statements by the Governments of the Dominican Republic and other countries to the effect that, in special situations, they required technical support for recovery projects. IICA provided this support in the form of technical cooperation through specialists in planning and evaluation.

The Observer from the Dominican Republic asked whether special projects were indicated in order of perceived priority. The Director General replied that the list did not follow order of priority.

The Delegate from Honduras stated that the region of Central America and the Caribbean was presently in a very special situation, for geopolitical reasons. For this reason, he felt that IICA, on the basis of resources for short-term, unanticipated activities, could begin evaluating the possibility of performing concrete studies on institutional problems in the agricultural sectors of the subregion. The purpose would be for these sectors, in the near

future to acquire the capacity for absorbing more external resources to support agricultural and rural development in Central America and the Caribbean.

The Chair stated that a reply could be given to the comment by the Delegate from Honduras at a later time.

The Delegate from Uruguay stated that, among the fundamental guidelines of the Program-Budget as presented, initial stress should be given to the express purpose of a policy of austerity. In the second place, the document should exhort IICA to reduce administrative costs, and provide as much funding as possible for technical cooperation. The third item of importance would be approval of the system of combined programming for quota and extra-quota resources. Fourth place would be consolidation of medium- and long-term programs approved by the last Board meeting, in order to avoid undertaking those that would affect the budgetary performance. In the fifth place, the document would establish a budgetary increase of eight percent for inflation only.

The Director General explained that some of the increases in administrative costs, changes in cost distribution, and addition of posts over earlier budgets were due to the absorption of posts paid for with Simon Bolivar Fund resources in projects that were still in process. He added that the austerity policy mentioned by the Delegate from Uruguay was being followed. He pointed out that 212 posts had been included in the budget presented in the meeting in Buenos Aires, but only 186 appeared in the 1984-1985 budget.

The Director General also reported that in 1982, staff movement had cost US\$1.1 million, and that so far in 1983, US\$432 000 had been spent, or 54 percent of the US\$800 000 that had been budgeted.

The Delegate from Brazil made direct reference to the three Draft Resolutions on the 1984-85 Program-Budget. He pointed out that the first included overhead resources. Although these were regular resources, the Institute could not oblige the countries to assume such commitments, as it had no legal grounds for doing so. He then drew the attention of the Plenary to Article 23 of the Convention, which stated that the Member States would contribute to the maintenance of the Institute through annual quotas. Therefore, he requested the General Directorate that extra-quota figures in the Draft Resolution be eliminated. As for the Draft Resolution on the Quota Scale, he made note of economic and financial difficulties in the developing countries, including Brazil. His position was that the 1984-1985 budget should be frozen at the level of the 1983 budget. Finally, he discussed the Draft Resolution on Contracts, Agreements, Contributions and Grants, and explained that his country had signed several contracts and agreements under which projects not listed in the Draft Resolution were being carried out. He stated that he would provide this information to the Secretariat. He also noted that the Draft Resolution did not include the IICA-Brazil Agreement, under which the Government provided US\$96 600 in 1984 and US\$104 400 in 1985 to maintain the IICA Office in Brazil.

The Delegate from Brazil asked whether IICA was interested in continuing the Cooperative Program for the Development of the American Tropics, IICA-Tropics. He noted that the 1984 budget included only US\$246 000 of the US\$267 600 that had been planned. For 1985, expectations had been for US\$279 400, but only US\$210 200 were budgeted. He also noted that US\$144 000 had been expected for the Multinational Program in Agroenergy in 1983, but only US\$104 000 were included in the budget. He asked the reason for this difference.

He also stated that on page 156, under the EMBRAPA contract, the IBRD appeared as a source of financing. In fact, it was EMBRAPA responsible for covering the costs of this contract. Therefore, he requested that the document be corrected.

The Director General explained that the Draft Resolution included under regular resources the administrative costs only for those agreements and contracts for which a written commitment had been obtained. Article 66 stated that the Proposed Program-Budget should include all allocations needed for carrying out programs, and this was why these allocations appeared as they did in the budget. He understood the concern of the Delegate from Brazil for the exclusion of unsigned commitments. The agreement in question had not been included under contracts, agreements and grants because the format used in the Proposed Program-Budget did not give titles, whereas the narrative description of the budget for each of the Programs indicated the titles of projects included in the agreements.

He then answered the question about the Tropics Program. In accordance with the decision for the Program for the Conservation and Management of Renewable Natural Resources to give priority to the problems of fragile ecosystems, there had been an increase from US\$92 700 in 1982 to US\$154 000 for 1983. For 1984, a total of US\$246 000 was proposed, although there would be a slight reduction to US\$210 000 for 1985. He also discussed other projects being implemented to reinforce the work in the South American Tropics.

He then promised to correct the omission of the IICA-Brazil Agreement for the operation of the IICA Office in that country. He explained that the figures for the Agroenergy Project were the result of initial steps taken to implement a Hemispheric Project for Cooperation in Agroenergy. Approval had already been obtained for beginning cooperation activities with the Latin American Energy Organization, OLADE. An agreement had been signed with this organization, and the project headquarters had been set up in Brasilia, with the support of the Government of Brazil. The Director General also promised to make the correction for the IBRD/EMBRAPA Agreement, suggested by the Delegate from Brazil.

The Delegate from Brazil stated that Article 66 authorized the Director General to indicate extra-quota funds in the Proposed Program-Budget, but not in the Resolution. He also noted that in the Draft Resolution on Contract, Agreements, Contributions and Grants, projects were listed as though they were agreements. In some cases, more than one project was carried out under a single agreement, and therefore the proposed that suggested corrections to the Proposed Program-Budget be provided in writing, especially in the case of Brazil, in order to make it consistent with Resolution 34(82) of the Board. As for the IICA-Tropics Program, headquartered in Brazil, the Delegate from Brazil stated that it could be an important mechanism in the Institute for cooperation in the Amazon

countries. For this reason alone, it should be strengthened. He noted that the resources allotted for the Program had been reduced for 1984 and 1985, and insisted on the need to define the future of this Program.

The Chair asked for the Director General to comment on the ideas of the Delegate from Brazil concerning the presentation of the Draft Resolutions.

The Director General replied that the extra-quota amounts were included in the Draft Resolution so that it would reflect the complete text of the budget. However, he stated that if the Committee so requested, there would be no problem in redrafting it to authorize the use of extra-quota income in accordance with descriptions given in the text of the Program-Budget.

The Chair asked the Plenary to consider the Director General's suggestion.

The Observer from the United States asked for a correction in the second paragraph of the consideranda of the Draft Resolution, which indicated that quota income for 1984 would be US\$19 656 000. Page 172 of the text quoted US\$19 875 019. The same correction should be made in the 1985 figures.

The Director General indicated that in order to make the two resolutions consistent with the amount of the budget and comply with the opinions of the Plenary, he proposed that a Chapter IV be added. It would give a clearer explanation of the relationship between the Draft Resolution on the Quota Scale and the Budget.

The Observer from the United States stated that it was very important to see the Chapter IV suggested by the Director General in writing, in order to decide how it would affect the Quota Scale.

The Chair reported that the General Directorate would provide a document with the changes as soon as possible, so they could be compared.

The Delegate from Venezuela congratulated the General Directorate for the way the document had been prepared. He asked to see the new study on the inflationary problem, which was the key consideration for the quota increase. He also asked what percent of the total budget was used for salaries.

The Delegate from Venezuela then expressed his Government's concern for the present demand by the countries for new projects which would necessarily increase costs. He said that efforts should be made to avoid duplicating activities. As an example, he commented that FAO and SELA were both working on food security. Recently the Presidents of the Andean countries had agreed to a Sub-regional System for Food Security and the Conservation of Natural Resources. While it was true that Venezuela was facing economic difficulties, like all the other countries of the Americas, it was very willing to cooperate with IICA so that the Institute could continue to provide cooperation to the Member States. However, Venezuela felt that the budget increase requested for 1984-85 should include a well-reasoned justification of each item to

be increased. In such a case, Venezuela could accept the higher budget.

Finally, the Delegate from Venezuela stated that, on the basis of the information provided and the progress of the discussion, he would declare his final position concerning approval of the budget increases.

The Director General reported that personnel expenditures made up 63.7 percent of the total 1983 budget, 65.7 percent of the 1984 budget, and 66.3 percent in 1985.

In response to the comment by the Delegate from Venezuela on duplication of activities, the Director General gave an extensive explanation of the role that IICA was playing in the hemisphere specifically to prevent this type of duplication. In particular, he made mention of joint, coordinated efforts being made in the area of food security, to define the fields of action of the different participating agencies. He listed the OAS, SELA, and the World Food Council as examples.

The Delegate from Canada requested clarification of IICA's contribution to CATIE. He also asked for an explanation of the percent increase in direct technical assistance. In the 1984 budget, it would be 2.4 percent, and in 1985, it would be 0.3 percent. Finally, he asked about the Center for Investment Projects (CEPI) and the item in the proposed budget for unanticipated technical cooperation and pre-investment costs. He added that he did not feel comfortable with the presentation of new projects not included in the budget document.

The Director General replied to the question about IICA's allocation for CATIE's regular budget by reporting that the draft budgetary distribution had been approved by CATIE's Council of Directors in its meeting on August 3. It was now available and could be distributed to the Delegates on the Committee.

The Director General continued his report, stating that the percent of direct technical cooperation had been increasing. It was 58.5 percent in 1983, 60.9 percent in 1984, and 61.2 percent in 1985. He explained why identical rates of increase were not maintained from year to year.

The Director General explained that the CEPI budget had increased because the Center had been established only recently. Therefore, the budget figures appeared greater in proportion to other units already operating. He stressed the importance of this Center in facilitating the access of such important agencies as the IDB and the World Bank to the member countries. Eventually it could include the United Nations Development Programme. Finally, he noted that the format of the projects had been developed on the basis of a computerized system that would be producing information. This would be presented later.

The Delegate from Canada reminded the Plenary of the requirement in the Medium Term Plan to achieve a budget by 1987 in which 75 percent would be allocated to technical cooperation. This would require an annual increase of three percent, which was not particularly reflected in the 1985 budget.

The Director General reported that the table of total resources on page 116 showed that technical cooperation, short-term cooperation and preinvestment would receive 78.0 percent in 1984 and 75.7 percent in 1985.

The Delegate from Canada commented that the 76 percent reflected the total of regular and external funds, but it was assumed that only regular funds were to be included. He stated that perhaps in the future, new projects could be presented in the Program-Budget.

The Director General explained that the new projects were presented separately so they could be more carefully studied by the Committee and the Board and decisions could be made on them. However, they could be included in the format of the Program-Budget as long as limits were specified on the amounts budgeted for them.

The Director General also stated that the Medium-Term Plan charged the General Directorate to reduce the basic budget gradually to 25 percent. Financing for this reduction was to come from technical support and supervision money in projects financed with extra-quota funds. This was why the ratio had been drawn between extra-quota funds and quota funds.

The Delegate from Guatemala congratulated the General Directorate for the presentation of the Proposed Program-Budget, and commented that the process of reaching agreement with the countries should be more active and dynamic. In this way, IICA would be able to perceive the swiftly changing concerns and actions originating in the countries. He also commented on the need for agile, flexible mechanisms with which the Institute could support urgent actions in the countries. Similarly, he stated that there was a need for coordination with other international technical cooperation organizations, to prevent the duplication of efforts. Finally, he reiterated the request that the Minister of Agriculture of Guatemala had made in the last Board meeting, for IICA's Area I Office to be reestablished in Guatemala, on the basis of the agreement between IICA and the Government.

The Chair thanked the Delegate from Guatemala for his remarks and stated that note had been taken of his interest in the location of IICA's Area I Office.

It was 13:15, and the Chair adjourned the Sixth Plenary Session.

X. SEVENTH PLENARY SESSION

Item 13: Proposed Program Budget 1984-1985 (Continued)

The Chair called the session to order at 14:30 hours on August 9. He indicated that it was necessary for the Committee to concentrate its efforts in order to reach some conclusions about the Program-Budget.

The Delegate from El Salvador stated that his country had always recognized the importance of IICA's work, but considering the general crisis that faced the countries, he viewed the request for a budget increase with some concern. He wanted the Committee to consider his country's responsibilities to other international agencies, and recommended a specific rate of increase that would be reasonable and in keeping with the financial capacities of the contributing countries.

The Chair proceeded to read Article 3 of the Rules of Procedure of the Executive Committee, which stated that, among other considerations, the Committee must "examine the proposed biennial program-budget that the Director General submits to the Board and to make any pertinent observations and recommendations." He stated that in accordance with the last phrase of the Article, the Committee could recommend that the Program-Budget be accepted in the form that it was presented by the Director General.

The Delegate from El Salvador intervened to suggest that the Program-Budget be examined to determine some necessary adjustments and to study the proposed increase.

The Observer from the United States of America stated that before expressing his opinions about the Program-Budget, he wanted to publicly acknowledge his appreciation of the efforts of the Administration in preparing the budget document and financial reports which improved over those produced in the past.

In view of the recession presently taking place in his country, the United States could support an increase that would result in a total budget not exceeding US\$18 700 000.

The Observer from the United States said that while the value of all the Institute's programs might be defended, the Administration must adapt itself to a widespread state of financial difficulty. He reminded the Committee that the Member States of the OAS had approved neither budgetary increases, inflation adjustments, nor new programs. He requested that the Committee be given: 1) a revised document with a bottom line not in excess of US\$18.7 million, and 2) the cost of living adjustment being proposed in the budget.

The Delegate from Honduras indicated that in addition to the opinions already expressed, the Committee should consider a precise recommendation concerning how much it felt the Program-Budget under discussion should be. It could then analyze a ceiling figure that the Executive Committee would be willing to approve, so that, working from this figure, the General Directorate could revise the budget for presentation to the meeting in Jamaica. He stated that this appeared to be the best method of operation in this case.

The Observer from Nicaragua declared himself to be in agreement with the Delegate from Brazil with respect to the difficulties their countries would have if the quota corresponding to 1984-1985 were increased, especially in view of the particular financial position of Nicaragua. He suggested that in order to obtain approval of the Program-Budget, it would be advisable to review the goals of the ten programs included in the budget and reduce the activities of some of them (Animal Health and Plant Protection, for example), or coordinate activities with other specialized organizations such as the FAO Phytosanitary Commission or OIRSA. In this manner, IICA would be strengthened in three priority areas: research, education and technology transfer.

The Observer from the United States said that the U.S. Delegation had identified for the Administration reductions in the budget totalling US\$1.9 million which would have no adverse affect on programs. He again called on the Administration to provide additional information regarding a reduced-level budget.

The Delegate from Bolivia stated that although his country recognized the benefits gained from IICA's activities, other economic realities should be recognized and considered. Some of these were short term and unanticipated, such as the series of natural disasters that had recently affected Bolivia. These realities forced him to defend a zero growth quota budget. He considered that the reductions proposed for the Program-Budget should be managed exclusively by the Administration.

The Delegate from Canada indicated that his country had recently proceeded to define its priorities with respect to development assistance, especially in view of Canada's struggle against inflation. Based on these policies, Canada would accept an increase that would permit IICA to maintain the present level of its programs, and any new programs should be from within that level. He suggested that cuts be made the budget either at the administrative level and/or by phasing out existing projects.

The Chair noted that from what had been discussed, a consensus appeared to be forming to freeze the budget, but he thought it necessary to hear the opinions of other Delegates, to get a more precise idea of what procedure to follow.

The Delegate from Guatemala observed that if a budget increase were to be requested, not only the impact of inflation on the Institution should be considered, but also the projection of the budget increase and, as was stated by the

Delegate from Nicaragua, the efficient use of IICA resources. To do this it was important to analyze the activities of the Institution and plan the cuts, not as an across-the-board reduction, but through a revision and analysis of program priorities. He stated that his country would approve an increase when it was clearly justified within these terms.

The Chair pointed out that the Administration had already done an inflation study. With the approval of the Committee he requested that Dr. Enrique Vigués present the basic contents of the document.

Dr. Enrique Vigués read the study entitled "Requirements for the 1984-1985 Budget Increase of IICA to Offset the Effects of Inflation". Dr. Vigués reminded the Committee that in 1981 the Institute had studied the inflation process, and that in this document a ten year historical perspective was adopted. The data had been projected for the years 1984-1985, and it was concluded that an eight percent budget increase would be necessary to maintain the Institute's present level of activity through this period. This would mean freezing the 1983 budget level. The recent influx of drastic devaluations that occurred in Mexico, Argentina and Costa Rica was taken into account in the analysis.

In line with information from the Member States and the International Monetary Fund, the study showed that in order to offset the loss in buying power of the dollar, it was necessary to increase the Program-Budget a minimum of seven percent in 1984 and fifteen percent in 1985, over the 1983 budget (the sum of seven percent and 7.5 percent for 1985).

The Director General of the Institute followed up Dr. Vigués' presentation by saying that these data, projected by the best available methods, suggested freezing the budget at 1983 levels, and therefore the Program-Budget only requested the increase necessary to offset the inflationary process. He noted during his visits to the countries, that they all agreed that agricultural development was the pillar of their economies. Thus, it was imperative to find comprehensive answers that would work to strengthen the mechanisms of international cooperation and the efficient use of IICA's resources.

The Delegate from Honduras expressed his concern with the difficulties that the Institute would face if the increase were only three percent, because of the effects of inflation described by Dr. Enrique Vigués. He remarked that for his country, the level of technical personnel and experts provided by IICA was exceedingly important. The countries depended on the Institute to supply this level of experts and on the critical mass that IICA contributed in supporting them. Therefore, he believed that the three percent increase would be a limitation of crisis proportions for the Institute. He recommended that the Program-Budget be approved as proposed by the General Directorate, and be presented to the Board meeting in Jamaica, attached to a revision of the total, taking into consideration the ideas discussed by other Committee Members, concerning cutbacks in the Institute's operating capacity. With this decision, the General Directorate would be free to consider carefully the comments made and make the adjustments he believed necessary.

The Observer from the United States again asked whether the Administration could at that time provide information regarding a budget at a lower level than that set in the proposed 1984-1985 budget.

The Director General replied that he could not immediately state where he could make adjustments or cuts in the Program-Budget. However, he said that in order to calculate and estimate a figure different from that used at present, it would be necessary to consider not only inflation, but also the fact that the Institute provided technical services, not financial services, as the Delegate from Honduras had pointed out. This was why personnel absorbed two thirds of the budget. This also explained why the increase in personnel costs, not including new posts, was US\$ 1 021 400 for 1984, even though salary and benefit levels were lower than those for the General Secretariat. This total increase was a real figure, and served as a way for IICA to encourage its staff to remain on the job. It also gave an idea of the effect of inflationary pressure on Institute resources.

The Delegate from Grenada stated that, while the increase could be explained by inflation, there were some programs in which the causes seemed to be different. In this connection he drew reference to the increases in cost in the CEPI Office of the General Directorate and contingencies which were in some cases over 200% increase, and therefore much above the inflation factor. He asked for an explanation of the situation.

The Director General explained that as a result of the definition of priorities emerging from the process of concurring with the countries, it had been necessary to redistribute the budget among programs. As a result, the amounts in or among projects had varied according to the priorities set by the countries. He also noted that there was a significant difference between 1983 and 1984 as a result of the relative reduction in administrative costs. The Programs showed the cost increases for technical personnel, but this did not include inflation, increases in operating costs, personnel costs, or the redistribution performed as a result of the process of concurrence with the countries.

The Director General commented that the Integrated Rural Development Program still had more regular resources than any other IICA program, as it was growing by twelve percent. However, others, such as Formal Agricultural Education and the Conservation and Management of Renewable Natural Resources, had declined from the previous year. As a whole, he explained, the Programs had an overall increase of eleven percent over the previous year, well above increases for inflation. However, this was due to the reduction in administrative costs and the use of this cost reduction to improve the efficiency of Program implementation. The cost increase indicated for the General Directorate was due to the transfer of extra-quota resources that had been placed in another chapter the year before.

The Chair asked for discussion on the possibility of striking a compromise by approving an increase of 5.5 percent or 6 percent. This figure would be between that requested by the General Directorate and that recently expressed by some Delegates.

The Observer from the United States said that his country would find it very difficult to accept a budget greater than US\$18.7 million. This clear statement was motivated by its wish not to mislead anyone by announcing one position while harboring a private intent to agree to another position. As a second matter, he expressed his opinion that it was not valid to cite inflation as the justification for a bottom line budget increase where the activities of the one budget year are different from those of the other budget year. Finally, he again requested information as to the cost of living factor used in preparing the proposed budget.

The Chair asked the Director General to prepare the information requested by the Observer from the United States for the next session. With the assent of the Committee, the Chair then suspended discussion on the Program-Budget until the following day and recognized the Director General for an explanation of the basic foundations of the document "Report of the IICA-PAHO Working Group on the Possibility of Transferring the Pan American Foot-and-Mouth Disease Center from PAHO to IICA".

Item 6. Report from the Director General on a Study of the Possibility of Transferring the Pan American Foot and Mouth Disease Center from PAHO to IICA (continued)

Dr. Hector Campos read the major portions of the document by the working group. He gave special emphasis to the financial implications of options (C) and (D) for the transfer process. He underscored the essential points to be considered in a specific agreement, as follows:

1. The establishment of cooperation projects or activities, or joint action in or through the Center in areas related to the diagnosis, research and control of foot and mouth disease and other viral animal diseases of interest to agricultural economics in the region.
2. Projects to be developed jointly could be framed through PAHO and IICA negotiating mechanisms in the countries, and by multinational technical and consultative branches of the two institutions in the area of animal health. Examples could include RIMSA, COSALFA and the PANAFTOSA Scientific Advisory Committee for the Pan American Health Organization, and COINSA for the Inter-American Institute for Cooperation on Agriculture.
3. Resources for the development of joint projects could be processed and allocated by the two institutions in a ratio agreed to for each case.
4. Personnel, facilities, equipment and materials from the two institutions would be used for the joint projects in a broad framework of mutual support, in order to optimize effective results.
5. Once joint projects and activities had been framed and approved by the appropriate bodies, and resources were available, they could be formalized and carried out simply by signing letters of understanding between the two institutions.

The Director General noted that the next meeting of PAHO's Directing Council would be held in September, 1983, exactly one month prior to the meeting of the Inter-American Board of Agriculture. Therefore, the decisions adopted by the two organizations on the Pan American Foot and Mouth Disease Center could be well coordinated. There appeared to be consensus on the adoption of option (D).

The Rapporteur reminded the Plenary that, in accordance with the decision of the First Plenary Session, the deadline for submitting Draft Resolutions was that day. Three drafts had been received: the institutionalization of the Inter-American Agricultural Information System, AGRINTER; the Educational Seminar in 1985 upon completion of United Nations Decade for Women; and the Cooperative Agricultural Research Program for the Southern Cone.

The Delegate from Honduras reported that, unless there had been some error, the Delegations from Bolivia and Grenada had not yet turned in their credentials, and he requested them to do so as soon as possible, so the report could be given to the Plenary.

The Chair adjourned the sessions and stated that deliberations would resume at 8:30 the following day.

XI. EIGHTH PLENARY SESSION

The Eighth Plenary Session began at 9,00 hours on August 10. The Chair called the session to order and said that in accordance with the order of business they would read and approve the Proceedings of the Third and Fourth Plenary Sessions, and request comments from the Committee

Reading of the Proceedings

The Chair stated that since there were no comments on the Proceedings of the Third Plenary Session, they would be declared approved, and went on to consider the Fourth Plenary Session.

The Delegate from Brazil indicated that page 51 of the Spanish version (page 49 of the English), concerning the level of overhead, did not give an accurate synthesis of what he said, and submitted his written comments to the Secretary.

Since there was no further discussion, the Chair approved the Proceedings of the Fourth Plenary Session.

The Chair welcomed the Observer from Nicaragua and gave him the floor.

The Observer from Nicaragua greeted the Committee and recognized the cordiality in which the meeting was being conducted. He expressed the hope that the meeting would continue in this way with positive input from those present for the benefit of IICA and the countries.

The Chair thanked the Observer from Nicaragua and recognize the Delegate from Bolivia.

Item 13. Program-Budget (Continued).

The Delegate from Bolivia informed the Committee that he had consulted with his Government and had received authorization to modify his position and accept a compromise five percent budget increase, with the condition that the General Directorate present the next meeting of the Board with a plan to reduce expenditures.

The Chair expressed appreciation for the position of the Delegate from Bolivia, and reopened discussion on the proposed Program-Budget.

The Delegate from Grenada stated that, based on the discussions of the Committee, he would propose an increase of no more than five percent over the 1983 budget, and the General Directorate would be requested to adjust the budget on this increase. He said that according to information from the Director General, the quotas were generally paid in the last trimester of the

year. He proposed that the quotas should be paid six months earlier, between March and June of each year, which would result in added interest income that would cover the five percent increase, coinciding with Brazil's request for a zero percent increase and the United States request for a three percent increase. Concerning the proposed special projects for additional funds, he suggested that they be incorporated into the Program-Budget with extra-quota funds from other sources. He indicated that a figure of US\$50 000 could be authorized so as to assist the Office of the Assistant Deputy Director General for External Affairs in finding funds for these projects.

The Chair thanked the Delegate from Grenada for his presentation and his suggestion about the Special Projects.

The Delegate from Honduras stated that the most prudent action would be to approve in principle the budget under discussion. Based on the suggestions of the Committee, the General Directorate could adjust the proposed Program-Budget to incorporate reductions in expenditures without affecting the fundamental quality of service of the Institute, and present the document to the Executive Committee meeting in Jamaica.

The Delegate from Canada supported the proposal of Grenada that expressed the consensus of various Delegations for some form of budget reduction, while providing the Institute with the resources needed to continue its programs.

The Delegate from Guatemala declared that once an agreement was reached concerning the recommendation of the total amount of the budget, he would have some comments about the budget breakdown.

The Chair observed that there was a consensus that the budget increase should not exceed five percent over the past year, and that this could be recommended to the Board in October.

The Delegate from Brazil asked, if the Committee was planning to recommend the proposed budget to the Board, whether the three draft resolutions would also be recommended.

The Chair stated that they would have to be modified in accordance with the committee's discussion and any amendments.

The Delegate from Brazil asked whether the modifications would involve criteria, or only figures.

The Chair went on to explain that first an agreement must be reached concerning the total budget in terms of percent increase, and then the Draft Resolution must be restructured. He also indicated that there appeared to be a consensus to include the Special Projects in the Proposed Program-Budget.

The Delegate from Brazil asked whether final drafts of the documents would be prepared, or if there would be further discussion by the Committee.

The Chair responded by saying that the documents would be discussed again at the Second Section of the Committee Meeting prior to the JIA Meeting.

The Delegate from Brazil inquired if the documents would be revised based on the five percent increase, and what criteria would be followed, especially for the Draft Resolution on the Budget.

The Director General indicated that the revision of the Proposed Program-Budget would be ready by the end of the following week and sent immediately to the Board, in accordance with the Rules of Procedure, to be reviewed by the Executive Committee during the Second Section of its meeting in Jamaica. He said that the Draft Resolution on Quotas would be easy to modify, and that the Resolution showing budget distribution by chapter could undergo changes in accordance with comments received from the Committee. The documents must be sent to the Board 60 days before its meeting, that is, by August 24.

The Delegate from Brazil requested that the Committee discuss the recommendations that were to be included in the three Draft Resolutions.

The Director General indicated that the Draft Resolution on the Budget included reference not only to the distribution and size of the budget, but also to the concern of the Delegate from Brazil, about whether it were proper or legal to include regular resources from indirect administrative and technical costs in the regular budget. With respect to this last point he requested a decision from the Executive Committee.

The Observer from the United States intervened to say that he agreed with the chair in perceiving a clear consensus for an increase not in excess of five percent. He explained that any adjustment the General Directorate prepared, could be based on any increment between zero and five percent. He suggested that adjustments based on a three percent increase should also be prepared as requested by the United States.

The Delegate from Honduras stated that if two alternatives were going to be prepared, it would be necessary to know the implications and budget breakdown for each alternative, whether three percent or five percent.

The Chair expressed his preoccupation over the amount of work involved for the General Directorate in presenting various alternatives, and requested the opinions and comments of the Committee Members.

The Delegate from Venezuela considered that the information already discussed should be sufficient for a judgement to be made and a budget approved at the Jamaica meeting. He went on to say that the Director General could include in the document all of the implications that surrounded a budget cut. He also expressed his agreement that they obtain approval for a five percent increase, and requested that the effects of a much smaller cut be included in the above document.

The Chair requested that his previous comments concerning the Program-Budget be taken in his role as Head of the Canadian Delegation and not as Meeting Chairperson, and asked that this be noted in the Proceedings.

The Delegate from Uruguay commented that his instructions permitted him to recognize the need for a budget increase to offset inflation, and could authorize a maximum increase of eight percent over the 1983 budget or below this figure if the consensus of the Committee so dictated. In this regard, the Delegation from Uruguay joined the general consensus and approved the five percent increase. However, he indicated that he would like to know within what parameters the Delegation from the United States was able to establish a 1.9 reduction or a three percent increase.

The Observer from the United States explained that they had carefully studied the documents submitted particularly because of the difficult financial situation that existed in the United States, as in every other country. As was noted the day before, and previously noted to the Administration of IICA, the United States Delegation had identified a reduction in the proposed budget totaling US\$1 900 000.

The Observer from the United States said that, as mentioned the previous day, these specific reductions would be identified if that was requested.

The Delegate from Uruguay requested a more precise answer concerning the parameters the United States Delegation had utilized to determine this figure, in other words, the criteria or aspects that were considered in establishing a figure as concrete as 1.9, or three percent.

The Chair stated that the requested information was conceptual in nature, it involved the criteria used to select determining factors with which to identify the programs in which reductions could be made and that the Delegation from the United States had used to arrive at precise figures.

The Observer from the United States said that on pages 167 to 170 of the Proposed Program-Budget, the specific reductions proposed by the United States could be found under Chapter 1.B.3, entitled "Center for Investment Projects". An increase of US\$153 000 to US\$417 700 was being proposed, signifying a 270 percent increase over 1983. The United States recommended a reduction of US\$200 000, for a net allocation of US\$217 700. Under Chapter 1.C entitled "Unanticipated Technical Cooperation and Preinvestment Costs," the United States requested the elimination of the US\$116 000 proposal. In Chapter 2.A entitled "Office of the Director General," the United States proposed a reduction of US\$600 000. In Chapter 3.C entitled "General Contingencies", US\$ 201 600 and in Chapter 3.D, US\$ 790 600, he proposed to eliminate both allocations. As the Observer from the United States had stated previously, these reductions had no effect on Programs 2, 4, 5, 6, 7, 8, 9 and 10 which the proposed budget would increase from eighty to ninety percent.

The Delegation from Grenada stated that the Director General should consider, when doing reductions from the eight percent some of five percent reductions mentioned as a consensus by the United States Delegation. As he had stated earlier, he believed that percentage increase could not be viewed in isolation from quota increase. He presented the possibility that the Director General could give an estimate of the monthly effects that the two percent differential in quota payments would have on the Institute. With this information, the Delegate from Grenada considered that the Committee could compare relative advantages of a budget based on as increases of three or five percent. The Delegation from Grenada urged the Committee to present the JIA meeting with a single proposal, that of a five percent increase over the 1983 budget.

The Director General summarized some of the deliberations of the previous day especially the reasons why some of the increases were more apparent than real. He cited the cases of CEPI, the Simon Bolivar Fund, CORECA, and the agreements with the World Bank that were being paid with resources of the Simon Bolivar Fund and had permitted the smooth progress of the activities of CORECA in the Central American countries. The Director General also reviewed the interventions of Guatemala and the Dominican Republic, in which they repeated their requests for short-term, unanticipated technical assistance from IICA for situations such as those caused by natural disasters.

Similarly, the Director General stated that the General Directorate would receive only an apparent increase due to the fact that the General Directorate employed a large number of people that had received salary raises mandated by law. He explained that the most recent raise alone was 12.6 percent, and there had been no devaluation. This signified a net increase in dollar costs to the General Directorate.

Contingency funds related more to the comments of the Delegate from Grenada, the Director General continued. These funds did not correspond to money that was put in reserve, but to the fact that only up to a certain percentage was programmed, because 100 percent of the quotas were not always paid. This showed that there were not only delays in paying the quotas, but there were countries that did not pay their quotas by the end of the year, causing the execution of the budget to be less than 100 percent. Therefore, if IICA were to program its budget for 100 percent execution, it would be obliged to incur a debt beyond that which was approved by the Board to cover temporary delays of quota payments in the same fiscal year.

The Director General indicated that this contingency was not a reserve, but was simply a means of not programming funds that would probably not be received. By understanding this phenomenon and the payment trends of the countries, it could then be decided if it were necessary to include a chapter for contingency funds in the Budget. As the Delegations of Grenada and the United States had observed, the Committee would need to have the best information available, the highest adjustment in the Budget chapters, and information about the historical quota payments trends of the countries, in order to define the execution of the budget.

The Director General concluded that present conversations being sustained with the countries would permit a certain optimism, since he felt that the countries and their Delegates had supported the Institution. This had made it possible in the present year to keep better records of quota collections. If the positive trend continued, IICA could reduce the relatively large contingency allotment, which presently appeared in the budget only as a security mechanism so that the Institute would not be counting on funds that it probably would not receive.

The Delegate from Grenada asked the Director General what it would signify in terms of income to the Institution if the payments were made before the current average dates.

The Director General indicated that, as mentioned in the Financial Report, there existed the possibility that if the Institution had sufficient liquidity, it could put these funds in capital markets and obtain interest that would increase its financial capacity. As had been explained in the previous session, the Institute had changed a liability of US\$200 000 in interest payments to receipts of approximately US\$50 000 between 1982 and the first semester of 1983. This has signified a net balance from a situation of sacrifice to one of collections or assets. This was accomplished while interest rates on assets were falling. Such a favorable situation was possible thanks to prompt quota payments, to cash-roll adjustments, and to a disbursement timetable, which resulted in major additional income for the Institute.

The Delegate from Honduras noted that the Committee had formed a consensus on two aspects of the discussion: the apparent commitment to approve a five percent increase over the 1983 budget, and the desire to know the implications of reducing from eight to five percent. He indicated that it was also clearer how a cutback in some areas suggested by the United States would have implications on the logistical support that IICA was giving to CORECA, and how important it was for the countries to pay their outstanding quotas which presently amounted to nearly US\$3 000 000.

The Delegate from Honduras declared that the payment of these outstanding quotas should be the subject of a Committee Resolution, since although the countries confronted economic difficulties, it was also true that they were giving priority to the agricultural sector to surmount these difficulties.

The Chair requested that the Committee Delegates give their opinions on what type of precise instructions the Director General should receive concerning the number of Program Budget drafts that should be prepared.

The Chair stated that to his understanding, the Committee wished the Director General to freeze the Program-Budget, not to exceed a five percent increase. At the same time, he would prepare an informative document on IICA's capability to carry out its programs under this new situation.

The Technical Secretary commented that the consensus of the Committee was for the Director General to provide the Meeting in Jamaica with a single proposal for a five percent increase, and an explanatory document on the implications of reducing the increase from eight percent to five percent, indicating the areas in which these reductions would be made.

IICA's Deputy Director General then explained how IICA calculated the cost of living, in response to an earlier inquiry from the Delegate from the United States. He gave a number of examples on rises in the cost of living and the impact on IICA's Budget. He stated that the personnel cost increase for 1983 totalled US\$366 000, and noted that in any case, IICA had not increased as much as the General Secretariat of the OAS. Similarly, he described the differences between the International Personnel category and the National Personnel categories in IICA, stressing the effects of stability, devaluation or revaluation of currencies in Argentina, Bolivia, Brazil, Costa Rica, Colombia, Chile, Honduras, Mexico, Peru, Trinidad and Tobago and Uruguay.

The Delegate from the United States thanked the Deputy Director General for his extensive explanation and asked for written reports on the subject, that the Delegates could study.

Item 17. Report by the Director General on the Study of Incorporating the Agricultural and Rural Development Projects from the General Secretariat of the Organization of American States into IICA

At the request of the Director General, Mr. Enrique Blair introduced the report on the Study of Incorporating the Agricultural and Rural Development Projects from the General Secretariat of the Organization of American States into IICA prepared in compliance with Resolution 17 of the Second Special Meeting of the Board, held in October, 1982. Following Mr. Blair's reading and explanation of the key points, the Chair opened the floor to discussion.

The Delegate from Panama congratulated the Director General for the valuable information in the report. He stressed the need for these projects, in danger of being terminated due to lack of economic backing from the OAS, to be transferred to the Institute. IICA's infrastructure, already established, would work in favor of their continuity. Nevertheless, he stated that he saw some difficulty in transferring the projects, a task that would include transferring personnel and physical resources. This would be viable only if the countries were truly interested.

The Delegate from Grenada stated that having seen the costs of the study, they could think about a process similar to that used for the Pan American Foot and Mouth Disease Center, to include a transfer of responsibilities without transfer of funds. In such a case, the OAS budget would retain nearly US\$850 000, but these funds would clearly be programmed for some other activity. The Delegate from Grenada stated his opinion that a similar situation could arise in the case of PAHO, with its interest in transferring PANAF-TOSA to IICA, so that IICA would have to obtain financing to keep the Center operating.

The Delegate from Grenada also stated that although he agreed with the Delegate from Panama that the Institute already had infrastructure, he stressed that it did not have the funds to include the Center in its own programs, as was desired.

The Director General agreed with the opinions of the Delegate from Grenada and, as an example of a similar case, pointed out the Simon Bolivar Fund. This Fund had the potential of serving as a tool for resource acquisition and reinforcing specific IICA programs. He explained that the Fund had two categories for receiving resources. One was applied to IICA projects, with no restrictions beyond Fund rules and regulations; the other was to accept resources for specific purposes, that fit in the programs. An example would be contributions for rural development projects of high priority in IICA. With this system, it would be possible to maintain institutional capacity in fact without reducing it or, worse yet, losing it altogether.

The Representative from the OAS was recognized and stressed that in the area of rural development, the Organization had complied with the mandates of its member countries as a part of the process of coordinating activities with other Inter-American agencies of the system. In the specific case under discussion, he added, the OAS had made its decision because it believed that IICA was better equipped and more specialized, and because it trusted that the transfer would result in more effective services to the member countries than the OAS could provide.

The Representative from the OAS pointed out that there was no thought of eliminating the allocated funds. Rural development programs had been a subject of great interest to the member countries, he stressed. Demands for technical assistance services in the field exceeded US\$3 000 000 per year. In light of this fact, he assured the Plenary that the OAS 1984-1985 Budget would include no agricultural or rural development projects, and the countries had been notified of this. The OAS, he continued, had assigned this field to IDRC, and would maintain coordination with IICA, thanks especially to the funds obtained from Canada, the IDB, AID, and other institutions. The member countries must now establish mechanisms for these funds to be used through the Institute. The General Secretariat would be very pleased with this type of decision.

The Delegate from Honduras stated that apparently the Committee had only to approve a procedure consistent with the report and absorb these projects, as long as the source of resources indicated by the Representative from the OAS were guaranteed. A logical mechanism would be for the OAS to retain these eight projects until they were completed, under the mechanism already established for obtaining resources. IICA could actually execute the project, as it was a specialized agency in agriculture.

The Delegate from Guatemala suggested that the Committee express an opinion on the incorporation of the eight projects underway, after learning whether these projects were indispensable, were having an impact on the countries, were attaining their objectives or goals, or whether it were simply

due to lack of resources that the OAS wanted to transfer them to IICA. The most appropriate course, he noted, would be for the OAS to complete the projects so IICA could propose other new projects using existing sources of financing.

The Director General was recognized and answered the questions posed by the Delegates from Guatemala and Honduras. The proposal in the report was that the OAS would complete the projects, as it had resources available for this purposes. Afterwards, however, the OAS would begin no new projects, which would instead be the responsibility of IICA. IICA would also be responsible for obtaining resources, whether regular, special, or extra-quota, for agricultural and rural development.

The Delegate from Grenada remarked that these projects were being discontinued by the OAS in 1983. In the future, he noted, IICA would have to turn to the countries to find out what priority they gave to these projects, and to study the feasibility of projects continuation.

The Representative from the OAS noted that in most of the countries, top priority had been given to these rural development projects as a part of the Special Development Assistance Fund, SDAF. In this case, the most important point was not so much the projects, as the need for Latin America and IICA to have funds available for meeting the requests of the countries in the field of integrated rural development. In this sense, he suggested that priorities could be reordered for regular funds, traditional funds or additional funds in IICA and the countries could contribute to continuing these rural development projects.

Mr. Enrique Blair stated that, in order to eliminate some of the confusion surrounding the topic, it should be understood that the OAS was transferring these functions so that the specialized agencies would be in charged of executing them. In the second place, it would be wise to know that, when the OAS withdrew from implementing rural development projects, a gap would be produced in the Inter-American system as a whole. There would be fewer resources for agricultural and rural development, even though IICA would continue to carry out and expand its Integrated Rural Development Program.

The Delegate from Guatemala stressed that, with the information provided earlier, it could be seen that IICA would be completely free to negotiate with the governments to obtain the funds that had previously gone into these OAS projects, and to contact other pertinent sources. He wanted to make sure this point was clearly understood by the Executive Committee.

The Delegate from Grenada reiterated his country's interests in having these projects continue, and urged the Director General to approach the countries to enter into agreement with them for resource allocation.

The Delegate from Honduras asked for the earlier discussion to take the form of two draft resolutions that the Executive Committee would refer to the JIA. These resolutions should express IICA's desire for the OAS Council to

contact the international organizations and inform them of the need for these agricultural and rural development projects to be carried out by the specialized agency of the Inter-American system. The second Board resolution to the international funding agencies and friendly countries would request increased contributions to IICA for these activities. This would give the Director General solid support in negotiating with such organizations.

With the Committee's assent, the Chair stated that the Committee accepted the Report from the Director General and had recommended Board approval.

He asked that the two draft resolutions proposed by the Delegate from Honduras be attached to the report. He stated that the Director General should approach the countries presently carrying out the pertinent OAS projects and request fund from them to ensure that the projects would continue.

Item 18. Proposed Criteria for Establishing New IICA Programs

The Chair then recognized the Assistant Deputy Director General for Program Development, so he could introduce the document proposing criteria for the establishment of new IICA programs. The document had been prepared in response to Resolution IICA/JIA/Res.26(82), approved in the Second Special Meeting of the JIA. After the document has been read, the attached Draft Resolution was submitted to the Committee.

The Delegate from Grenada expressed support for the Draft Resolution and asked whether the special projects discussed in the Program-Budget could be incorporated into the action of the Institute's other programs and projects.

The Director General gave a full explanation of how the projects did, in fact, fit into the programs. As an example, he showed that the Hemispheric Project for Cooperation in Agroenergy was interrelated with the Program for Stimulus for Agriculture and Forest Production. Agroenergy was also related to other projects and programs, such as Education, Information, Technology Transfer, etc.

The Director General observed that food security could fit under Marketing, Information, and Agroenergy, and Agricultural Credit and Insurance could fit in with Stimulus for Production, as they appeared in the Proposed Program-Budget. The special amounts would be included in other chapters.

The Delegate from Bolivia asked a question about the criteria, specifically in paragraph "J", under which an opinion is obtained from a consultant group external to IICA and made upon specialists. The Delegate from Bolivia stated that this seemed to be a form of pre-cooperation, with the resulting costs, and technical pre-assistance, he felt that this could be avoided with the report by IICA experts.

The Delegate from Uruguay suggested that greater emphasis be given to the criteria in paragraph "C" under number 2, because the countries' interest in incorporating the programs should be the fundamental basis for approval. She

asked for the principle in paragraph "C" to be viewed as the highest priority criterion.

The Chair consulted with the Plenary, and the request by the Delegate from Uruguay was approved.

The Observer from the Dominican Republic asked for an explanation as to whether the working group set up under paragraph "J" would be a parallel group to the Advisory Committee.

The Director General explained that the objective of the paragraph was to give the Director General the opportunity to consult on criteria different from those of people who were involved in designing a program. It would also shape the commitment for action to each country, in accordance with specific criteria for each case. In accordance with JIA guidelines on a program the group of specialists or group of consultants would become an ad hoc group for developing the program.

The Chair added that this ad hoc group would in no case be a permanent body, and it should be understood that there was no intention in the document for duplicating functions, but rather for providing a second technical opinion.

The Representative from the OAS asked the Director General to explain whether the agroenergy project would be included in Program VI, "Stimulus for Agricultural and Forest Production." He had noticed that, the general presentation gave no indication as to whether or not it was financed.

The Director General replied that page 51 of the Proposed Program-Budget, under Program VI, showed a multinational project (Brazil) to provide cooperation in agroenergy. The budget indicated that the basic actions had been underway ever since the Board had approved it, and was included in the budget as such. However, the extension of the agreement, under the mandates of the new Medium-Term Plan, had to be submitted separately to the Board.

The Delegate from Canada stated that he was satisfied with the criteria used for identifying programs and projects. He asked whether an additional criterion could be used for selecting programs, one which would address the alternative use of resources. In other words, this new criterion would demonstrate whether a program was considered at least as important as other existing programs. He also asked if there were not some confusion as to whether some projects were actually programs.

The Director General explained the difference between a project with concrete actions over a fixed term and in a specific place, and a program, which was a composite of orientations, strategies and policies giving rise to projects that fit within it. He added that some of IICA's projects surpassed concrete Institute activities and were actually components of a joint support structure for national actions, in some cases combined into international efforts. These institute activities fit in with and were related to activities outside of IICA.

The Delegate from Canada stressed that his suggestion was oriented toward the possibility of establishing an additional criterion for selecting programs.

The Director General briefly outlined the possibilities of removing resources from other programs and applying them to specific opportunities that seemed likely to have an impact over a period of five years.

The Chair thanked the Director General for his explanation and adjourned the Session.

XII. NINTH PLENARY SESSION

The Chair called the Ninth Plenary Session to order at 15:30 on Wednesday, August 10.

Reading and Approval of the Proceedings of the Fifth Plenary Session.

The Chair presented the Order of Business and submitted the proceedings of the Fifth Plenary Session to the Delegates for their comments, asking them to indicate whether they were in agreement or believed they should be amended.

The Delegate from Brazil requested that "not just sixty percent" be eliminated from the third paragraph of page 54 of the Spanish version (page 52 of the English).

The Delegate from Canada asked that his comment in the Proceedings concerning overhead costs be left as was, to the effect that IICA ought to recover the real cost of administrating extra-quota contracts, and the agreement that real costs be fully recovered.

The Chair presented the proposed amendments to the Technical Secretariat and declared the Proceedings of the Fifth Plenary Session approved. He then suggested they move on to the second item of the Agenda, which dealt with draft resolutions on the Evaluation Seminar on the conclusion of United Nations Decade for Women in 1985, the Cooperative Program for the Southern Cone, and the Institutionalization of AGRINTER.

Reading of the Draft Resolution.

The Observer read the Draft Resolution on the Evaluation Seminar on the Conclusion of United Nations Decade for Women.

The Delegate from Venezuela expressed his satisfaction with the Draft Resolution and his desire that it be approved by the JIA at its October Meeting. The Chair also expressed his support and informing, approved the Draft Resolution, with the assent of the Plenary.

The Rapporteur then proceeded to read the second Draft Resolution on the Cooperative Program for the Southern Cone.

The Delegate from Brazil asked that the text clarify that the consolidation was for the cooperative program itself.

The Delegate from El Salvador expressed his support, and the Chair declared the amendment approved.

The Director General referred to Resolution No. 19 of the JIA (28 October 1982), and stressed that the Cooperative Program for Agricultural Research had completed its operations in January of 1983. He stated that IICA had contributed US\$ 190 000 in 1983 in an effort to continue the project while negotiations were taking place, as well as proceed with the actions that the JIA had requested of the Director General. He also indicated that in the current negotiations further IICA contributions on the order of US\$ 895 000, were envisaged for the coming years. This suggested that the Institute had become not only an agency for administration, organization, and implementation, but a major contributor of financial resources. In his opinion, this was the final step in complying with the instructions of the second point of the JIA Resolution as far as financial contributions for the consolidation of this effort were concerned.

The Director General added that in 1983 IICA would contribute a total US\$ 190 000 and that US\$ 183 000 were being requested for 1984 and US\$ 178 000 for 1985, with a forecast of two more years under negotiations. The total was close to US\$ 200 000 per year and IICA had been asked to include an item for contingencies, which it did not usually do.

Given that negotiations were underway with the IBD to initiate a project (which would operate) in the countries of the Andean Area, the Director General stated that he believed that commitments of this kind, which extended beyond the fiscal year, should be assumed by the Director General with the JIA's prior approval. This would not prevent initial steps toward negotiations.

The Director General stated that he should not sign commitments similar that under discussion, which was nearly US\$ 900 000, without prior approval from the JIA.

The Delegate from Canada agreed with the Director General and suggested that a Resolution be passed to define the procedure to be followed with activities of this nature, as the Director General suggested.

The Chair stated that the Secretariat would be asked prepare a Draft Resolution to this effect. With regard to the Draft Resolution under discussion, he explained that there had been a request to replace the word "apoyar" in Spanish, with the word "respaldar", which he believed had more impact.

The Director General then responded to the request by the Delegate from Venezuela to include a precise figure in the Draft Resolution, and explained that because negotiations were still the Resolution could include a ceiling figure and a range within which the Director General could operate.

The Delegate from Grenada pointed out that there were other projects competing for funds and suggested that caution be exercised so that financing for the project under discussion would not absorb funds for other priority areas indicated by the countries. The priorities in this case should be set by the JIA. He asked that this aspect be included in the second part of the Draft Resolution.

The Director General suggested that the Resolution read "to make financial contributions subject to the approval of the Inter-American Board of Agriculture which permit the consolidation of this cooperative effort."

The Council approved the Draft Resolution with the proposed amendments.

The Rapporteur read the third Draft Resolution, concerning AGRINTER.

The Delegate from Grenada made two comments on the draft, concerning the budgetary implications and the difference between the CIDIA's work and that of AGRINTER.

The Director of CIDIA explained that this Center was the Executive Secretariat for the AGRINTER System. Therefore, no personnel cost increases would be needed.

The second question concerned operations, he explained, since the countries ought to begin to take charge of the System and assume operational responsibilities, which would transfer the CIDIA and IICA system to the countries. While CIDIA would give its support, the countries themselves would establish goals and objectives.

The Delegate from Grenada stressed his concern about creating another organ since there was already one in existence which performed the same functions. He asked whether the governing body of the System would have to meet frequently, and if that would mean expenditures for IICA. The Director of CIDIA stated that the meetings would be held once a year.

The Draft Resolution was then approved by the Committee.

Item 13, Draft Resolution on the Proposed Program-Budget for 1984-1985.

The Chair asked that the Draft Resolution on the new proposed Program-Budget 1984-1985 be read. The Chair then commented that the draft had undergone a number of changes of style, which should be noted in the wording.

The Director General explained that the draft reflected a consensus on a five percent increase for 1984 over 1983, with an additional five percent for 1985 over 1984. Operative point 2, part "a" concerned the preparation of a proposal for an increase no greater than five percent for 1984 over 1983, and no more than another five percent for 1985 over 1984.

The Director General stated that a study/analysis would be prepared, indicating the effect brought about by reducing the year to year increase of the Program-Budget from eight percent to five percent.

The Delegate from Canada indicated that he had some changes for the original Draft and thought that he would have more changes for the revised Draft. He would prefered to see this Draft.

The Rapporteur then proceeded to read the Revised Draft Resolution.

The Delegate from Canada declared that he had some changes for the Draft Resolution, and suggested that an increase not in excess of five percent be clearly stated, and that the Director General be requested to present and analysis of this reduction to the Board.

The delegate from Brazil requested that a vote be taken so that the lack of consensus of the Committee with respect to the Budget could be recorded.

The Delegate from Uruguay asked how overhead would affect this Resolution.

The Chair responded that the three Draft Resolutions would be rewritten to include the suggestions of the Committee Members, and would be available to them before the Second Section of the Executive Committee Meeting in Jamaica so that they could be reviewed at that time. He stated that the Delegate from Brazil had specifically moved to submit the Draft Resolution to Committee vote.

The Observer from the United States requested an examination of the provision identified as 2.b, to determine its intention, and suggested that it be written in the following manner: 2.b "An analysis be done to show the effect that the stipulated reduction will have on the Program-Budget originally presented in paragraph 2.a.

The Chair asked the Delegate from Canada if he agreed with the proposal of the United States so that they could proceed with the vote suggested by the Delegate from Brazil. The Delegate from Canada indicated his agreement.

The Delegate from Venezuela indicated that he was in agreement with the vote suggested by the Delegate from Brazil, but first requested the report of the Credentials Committee.

The Chair requested that the Reporteur read the Draft Resolution concerning the possibility of transferring the Pan American Foot and Mouth Disease Center from PAHO to IICA.

The Reporteur read the Draft Resolution.

The Delegate from Honduras stated that the second paragraph of the consideranda needed to be written more clearly, suggesting the following form: "That for the implementation of Option "D" of the Study, if will be necessary to sign an IICA-PAHO Special Agreement under which the Institute may participate in the activities of the Center, especially to expand them to include the interests of the Member States of this Institution."

The Director General indicated that the Draft Resolution should express the feelings of the Committee more clearly, to establish a mechanism of reciprocal support between IICA programs and the activities of the Center. He also stated that both the consideranda mentioned and the pertinent operative paragraph should be rewritten.

The Delegate from El Salvador requested that they standardize the name of the Pan American Health Organization, which sometimes appeared as the Pan American Office of Health.

The Chair indicated that in the English version, the name of the Organization was uniform throughout, and it was in the Spanish version that different names appeared.

The Delegate from Grenada indicated that paragraph two needed to be modified because the IICA-PAHO Working Group had analyzed not only Option "D" but all four Options.

The Delegate of Canada clarified that the IICA-PAHO Working Group had examined Options C and D, and it should be so recorded in the Draft Resolution.

The Delegate from Brazil stated that PAHO had not stated its position concerning the Study. He also expressed doubt about whether to authorize the Director General immediately to begin conversations with PAHO for signing the agreement on the basis of a financial study on Alternative D. He indicated that the second operative paragraph should be rewritten to authorize the Director General to continue negotiations, not initiate them, for the signing of a Special Agreement.

The Delegate from Grenada said that the presented document was a technical study, but the decision to adopt would have to be a political one. He added that it would be advantageous to obtain the position of PAHO with regard to the Study.

The Chair requested the Director General to comment about the Draft Resolution on the Table, and mentioned that he thought that the resolution was not as complete as it should be and did not faithfully reflect the meaning of what had been discussed on the subject.

The Director General stated that the points mentioned by the Delegate from Brazil were mistakes in the Draft Resolution. The negotiations for the IICA-PAHO agreement had been conducted by a group composed of people from both organizations. The recommendation of the Executive Committee would be referred to the Directing Council of PAHO as well as the Inter-American Board of Agriculture, so that they could authorize their executives to sign the agreement if they decided that it would be beneficial. Otherwise, the signing of an agreement would have to wait two years until these bodies convened again.

Report of the Credentials Committee

The Delegate from Honduras read the report of the Credential Committee, indicating that only ten of the twelve members of the Executive Committee were present. With regard to the credentials of Grenada, he stated that they were awaiting a telex to confirm the Secretariat's document on the participation of the representative. Ten votes were present at the Meeting.

Item 13: Program-Budget (Continued)

The Delegate from Brazil proposed that they finish the discussion concerning the Draft Resolution.

The Chair proposed that while the Committee reviewed the Draft of the Resolution of the Program-Budget, the Secretariat could prepare a modified Draft of the Resolution on the Foot and Mouth Disease Center. He persisted in requesting a vote on the Draft Resolution on the 1984-1985 Program-Budget.

The Delegate from Brazil asked if the vote was on the original Project-Budget or on the five percent readjustment of the Budget.

The Chair requested the Reporteur to reread the Resolution, and explained that it concerned the maximum increase of five percent.

The Delegate from Brazil commented that he understood that there had been various proposals to increase the budget, that a compromise of five percent had been reached and that they were voting on the compromise.

The Chair explained that it was his understanding that the vote was that the Director General should prepare a new Program-Budget that would not exceed an increase of five percent over the 1983 budget, so that this new Program-Budget could then be referred to the Inter-American Board of Agriculture.

The Secretary requested the representatives to give their comments concerning the third list of participants at the Meeting to the Secretariat, so that it could be incorporated into the final report.

The Chair explained what he understood to be the subject of the vote. He said that for 1984 the budget could be up to five percent over the 1983 budget, and that the budget proposed for 1985 would not go beyond a five percent increase over the 1984 Budget.

The Delegate from Brazil said that he was not very certain about the process, and thought that some other Delegations shared his doubts. He suggested that the Committee reflect on the matter before proceeding.

The Delegate from Grenada asked if the Resolution under consideration would replace the Draft of the Resolution on page 167 of the original document.

The Chair said that the three Resolutions to which the Delegate from Grenada referred would have to be modified in accordance with the modifications that the Director General would make in the Program-Budget. He stated that no budget increase could exceed five percent.

The Delegate from Grenada noted that there were three Resolutions in the document and asked what the other Resolution was.

The Chair indicated that the Resolution under consideration was the one in addition to the three in the document.

The Delegate from Grenada inquired if there would be deliberations over the content of the Resolution on page 167.

The Chair responded affirmatively, but said that it would be after the changes had been made in the proposed Program-Budget, so that it would reflect the desires of the Committee.

The Observer from the United States stated that any Delegate who did not desire an increase in the Budget should not vote for the Resolution.

The Chair requested that it be recorded in Proceedings that an agreement had been reached to recommend to the Board that it consider a maximum increase of five percent of the 1983 budget. The vote was taken and the increase of five percent was approved by Bolivia, Canada, Grenada, Honduras, Uruguay, Venezuela, Guatemala and El Salvador.

The Delegate from Guatemala said that the votes of his country and of El Salvador were flexible in that the increase could be more than five percent of the 1983 budget.

The Delegate from Honduras agreed with the position of Guatemala, and said that the initial positions of the Delegates did not offer the possibility for an increase greater than five percent.

The Delegate from Venezuela indicated that he would consider an increase greater than five percent.

The Delegate from Uruguay said that she had always been willing to approve an increase up to eight percent.

The Delegate from Bolivia indicated that his vote was for an increase no greater than five percent.

The Delegate from Brazil considered that further discussion was needed to arrive at a compromise, and proposed a vote on whether there should even be an increase in the budget.

The Chair stated that there had been a majority in favor on an increase over the 1983 budget, and that there seemed to be general agreement on five percent, except by Brazil, that had voted for no increase, and Paraguay, that had abstained. He asked the Secretary to prepare a new draft of the Resolution, to reflect the points discussed during the session. This Draft Resolution, would be independent of the three Resolutions that would cover the Program-Budget that the Director General would be rewriting, and would reflect a maximum increase of five percent.

The Delegate from El Salvador informed the Committee that the Report of the Working Group on the Modifications of the IICA Rules of Procedure was ready for presentation to the Committee.

The Observer from the United States, speaking as a member of the Working Group, indicated that there were still some points in the draft that should be revised, and said that his Delegation could remain to revise them.

The Chair adjourned the session at 18:50 hours.

XIII. TENTH PLENARY SESSION

The Chair called the Tenth Plenary Session to order at 9:20 on August 11.

Reading and Approval of the Proceedings of the Sixth and Seventh Plenary Sessions

The Chair read the Order of Business and asked for discussion on the Proceedings of the Sixth and Seventh Plenary Sessions. He invited the Delegates to express approval or ask for corrections.

The Delegate from Honduras asked to add the following to the end of paragraph one, page 64 (paragraph 6, page 62 of the English):
 "...agricultural sectors of the subregion, so in the near future, they may become capable of absorbing more external resources to support agricultural and rural development in Central America and the Caribbean."

The Delegate from Canada referred to a statement in the proceedings that indicated that the Director General replied to a question, but the proceedings did not provide that reply. He then stated that if these detailed proceedings were indeed necessary, then they should include the reply rather than simply state that a reply was given.

The Observer from the United States expressed a new empathy for the concerns of the Delegate from Canada regarding the format of the proceedings, but noted the informational value of the present format of the Proceedings. He acknowledged not only the difficulty of writing them, and the valuable work being done by the Technical Secretary, but also the importance of paying special attention to the records of the sessions. For the Proceedings under discussion he offered to present some suggested changes in writing. The Delegate from Grenada also wished to submit changes.

The Delegate from Guatemala asked that the following text be added to paragraph 5, page 68 (paragraph 7, page 67 in English), "...the need for international coordination of technical cooperation in order to prevent duplication of efforts". He also stated that the Minister of Agriculture of Guatemala had reiterated his "request," not his offer, "to provide full facilities for establishing IICA's Area I Office in Guatemala, on the basis of the agreement between IICA and the Government".

The Delegate from Brazil stated that he would be submitting several changes in writing. The Chair decided to postpone the discussion of the Proceedings of the Sixth and Seventh Plenary Session, to give the Delegates time to develop their thoughts.

Reading of Pending Resolutions

The Chair stated that the Delegates could proceed to analyze and discuss the Draft Resolution on granting the title of **Emeritus** to Mr. Don L. Shurtleff, and the Draft Resolution to grant the title of **Emeritus** to Dr. Malcolm H. MacDonald.

The Rapporteur read the Resolution for granting the title of **Emeritus** to Dr. Ernesto Cásseres. The Chair then explained the significance of an award of this nature, as well as the scientific and professional weight it carried. The Director General read a synthesis of the Curriculum of Dr. Ernesto Cásseres, which was to be attached to the Resolution.

The Rapporteur read the Draft Resolutions for granting the title of **Emeritus** to Mr. Don Shurtleff and to Dr. Malcolm MacDonald. The Committee approved the three Draft Resolutions, for referral to the JIA.

Item 19: Report from the Director General on the Establishment of a Reporting System on IICA Extra-Quota Resource Projects

The Chair introduced the Draft Resolution on the Report from the Director General on the Establishment of a Reporting System on IICA Extra-Quota Resource Projects. The Director of External Financing was recognized to give further explanation.

The Director of External Financing stressed that the Report was being submitted to the Committee in response to the stipulations of Resolution 34, approved by the Second Special Meeting of the JIA. He explained that the General Directorate's effort to develop the reporting system on IICA's extra-quota projects, called the SIPREX, were being formalized into a system to maintain and supply up-to-date information on all projects and profiles to be financed with these resources. The information covered all the phases of a project cycle and facilitated organization, programming and control, and follow-up.

The information generated by the system, continued the Director of External Financing, should primarily serve the Office of the Assistant Deputy

Director General for External Affairs, the Office of the Assistant Deputy Director General for Operations and the Office of the Assistant Deputy Director General for Program Development. It would also help the Administration strengthen and channel its activities for promoting, negotiating, evaluating and following up on projects, and would offer its benefits to pertinent national and international institutions.

The system would operate electronically, with computers. At present, 191 projects were recorded. Of these, 120 were in operation, and 68 were in the form of profiles and under negotiation.

The Delegate from Grenada congratulated the Director General on the Report as presented, and asked that the documentation generated by the system provide information both on projects for less than US\$ 250 000, and on projects exceeding US\$ 250 000. This amount was the cut-off point for information requested in the JIA Resolution.

The Director General explained that in the system being used, the cut-off point was, in fact, US\$ 250 000 for classifying projects, as this limit had been specified several times in JIA resolutions. However, with the technological capacity of the computer, there would be no problem in recording greater or lesser variables.

The Assistant Deputy Director General for External Affairs added that the information stored in the computer would also make it possible to identify not only the sources of funds allocated to particular projects, but also the expected use of these funds, in terms of the countries in which projects would be carried out.

The Delegate from Grenada expressed interest in knowing what percent of projects had obtained funding through the direct initiative and efforts of IICA, rather than by express request of the countries. He felt that IICA's efforts to obtain resources were extremely important for the countries, and asked that preferential attention be given to this in the future. For this purpose, he added, a small sum could be included in the budget to facilitate such actions by the Director General. The Chair said that note had been taken of these suggestions so they could be incorporated into the Draft Resolution.

The Delegate from Brazil requested the Secretary to prepare a draft resolution for the consideration of the Committee, on the basis of Resolution 4/81 and 34/82.

Item 20. Progress Report on the Implementation of the Medium-Term Plan

The Assistant Deputy Director General for Operations explained that the report had been submitted in response to Resolution 14 of the Second Special Meeting of the JIA in October, 1982. This resolution had requested the Director General to put the Medium-Term Plan into effect, and report to the JIA on progress made.

Between October, 1982 and May, 1983, the General Directorate had been appointing Program Directors. Only Program 3 and 6 remained to be assigned Directors. Conceptual and operating structures had been designed for all the IICA Programs, and technical training on the features of the Medium-Term Plan had been given to Program Directors, Area Directors and Directors of National Offices.

In the area of concurrence with the countries, efforts had been handled at the institutional level, with government authorities, and at the technical level, with national institutions.

The Assistant Deputy Director General for Operations continued his presentation and reported on improvements made in the technical quality of the projects, administrative action, and the decentralization of operations, through the appointment of Area Directors. Personnel were being placed on the basis of the countries needs. Attention was also being given to financial reorganization, agreements with external organizations, and IICA's presence in the international sphere.

Lastly he discussed the numerous national projects being carried out, the state of reorganization of the Specialized Centers, the negotiation of the CATIE contract and the preparation of technical documents, regulations and other documents which were vital to the life and development of the Institution.

The Delegate from Guatemala stated that in the Second Plenary Session of the Second Special Meeting of the Inter-American Board of Agriculture, held on October 28, 1982, the Minister of Agriculture, Livestock and Nutrition of Guatemala had proposed that page 54 of Document IICA/CE/Doc.24(82)rev. reflect that the Office of the Director of the Central Area would be located in Guatemala. The gradual means of carrying out this transfer would be left to the discretion of the General Directorate and the headquarters country, Guatemala. The Delegate from Guatemala added that, as could be seen in the Proceedings of the meeting, the Director General had stated that the requested transfer would take place as soon as the Institute's economic condition made it possible to move the programs and the technical personnel with their families.

The Delegate from Guatemala noted that, despite this fact, the explanation that had just been given by the General Directorate showed that the office of the Director of the Central Area was to remain in San Isidro de Coronado, Costa Rica for the 1984-1985 biennium. The Delegation expressed disagreement with this and asked that the transfer be made. This statement received the support of the Delegate from El Salvador.

The Director General explained that the basic Agreements were still being put into effect, but that the location of the Office of the Central Area would be consistent with Guatemala's request.

The Delegate from Grenada requested information from the Director General concerning the measures being taken for the follow-up action on projects carried out in those countries with financing from the Simon Bolivar Fund.

The Assistant Deputy Director General for Operations explained to the Delegate from Grenada that the Institute had several efforts underway to enable those projects of outmost priority, sponsored by the Simon Bolivar Fund to continue their operations with funds allocated by the countries. These projects could attract new resources, both internal and external, for their completion. He pointed out that this aspect was of major concern to the General Directorate, since the Fund was drawing to a close. More extensive information on the subject was being prepared and would be made available to the JIA at its next Meeting in Jamaica.

Item 1. Report Submitted by the Working Group on the Proposal for Modifying the Rules of Procedure of the Inter-American Board of Agriculture, the Executive Council, and the General Directorate

The Delegate from El Salvador stated that following the mandate of the Executive Committee, the Working Group had met several times over the course of the past few days and that Delegates from Brazil, Canada, Grenada, El Salvador, United States and Venezuela had taken part. He mentioned that the Deputy Director General and the Legal Advisor of IICA had also provided technical assistance, and that Working Group had appointed the Delegate from Brazil as its Rapporteur.

The Delegate from Brazil stated that, as mentioned in the document distributed earlier to the Committee, the Working Group had studied the above mentioned documents and recommended a series of amendments concerning both style and content. These were noted by the Technical Secretariat so they could be duly incorporated in the document following their approval by the Committee.

Before the examination of the report submitted by the Working Group had been completed, the Chair adjourned the Tenth Plenary Session at 13:30 to give the Delegates an opportunity to rest and discuss the matter informally.

XIV. ELEVENTH PLENARY SESSION

The Chair called the Eleventh Plenary Session to order at 15:00.

Item 1: Report from the Working Group on the Proposal by the Director General for Modifying the Rules of Procedure of the Inter-American Board of Agriculture, the Executive Committee and the General Directorate.

To introduce the discussion, the Chair briefly summarized what had been said at the end of the Tenth Plenary Session. He noted that there was a possibility of dividing Article 22 into two parts. The first part of the new Article 22 would reflect the spirit of what had been added to Article 24. The second part would be a new article. Articles 23 and 24 would remain unchanged.

The Delegate from Canada said that he had two comments on the fifth page of the report. The first had to do with the new Article B between Articles 30 and 31. He suggested that numbers i and ii be eliminated from item b). Second, he had noticed a typographical error. These two changes were accepted by the Committee.

The Delegate from Venezuela asked for clarification of who would pay the air fare and per diem for a second section of a Regular Meeting of the Committee. He asked if IICA would also pay per diem for Committee Delegates during the Meeting of the Inter-American Board of Agriculture.

The Chair replied that, according to the explanation of the Technical Secretary, the second section was part of the Regular Meeting, and IICA would pay travel and per diem.

The Observer from the United States asked if the expenses included only per diem. Travel would not be covered, as the members would be going to Jamaica in any case. He asked for clarification of this point.

The Director General reported that, in accordance with Article 16, IICA would pay travel and per diem for the delegates to a second meeting of the Executive Committee, but it would not pay per diem after the Committee Meeting was finished. Because the Round Table was going to take place in conjunction with the Board Meeting, and IICA was free to invite representatives from the Member States, IICA could take advantage of the presence of Committee Delegates at the Round Table, and the Institute would pay only one fare.

The Director General reported that the deadline for sending the report of the external auditors would be shortened from 90 days to 45 days. IICA's financial report to the Committee would be sent together with the report of the external auditors, 45 days prior to the Committee Meeting. He stated that with this deadline, it would be physically impossible for IICA to combine the two documents, and to study the recommendations of the auditors. Therefore, he requested that the deadline for sending the material to the Committee be extended to 60 days. This was accepted by the Delegate from Brazil.

The Chair pointed out that if the deadline for sending documents to the Committee were changed from 45 days to 60 days, the Secretariat would have to prepare the documents earlier.

The Delegate from Brazil asked if the change from 45 days to 60 days could take the form of an agreement between the Director General and the auditing firm, without the Committee taking part. This was supported by the Delegate from Guatemala.

The Chair asked the discussion return to Articles 22 and 24 on personnel.

The Delegate from Grenada stated that he was not certain that these articles were consistent with his country's concern for allowing IICA staff members, on request from their governments, to leave the Institute to work as technical consultants, rather than in political posts.

The Chair stated that he recalled that the concept of leave without pay had not been discussed in depth, and that this had been the concern of the Delegate from Grenada. He suggested that Article 22, in its new version, could mention this concept. It may be redundant, but it would explain the concept and satisfy the concern of Grenada.

The Observer from the United States said that he would like to hear the Director General's reply to the question asked by the Delegate from Grenada.

The Director General stated that, as Article 22 had previously included two sentences, it would have lent itself to confusing interpretations. If Article 22 were separate, as was suggested, it would authorize the Director General to approve the conditions under which a staff member may provide service to governments or entities. He added that, if this Article were separate, it would be easier for the Proposed Staff Regulations to specify cases of technical cooperation that justified the Director General to authorize a leave or secondment.

The Delegate from Grenada agreed with the explanation given by the Director General.

The Chair then asked the Rapporteur to read the final versions of Article 22, the new article, and Articles 23 and 24.

The Rapporteur read the articles, as follows:

ARTICLE 22: No staff member shall render services to any government or agency under conditions other than those specifically approved by the Director General.

NEW ARTICLE: No staff member may accept a decoration, honors, awards, remuneration, favor or gift from any government or institution, when the Director General considers that this is incompatible with his/her status as an officer of an international organization or with the interest of the Institute.

ARTICLE 23, The acceptance by a staff member of nomination to elective public office of a political nature shall imply resignation from the Institute.

ARTICLE 24, The acceptance by a staff member of appointment to a government post shall imply resignation from the Institute.

The Observer from the United States asked for clarification of Article 24 which had been read by the Rapporteur as he had difficulty understanding the English translation.

The Chair explained the content of the article in English.

The Delegate from Brazil proposed a modification of substance to an article of the Rules of Procedure of the General Directorate. The President asked him to make his proposal after the discussion on the report submitted by the working group was complete. He asked the Director General to answer his queries regarding Article 105.

The Director General explained that as far as Article 105 was concerned, according to Article 96 of the Rules of Procedure, any and all observations pertinent to the report of the external auditors were to be submitted to the Committee and the Board. This was why the modification of Article 105 was needed in the proposed form, so that the external auditors could remit their report to the General Directorate 60 days in advance, the Director General would then have 15 days to prepare his comments to be sent at least 45 days before the Meeting of the Committee together with the report.

The Chair said that this request voiced by the Director was reasonable and he asked the Committee for its opinion, after having the Rapporteur read the modified version of Article 105 of the Financial Regulations, which was in keeping with this amendment.

The Delegate from Venezuela suggested that, for the purpose of clarity, it should be stipulated that the report would be sent to the regular members and observers of the Committee.

The Technical Secretariat pointed out that the Committee was made up of 12 Member States, non member countries acting as observers, observers from the Inter-American system, and observers from other organizations, and that all of the above should receive the pertinent documentation.

Prior to reading the Draft Resolution, the Chair recognized the Delegate from Brazil.

The Delegate from Brazil expressed his concern about the fact that the IICA Staff Association did not have direct access to the Executive Committee or the JIA, even though it was an officially established entity. He proposed to the Committee that a modification of substance be made to Article 48 of the Rules of Procedure of the General Directorate, as follows: The first part of

the Article should remain as it was, but the following should be added: "upon the request of the Board and the Committee, the Officers of the Association shall represent personnel before both bodies and furnish any reports which they should request."

The Delegate from Grenada expressed his support of the proposal put forward by the Delegate from Brazil, and commented on the methodology which could be used, adding that the written reports prepared by the Association should be submitted to the Board or the Committee via the Director General.

The Delegate from Honduras said that before giving an opinion, he would like to hear from the Director General.

The Delegate from Canada stated that in many of these issues it was imperative for the Committee to discuss the matter before seeking the opinion of the Director General. He pointed out that the Director General was elected to administrate the Institute's resources and be responsible before the governing bodies for personnel recruitment and performance. Therefore, he did not agree with the recommendation made by the Delegate from Brazil.

The Delegate from Uruguay said that she was waiting to hear the Director General's comments before proceeding to voice her opinion.

The Observer from Nicaragua stated that in this own country workers were able to play an active role in the administration of their places of employment, and he would welcome the proposal issued by the Delegate from Brazil.

The Delegate from Guatemala shared the opinion of the Delegate from Brazil and mentioned that he had not received the report on the Staff Association, as requested by his Delegation.

The Observer from the United States shared the opinion of the Delegate from Canada and pointed out that the Director General had been elected to administrate and implement programs and that he was responsible for the entire personnel of the Institute. A situation such as that being proposed would, to a certain degree, limit his authority. He also pointed out that the Executive Committee and the Board could, at all times, have access to the Staff Association, even if there were no such provision in the Rules of Procedure.

The Director General stated that this was a delicate issue as far as the operation of the Institute was concerned, and that the Convention spelt out what the Member States expected of the Institute. He said that as early as the first session, requested a report on Staff relations, when the Delegate from Guatemala had pointed out that, according to the Rules of Procedure, the interlocutor for the Staff Association was the Director General, the report was now ready for presentation to the Executive Committee. He went on to say that only the Director General was answerable to the Committee and the Board which represented the member countries.

He stated that, in his opinion, it was appropriate for the Staff Association to submit an annual activities report, and send it to the Director General. The Director General could then inform the Executive Committee of its contents.

The Director General proceeded to enumerate a variety of reasons for not endorsing the incorporation of the proposal made by the Delegate from Brazil into the Rules of Procedure, pointing out that, among other things, Article 20 of the Institute's Convention conferred upon the Director General, the duty of administering the Institute.

He concluded his intervention by making mention of the fact that both the Executive Committee and the Board had access to the channels established in the Rules of Procedure, to request any report or study they should require at any time.

The Chair thanked the Director General for his presentation and opened the floor to discussion.

The Delegate from Honduras expressed interest in hearing the comments of Guatemala, Brazil and Grenada, if they had opinions different from those that had been heard.

The Delegate from Brazil stated that, although he had not meant to imply that the Staff Association should have access to the Committee or the Board, both these bodies should have access to all appropriate sources, including the Association, if they required information.

The Delegate from Grenada expressed his satisfaction that the Director General had supported his position with reference to methodology. However, if a method were adopted by which staff concerns could be expressed to the Committee, he suggested that such concerns should be given in a report to the Director General who, making no changes in the report, could add his own comments before submitting it in full to the Executive Committee. He stated that his Government supported any rational suggestions that might improve or protect worker rights. This would be a progressive step, rather than a constraint on management. However, his Delegation would be pleased to support any effort for the Committee to assist in improving management worker relations. He stated that neither Grenada nor Brazil was interested in contravening Article 20, but that they were willing to help improve management worker relations in the Institute. He went on to say that this did not reflect mistrust in the Director General, but that he preferred to avoid a disagreeable situation if healthy measures could be taken on time. He asked the record to show that, even if the proposal were rejected, some countries were willing to help solve a situation that could later have profound implications, both financial and otherwise.

The Observer from the United States asked whether or not the Committee and the Board already had the authority to do what was being proposed. It seemed to him to be inherent in the authority of these two bodies.

The Chair believed that the response was affirmative, and IICA's Legal Adviser replied that it was.

The Delegate from Guatemala stated that his country agreed with Brazil and Grenada.

The Delegate from Canada stated that he agreed with the position of the United States. He believed that the Committee and the Board were autonomous, supreme governing bodies of the Institute. They could request anything they needed from the Secretary, without having to amend the articles.

The Observer from Nicaragua expressed agreement with the position of Brazil and stated that in no sense did he mistrust the Director General. He noted that as there were Observers in the meeting, there could also be an Observer Delegation from the IICA staff, although any suggestion or contribution that the Association wanted to make would have to be channelled through the Director General.

The Delegate from Honduras said that the statements made by the Canadian and United States Delegations and the Legal Adviser demonstrated that there were no communication barriers between the Staff Association, the Committee and the Board. He added that these channels existed and that the employees' right were protected. There was no need to change the present Article of the Rules of Procedure.

The Delegate from Uruguay expressed her desire to see the original article remain unchanged but asked the Director General to repeat his request to the Association to submit a report on any problems they wished to discuss. A report from the Association could then be presented to the next Session of the Committee Meeting. This stand was supported by the Venezuelan and Salvadorian Delegations.

The Chair noted that there seemed to be a preference for leaving article 48 untouched, with a proviso whereby the Director General could request reports from the Staff Association and make it available to the Committee.

The Delegate from Brazil stressed that his proposal was intended as a contribution for improving the article under discussion. He feared that specific proposals which could affect documents or Rules of Procedure, as well as the life of the Institute, should be clearly defined. This was the intent of his comments.

The Delegate from Canada suggested that the article be written in such a way as to reflect the opinion of the Delegate from Brazil. He suggested, "Reports concerning staff affairs would be presented to the Committee of the Board, upon their request, as stipulated in the Rules of Procedure."

The Chair asked the Delegate to decide whether or not they wished to change the article.

The Delegate from Brazil withdrew his proposal and endorsed the proposal of the Delegate from Canada.

The Delegate from Canada, at the request of the Delegate from Grenada, read Article 48.

The Delegate from Venezuela asked whether the proposal presented by Canada concerning "rules and regulations" would be the one presented by the Director General.

The Chair suggested that it was not specified, and that it would have the state in more detail. He asked the Delegate from Canada to clarify.

The Delegate from Canada stated that in his opinion it was the duty of the Director General to present the report.

The Delegate from Honduras said that he would endorse the Canadian proposal if this would remove any doubts or procedural problems not included in the Rules of Procedure. However, he found the proposal to be meaningless since the Board and the Committee, by virtue of the Rules of Procedure, already enjoyed the right to request any necessary information.

The Delegate from Brazil said that he would support the original proposal made by Canada if it were exactly in keeping with the original proposal, which he deemed to be more flexible.

The Observer from the United States said that a consensus had already been reached, in his opinion, with regard to the proposal on the floor, but that because of a comment made by the Delegate from Brazil, the same discussion was now being resumed. However he had been of the opinion that a decision had been reached on the proposal.

The Chair agreed and suggested that the Committee accept that Article 48 remain in its original form since a statement had already been made to this effect.

The Delegate from Brazil stated that the Committee should feel free to voice its opinion on the subject, just as the Delegate from Canada had done.

The Delegate from Grenada said that since there was a proposal from Canada, it should be considered, as it had been supported by the Delegate from Brazil.

The Delegate from Guatemala suggested that the Plenary proceed to vote on the Canadian proposal.

The Observer from the United States then asked the Director General for his opinion.

The Delegate from Honduras asked whether the Delegate from Canada maintained its original proposal.

The Delegate from Canada stated that it maintained its original proposal but that there was some doubt as to the procedure for presenting it.

The Chair asked the Director General for his opinion.

The Director General read paragraph "f" of Article 3 of the Rules of Procedure of the JIA, which stated that to achieve its purposes, the Board was empowered to refer to the Executive Committee and the Director General any matters on which action must be taken or studies, research or reports should be made. He added that Article 4 of the Rules of Procedure of the Executive Committee stated that to carry out its purposes, the Committee was authorized to entrust tasks to the General Directorate and present reports to the Board on matters on which the Board had requested it to take action, perform studies, conduct research or gather information. He noted that the articles were very clear.

The Chair asked Delegate from Canada what version of the proposal he would support.

The Delegate from Grenada asked if the comments of the Director General supported the first or the second proposal of Canada.

The Director General indicated that once the stipulations of the Rules of Procedure were presented, the Committee had to make the decision. In his opinion, the addition of Article 48 was unnecessary.

The Delegate from Grenada declared that what the Director General had presented could be interpreted very generally, and the inclusion in Article 48 would help to clarify it.

The Chair requested that the Committee Members declare themselves in favor of a modification or in favor of leaving Article 48 in its original form. Six Delegates wanted Article 48 left in its present form and three wanted to include modifications by Brasil, Grenada and Guatemala. The Chair concluded the debate, saying that there would be no change in the Article.

The Chair requested the Rapporteur to read the Draft Resolution on Modifications of the Rules of Procedure of the Inter-American Board of Agriculture, the Executive Committee and the General Directorate. When he had finished reading, the Committee approved the Resolution.

After a short recess, the Chair reconvened the session to discuss the following point on the Order of Business.

Reading of Pending Draft Resolutions

The Rapporteur read the Draft Resolution on granting the title of Emeritus to Dr. Alejandro Mac Lean. It was approved by the Committee he then read the Draft Resolution on Contracts and Agreements in which the Inter-American Institute for Cooperation on Agriculture would provide

Administrative, Technical and Financial Contributions. It was also approved. The Rapporteur continued by reading the Draft Resolution of the Study of the Possibility of Transferring the Pan American Foot and Mouth Disease Center from the PAHO to IICA.

The Delegate from Brazil asked the Rapporteur to reread the final paragraph of the resolution, as the version in Portuguese was not clear. The Delegate from Brazil stated that he agreed with what was read, and he would hand the Secretariat his changes for the Portuguese version.

The Delegate from Grenada asked for the first operative point to include the words "maintaining contact" before the phrase "under a Special Agreement with IICA."

There was no further discussion, and the Resolution was declared approved.

The Observer from United States asked if the Title of Emeritus had been granted to Mr. Jefferson Rangel of Brazil. If not, he thought it could be considered for the future. The Chair stated that he would attempt to obtain the information.

He then asked the Rapporteur to read the Draft Resolution on the Proposed Program - Budget 1984-1985, which had been distributed in the room.

The Rapporteur read the Resolution, and the Plenary approved it.

Reading and Approval of the Proceedings of the Sixth and Seventh Plenary Session

The Chair asked if there was any further discussion or corrections for the Proceedings of the Sixth and Seventh Plenary Sessions.

The Observer from the United States stated that he would send the Secretariat several changes. This was accepted.

The Delegate from Honduras stated that he had a small correction to make in the Proceedings of the Seven Session. He would give them in writing to the Secretariat. There was no further discussion, and the Proceedings were declared approved.

Item 21, Hemispheric Food Security Project

The Chair asked the Director General to introduce the Hemispheric Food Security Project.

The Director General asked permission for Dr. Jorge Soria, Assistant Deputy Director General for Program Development, to give a summarized introduction of the project.

Dr. Soria introduced the project, stating that the problem was complex and included many interrelated factors that affected consumption and supply. He added that the components of the problem had been identified as: consumption, production, processing, storage, domestic marketing, international marketing, and financing.

Dr. Soria explained the objectives and activities of the Project, and its economic implications.

The Delegate from Grenada stated that the Project was of great interest to the Caribbean region, and had attracted the attention of CARICOM. He noted that SELA and FAO were also interested in the field of food security. He stated that he would like to know what type of strategy IICA planned to follow for the project.

The Director General reported that a regional strategy had been designed that would make it possible to derive benefits from integration. The purpose was to approach other international organizations working in the field, using a gradual process, and focus on organizations for subregional integration, such as SIECA, UNAC, JUNAC, and CARICOM, and to obtain the participation of financial entities such as the IDB, the World Bank, etc.

He stated that the possibility had initially been suggested of developing a joint project with the General Secretariat of the OAS. Later, with the agreement of the Organization, it was decided to work on two separate projects, with joint operations.

The Delegate from Grenada stated that the important point was to have an overall regional strategy for food security, so that the actions of the different organizations would complement one another, and not work in a parallel fashion.

The Chair recognized Mr. Fernando Bravo, the Observer from the OAS.

Mr. Bravo presented the Provisional Food and Food Security Project that the governing bodies of the OAS has under consideration. He emphasized joint action with IICA and explained the objectives of the Project. He stressed the goal of preparing technical information and cooperating with the countries in formulating policies, plans and programs for food strategies. He included the identification of priorities for technical and financial cooperation for the development of national food systems.

The Chair thanked the Observer from the OAS for his contribution.

The Delegate from Uruguay stated that each country had the right to define its food policy and set up national systems of food security. He pointed out that on a regional level, food security was closely linked to increases in inter-regional trade in foodstuffs, and to a liberalization of marketing practices, with the elimination of tariff and non-tariff barriers and the fastening of effective regional integration for food.

The Observer from the United States said that it was essential for IICA to increase its resources in this domain. He added that his country appreciated IICA's efforts to cooperate with FAO in this area and hoped that this international agency would also reciprocate. He pointed out that in no way did he object to the idea of incorporating this project, together with the other three, into the Regular Program-Budget, with a small fund, so that if considered in isolation of its merits; the project might deserve full support.

The Delegate from Brazil indicated that he had not had time to review the project and that he would present his comments in the second section of the Committee Meeting, in Jamaica.

The Delegate from Guatemala stressed the importance of integrating actions in this area to make better use of resources, and that IICA should do its utmost to coordinate and complement the actions of other agencies.

The Delegate from Canada highlighted the importance of production sector strategy at the national level.

Dr. Soria stated one of the major components of a food security strategy was production, which was the basis for food self sufficiency. He added that this strategy should also include short and long-term considerations.

The Delegate from Grenada said that this was an ideal opportunity for IICA to assume leadership in food security and in the coordination of actions being implemented by other agencies in the same area.

The Chair asked the Plenary to make a decision on how this document should be presented to the Board, and on what the Committee recommended.

The Delegate from Venezuela stated that his Delegation would issue a statement on this project at the Second Section on the Committee Meeting.

The Chair asked the Committee whether a decision should be deferred until the Second Section of the Committee meeting in Jamaica.

The Delegate from Grenada said that it would not be a problem to include the four projects as part of the Program-Budget without specifying the funds, except for a basic sum which could be on the order of US\$50 000 for the General Directorate to be able to procure extra-quota funds. Furthermore, he explained that he would not accept the Project Proposal until the other Delegations had had time to study it in detail.

The Chair asked the Committee for its opinion regarding the possibility of recommending the inclusion of this special project to the Board.

The Delegate from Canada said that it was of little value to discuss these projects when the budget and any modifications of it were still unknown. He suggested that the subject be deferred until the Second Section of the Committee Meeting in Jamaica.

The Chair supported this motion.

The Observer from the United States said that the four projects under discussion were on the list of unfunded projects and that the situation was exactly as the Delegate from Grenada had pointed it.

The Chair asked the Director General to provide information on point 6 of the Order of Business and suggested that perhaps the Plenary could then listen

to the four special projects and possibly arrive at some conclusion about the entire package. He asked the Director General to introduce Multinational Project for Cooperation in Agroenergy.

Item 22. Multinational Project for Cooperation in Agroenergy

The Director General explained that this effort had been approved by the Board as a project rather than a Hemispheric Program for Cooperation in Agroenergy.

Dr. Soria proceeded to make the presentation. He explained that it was a multinational project for agroenergy put into effect by virtue of an Agreement between IICA and the Latin American Organization for Energy Development (OLADE). He summarized the objectives, strategies and resources available for the project.

The Delegate from Brazil said that he supported these requests for extra-quota resources and that IICA would work to procure these funds.

The Observer from the United States congratulated IICA for its collaboration with the countries in the area of agroenergy. He considered it somewhat difficult to justify the Committee's approval of the resources solicited, due to the sizeable increase of 66 percent for the Program 6 budget.

The Delegate from Canada said that the project had many positive points. He asked up to what point energy produced from agriculture was considered a found strategy, and what would be the implications for food production. He mentioned that a document on biomass energy had been prepared by the Organization of Economic Cooperation and Development in Paris, and that this document could be of interest to IICA.

The Delegate from Brazil stated that the project was presently underway and ran the risk of having financial problems. Partial financing of the project was considered, using extra-quota funds, but when the budget was reviewed, funds could be transferred from low priority projects to the projects under consideration.

Item 23. Project for a Hemispheric Numerical Information System for Agricultural Development

The Director General introduced the item indicating that this system was in response to a mandate by the Inter-American Conference on Agriculture, for IICA to begin a systematic process of collecting information for the analysis of the agricultural sector, and to reinforce the analytic capacity of the Inter-American System. Mr. Finn Damtoft presented the document.

The Observer from the United States said that his country would support the project since it considered it essential to provide the countries with information and services. He said that there were a strong budget restrictions due to the Institute's many priorities, and that it would be difficult to justify more resources for the project at this time.

The Director of CIDIA explained that the objective was first to develop the System within IICA, and the System could later be expanded to operate in the countries, that was why the countries' financial investment was so limited in the first phase. In this way, precise information could be obtained on the expectations of these countries, while IICA prepared itself to meet these expectations.

The Delegate from Brazil suggested that a working group be set up which would consist of those countries that were developing systems of this kind, this would make it possible to propose a document, or contribute to this same document, with operating details which would allow the countries to have a better picture of the scope of this project.

The Director General asked that in the event of the creation of this important working group suggested by the Delegate from Brazil, the meetings should be held sometime prior to the JIA meeting. Thus, the Ministers of Agriculture could be given a technical, up-to-date document on which to make their decisions. The Director General reminded the Plenary that major funds and a great deal of time had been invested in the programming, designing and planning of the proposed system. Therefore, it would be appropriate for the findings of the proposed working group to be available by October, so the project would not be exposed to a two-year lapse before approval could be given in the following Board meeting.

The Delegate from El Salvador stated that CIDIA already had similar experience, although on a smaller scale, with the operation of PIADIC. This showed that technically trained personnel were already available for setting up the working group suggested by Brazil. He stressed the advisability for the members of the group to be specialists in the field of numerical information. The Chair summarized the discussion and stated that, on the basis of the opinions expressed by the Delegates, a working group would be set up of four technical representatives from the countries. Each would be from one of IICA's four areas. The General Directorate would be fully empowered to establish this working group, which would be provided resources for transportation and per diem for one week of work.

Item 24: Hemispheric Agricultural Credit and Insurance Project

The Assistant Deputy Director General for Operations explained that this project was already underway in IICA and was exceedingly important for agricultural development in the member countries. The Institute's experience in the area dated back to 1968, with Credit Project 201. It had been funded with OAS resources, and in its efforts, had found ongoing interest in the countries in having the Institute increase these acting assume Latin American leadership and provide needed technical assistance.

The demand expressed by the countries had been impressive. There was a large number of requests for support. The project was to draw to a close the following December, but it was believed necessary for the Institute to continue providing conceptual, methodological and operating guidance to the countries in the field of Agricultural Credit and Insurance, as it had done to date. There was also a need for advisory services, coordination and design of national projects.

The Delegate from Honduras asked the Director General to continue his efforts to obtain funding from AID and other international organizations, so that this projects and those discussed earlier could continue. This was

particularly important in view of the interest that the countries had shown. He asked the Observer from the United States to present this request to the authorities in his country, and expressed his hope that the Observer from the United States would arrive at the meeting in Jamaica with promising information for the Delegates.

The Observer from the United States declared that according to the objective and characteristics of the project, it could be viewed as a high priority need of the countries, and of secondary priority to the Food Security Project. He observed, however, that since Program 6 had been increased by 66.2 percent over the 1983 allotment, the Project of Agricultural Credit and Insurance should be included in this Program, if some funds were redistributed. He presented three possible options, first, the project could be postponed; second, funds within the Program-Budget could be redistributed to finance it; and third, suggested by Brasil and Honduras if external funds could be obtained, He stated that it would be difficult to say which alternative was best, but he favored obtaining outside financing.

The Chair indicated that the Committee should discuss the above alternatives and that if a definite response could not be recommended to the JIA, then the four projects under discussion would be incorporated into the regular program of IICA, and when the Director General prepared the Program-Budget proposal, he would indicate how and where the resources would be found to finance them.

The Chair concluded the Eleventh Plenary Session at 20:50 hours.

XV. TWELFTH PLENARY SESSION

The Twelfth Plenary Session was called to order at 9:05 on Friday August 12. The Chair introduced the Order of Business, which included: Reading the pending Draft Resolutions, Regulations on the Pension of Former Director General of IICA, Mr. Armando Samper, Date and Place of the Fourth Regular Meeting of the Executive Meeting, Provisional Agenda of the Second Regular Meeting of the JIA, Provisional Schedule of the Second Regular Meeting of the JIA, Round Table Discussion of the Second Regular Meeting of the JIA, The Status of Agriculture and Rural Development in Latin America and the Caribbean, Reading and Approval of the Proceedings of the Eighth, Ninth, and Tenth Plenary Sessions.

The Chair reminded the Plenary that the Order of Business should include the Report from the Director General on relations with the Staff Association.

The Chair asked the Rapporteur to read the first Draft Resolution on the table.

Reading of Pending Draft Resolutions.

The Rapporteur read the Draft Resolutions "Uniform Reporting System on all Agreements and Contracts on Extra-Quota Projects."

The Chair opened the floor to discussion of the Draft Resolution.

The Delegate from Brazil asked for a change in the operative part, to read as follows:

To recommend to the Inter-American Board of Agriculture that it authorize the Director General to use a uniform system for providing the Executive Committee and the Board with all the information indicated in the two resolutions, on extra-quota agreements and contracts signed with the Member States, agencies or other entities.

The Chair asked for discussion on the suggested change in style presented by the Delegate from Brazil, and the Draft Resolution was approved as amended.

The Chair stated that another Draft Resolution was still being prepared, and suggested that the following item on the Order of Business be introduced in the meantime.

Item 25: Regulations on the Pension of Former Director General of IICA, Mr. Armando Samper.

The Chair asked Dr. Quentin M. West, Deputy Director General, to introduce the report. Dr. West discussed Document 78, as revised, and explained that the only change was that the original text had used the phrase "year of service" instead of "life expectancy of the staff member after 65 years of age." He then read the document as prepared by the General Directorate, together with comments prepared by Mr. James Schlotfeldt.

The Chair stated that a letter had recently been received from Mr. Armando Samper, explaining his ideas concerning the procedure used for calculating

modifications of his pension regulations, as approved in Resolution IICA/JIA/Res.25(II-E/82). Mr. Samper stated that he disagreed with the use of the scale that had been applied at that time, and requested that the modifications be governed by the formula used for the OAS Retirement and Pension Fund. Mr. Samper's letter included a model for applying the modifications he believed should be used.

The Delegate from Grenada stated, in order to determine whether or not the correct procedure had been used, a meeting could be held with the Technical Adviser of the OAS Retirement and Pension Fund.

The Chair asked the Rapporteur to read Mr. Samper's letter.

The Deputy Director General commented on the differences presented by Mr. Samper, noting that both the initial calculation used by IICA for making adjustments, and the calculation now indicated in Mr. Samper's letter had been performed by the same person. This person was Mr. Jefferson Rangel, first in his official capacity in the OAS, and now in a personal capacity.

The Delegate from Guatemala stated that, in order to request a technical opinion from the OAS, it would first be necessary to state what base salary was used for calculating the pension adjustments. This information needed to be defined at the outset. Similarly, he noted that the difference of opinion was on defining the base salary. The official IICA document had used the base salary at the time of retirement, but Mr. Samper's recent letter had used IICA's present salary scale for determining base salary. He asked the Legal Adviser for an opinion.

The Legal Adviser stated that, in fact, the divergence was in the selection of a base salary to be used for the calculations. The explanatory document for Resolution 7 had applied the OAS procedure to the basic salary of the Director General at that time.

In his recent proposal, Mr. Samper used the present Director General's salary as a basis.

The Chair synthesized the discussions and stated that the consensus of the Committee appeared to be for the Director General to consult the Secretary General of the OAS on the subject. He added that the reply of the OAS would be attached to the present document for review in the second section of the Executive Committee Meeting, in Jamaica.

The Delegate from Grenada stated that he would abstain from voting on the subject, as he did not have enough background to make a sound judgement.

Item 26: Date and Place of the Fourth Regular Meeting of the Executive Committee.

In order to provide the Plenary with background information on this subject, the Rapporteur read the pertinent articles of the Rules of Procedure of the Executive Committee.

Following discussion by the Plenary, the Committee decided to hold its Fourth Regular Meeting in the Central Office of IICA, in Costa Rica.

The Director General explained why it was a good idea for the reports and working documents of the Executive Committee to cover a period parallel to the Institute's fiscal year, as closely as possible, so the Committee could have a clearer idea of performance for that year, which in this case would be 1984. In addition, he explained, if the Executive Committee were to be held around October, the Administration would have information in time to prepare the Institute's Operating Program.

The Committee decided to hold its Fourth Regular Meeting in October, 1984.

Item 27: Provisional Agenda of the Second Regular Meeting of the Inter-American Board of Agriculture.

In order to provide the necessary background information, the Rapporteur read the pertinent articles from Chapter IV of the Rules of Procedure of the JIA. He also read the Provisional Agenda for the JIA Meeting in Jamaica. The Technical Secretary stated that the Committee must decide which topics would be discussed by the Board, and which would be presented by the Committee in its Report.

The Director General noted that at present the Institute's Administration was making every effort to ensure the best possible attendance by the Ministers of Agricultural at the Board meeting. For this purpose, he explained, the official invitations would be supplemented with personal contact, especially stressing that this would be the first JIA meeting to be held in a country of the English-speaking Caribbean. Contacts were being made for this purpose with the Ministries of Foreign Relations in the countries.

Following the discussion, the Chair stated that note had been taken of the decision and of the suggestions by the Delegates, for preparing an Agenda for the Second Regular Meeting of the JIA.

Item 29: Round Table Discussion of the Second Regular Meeting of the Inter-American Board of Agriculture: The Status of Agriculture and Rural Development in Latin America and the Caribbean.

The Chair recognized the Director of Analysis and Evaluation, to introduce the document to the Committee and to explain the basis and projections of this topic, to be discussed by the JIA. Mr. Mario Kaminsky expanded on the information provided, and stated that he had now completed the phase of massive information processing. The following step was to analyze and

interpret the results, in order to conclude by formulating recommendations and conclusions. He stated that the analysis would focus on nutrition and food security, the foreign sector, and employment and income.

The Delegate from Honduras stated that the biennial JIA Meeting was a good opportunity to present another item of special interest. In addition to the presentation of the document on the status of agriculture, he suggested that the Government of the United States could give a presentation on the Caribbean Basin Initiative.

The Delegate from Uruguay felt that the Round Table planned for October should include the participation of panelists representing different development styles and economic policies, and that the basic document for the Member States should be distributed in advance. This would make it possible to analyze the information and provide well-founded comments.

The Delegate from Canada stated that the status of agriculture could be presented in the context of the general economy, and that agriculture in Latin America and the Caribbean should be examined in the context of the world economy. He also suggested that the Round Table be as flexible as possible. This could be achieved if the participants presented their viewpoints as individuals, rather than as representatives of institutions. This would encourage discussion, which was preferable to a single presentation of statements.

The Director General responded to the suggestion about the Caribbean Basin Initiative and stated as a part of his activities as a member of the Regional Council for Agricultural Coordination, he had promoted and carried out a meeting of the countries of the Caribbean, Central American and the U.S.A. to evaluate the outlook for the Initiative. He added that the Institute welcomed the suggestions by the Delegates for setting up a group for the Round Table, with representation from the different types of economies in the region.

The Observer from the United States agreed with the comment made by Canada, that agriculture should be considered in the context of the overall economy. He noted that there were advantages in using a highly flexible format, but there needed to be a certain amount of structure in order to facilitate the selection of Round Table participants, depending on the subject to be covered. The Observer from the United States offered full cooperation to comply with the suggestion by the Delegate from Honduras on the possibility of a presentation on the Caribbean Basin Initiative. He added that perceptions of the initiative, even in the United States, had changed considerably, and that a presentation would be extremely useful for learning the positions of the region.

The Chair thanked the Observer from the United States for his comments and contributions.

The Delegate from Grenada states that the explanation by the experts showed that the Round Table would be an extremely valuable exercise. He agreed with the suggestion made by the Delegate from Uruguay, that panelists be selected to represent different development styles. He added that maximum efforts should be made to select experts from Latin America and the Caribbean to participate in the discussions. It would be a sign of weakness to look beyond Latin America and the Caribbean experts for discussing the problems of these two subregions. He then made reference to the statement that the forum was an opportunity to promote the United States Caribbean Basin initiative, stating his impression that the initiative had an element of selectivity, and that he understood that certain countries were to be excluded from it. Therefore, he did not support the proposal by the Delegate from Honduras.

The Delegate from Honduras stated that as far as he understood, the Caribbean initiative included no discrimination against any particular country. He added that it would provide great benefits for over twenty countries, and that this forum would be a good opportunity to discuss it.

The Delegate from Venezuela suggested that under the heading of Balance of Payments in the Foreign Sector, a more in-depth analysis be given of the food balance in the member countries, in terms of surplus and deficit.

Mr. Kaminsky reported that the topic of food balance was being viewed in the context of the 82 variables, and took note that to give special attention to this topic.

The Chair then asked the Rapporteur to read the Draft Resolution on "Relations with the General Secretariat of the OAS."

The Delegate from Grenada stated that he disagreed with the title of the Draft Resolution. He explained that he would prefer the Resolution to be more specific, and suggested that the phrase, "to continue supporting IICA," be removed from the second operative part. He suggested that it read: "to provide similar support in the area of agricultural and rural development."

The Delegate from Honduras suggested that the following phrase be added to operative point 2: "similar efforts should be made by the Director General before these Governments and International Organizations, to ensure continuous support to the agricultural and rural development programs in the hemisphere."

The Director General suggested the following title: "Actions by the General Secretariat of the OAS in the Areas of Agricultural and Rural Development."

The Observer from the OAS commented that he understood that notices had already been sent to the member countries of the OAS. Nevertheless, he saw no problem with reaffirming this position, and suggested that the IICA notices go out to the countries immediately. This would prevent the appearance of gaps in the countries in this field.

The Chair thanked the Observer from the OAS for his contribution and asked the Rapporteur to read the second paragraph of the Draft Resolution. It was approved, along with the new title suggested by the Director General.

The Chair then recognized the Director General so he could introduce the next topic.

Report from the Director General on the General Directorate's Relations with the Staff Association.

The Director General asked the Chair to recognize Dr. Quentin M. West, Acting Director of Human Resources, to introduce the report. Dr. West read the following report:

Establishment of the Staff Association: Article 48 of the Rules of Procedure of the General Directorate stipulates that, "In order to maintain continuing contact between the staff and the Director General, a Staff Association shall be set up of all staff members of the Institute."

Articles of Association: On the basis of Article 48 of the Rules of Procedure of the General Directorate, a transitory commission of the Staff Association was established to draw up the Articles of Association. These Articles were prepared and submitted to the members of IICA's staff for approval by referendum. By request of the Director General, an amendment to the document was also submitted to referendum, with the support of the Board of Directors, under cover memo AP/1-82, dated November 3, 1982. This amendment eliminated the last part of paragraph a., Article 4 of the Articles of Association, under which one of the objectives of the Association was to serve as a liaison between the staff and the Director General and governing bodies of IICA. The new paragraph states that this objective is only to "serve as a liaison between the staff and the Director General and governing bodies of IICA. The new paragraph states that this objective is only to "serve as a liaison between the staff and the Director General." Thus, the paragraph is consistent with Article 48 of the Rules of Procedure of the General Directorate, which establishes the Association as a liaison between the staff and the Director General.

Elections: In order to set up the Staff Association described in Article 48 of the Rules of Procedure of the General Directorate, an electoral tribunal was appointed to direct the election process. It was presided over by Agustín Merea and completed its tasks with the designation of the first Board of Directors, made up of staff members from the Institute's different personnel categories. On November 1, 1982, a ceremony was held in the Central Office of the General Directorate, in which the Director General awarded letters of credential to the elected members, accrediting them as Officers of the Association.

The first Board of Directors was made up as follows:

| | |
|---------------------|---------------------------|
| President | Fernando Suárez de Castro |
| Vice President | Susana Lalli de Trejos |
| Treasurer | Guillermo Guerra |
| Secretary | Susana Raine de Najarro |
| Assistant Secretary | Carlos Molestina |

Members at Large

José Alberto Torres
 Julieta Fernández
 Eugenio Herrera
 José R. Zúñiga
 Guillermo Marín

The Board has since undergone a number of changes for various reasons. Several members have resigned from their positions on the Board, and others have lost their status as Institute employees.

The present Board is made up as follows:

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|--|------------------------|
| Vice President in charge of the Presidency | Susana Lalli de Trejos |
| Secretary | Elizabeth Lewis |
| Treasurer | Enrique Vigués |
| Assistant Secretary | Carlos Molestina |
| Regular Members at Large | Pablo Calvo |
| | Eugenio Herrera |
| | José Ramón Zúñiga |
| | Angélica de Avendaño |
| | Isabel Bolaños |
| Alternative Members at Large | Ernesto Liboreiro |
| | Mauren Durán |

Meetings and Requests of the Association: On November 4, 1982, the first meetings was held between the members of the Board of Directors and the Director General. At that time, a number of requests were made to the Administration. They are discussed below, with an explanation of measures taken by the General Directorate.

- Logistic support for the operations of the Association (the request was for equipment, a part-time secretary and funds so that work could begin). The General Directorate responded to this request by granting the Association a furnished office in the buildings of the Central Office (as of January, 1983), assigning a half-time secretary (as of March 1, 1983), and allocating US\$800 for Association expenses (as of April 1, 1983).

- Participation in the revision of the Rules of Procedure of the General Directorate and in preparing the internal staff and financial rules.

Once the draft of the proposed Staff Regulations was ready, it was forwarded to the Staff Association. The Association's comments on the draft were studied by the General Directorate, and those that were found consistent with Institute standards and rules, and that would improved administration and performance of human resources, were selected.

It should also be noted that, once the draft Staff Regulations were ready to be sent to the countries, the original version and the revised version were sent to the Staff Association.

- Rules and provisions for adjusting the salaries of national personnel to increases in the cost of living. It is not quite correct to talk about internal rules and provisions for adjusting the salaries of Local Professional and General Services Personnel, which are governed by the local laws of the Member States in which they work. Nonetheless, taking into consideration that IICA's budget is neither unlimited nor elastic, the Director General sent instructions to the Directors of National Offices to inform the General Directorate of the status of Local Personnel salaries and the possibility of revising them regularly in response to increases in the cost of living. This has been done, for example, in Costa Rica and Peru. It should also be noted that salary increases required by national laws in the different countries have been provided by the Institute for Local Professional and General Services Personnel.

- Accumulation in dollars of the fund for recognition for years of service. In memorandum OC/SD-397, dated May 10, 1983, the Director General authorized accumulation in US dollars of the bonus paid for recognition for years of service for Local Professional and General Services Personnel. This bonus will be paid in national currency, with the exchange rate used by IICA for converting the sum from dollars into national currency.

- Transportation problem in the Central Office. In memorandum OC/SD-391, dated May 6, 1983, the General Directorate provided a transportation subsidy for members of the Local Professional and General Services Personnel working in the Central Office of the General Directorate, in the Office of the Central Area and in the Office in Costa Rica.

- Procedure for filling openings by competition. Ever since its beginning, this Administration has complied with the procedure stipulated in Article 39 of the Rules of Procedure of the General Directorate for filling openings. Criteria of geographic distribution have been taken into account to the broadest extent possible. Preference has been given to staff members whose posts have been eliminated from IICA's organizational structure. First preference has been given, other conditions being equal, to personnel in the same category as the opening, and second preference, to other staff members. Only in those cases in which the Institute staff did not include any qualified candidates interested in the position, has the Director General resorted to procedures for external recruitment, based on the principle of competition and merit.

Ever since it was inaugurated, this Administration has been holding meetings with the Association, either at the request of the Association, or on the initiative of the Director General. In these meetings, the Administration has always maintained an attitude of dialogue, explaining the case at hand and requesting comments and observations from the Association.

These meetings have been useful for discussing Association requests, and authorizing activities to be conducted by the Association, such as lectures on proposed social and labor legislation, cultural and social events, etc. During the meetings, the Administration has also discussed its actions in running the Institute, including matters of personnel administration and the application of disciplinary measures.

Participation of the Association in cases in which the Administration has found it necessary to terminate employee services. On three occasions since the Staff Association was installed, the Administration has found it necessary to terminate the services of staff members, in consideration of the Institute's best interests. The Association has participated in different ways. In all cases, the General Directorate has given due consideration and attention to the Association.

- In January, 1983, the services of a Local Professional were terminated, in compliance with Costa Rican Labor Law. At that time, the President of the Staff Association, on behalf of the personnel, asked for explanations. The Director General replied through the Director of Human Resources, explaining that the staff member had not been "dismissed" (dismissal as such is a disciplinary measure), but that his services had been concluded through employer termination of an indefinite contract. The Ministry of Labor of Costa Rica had been duly informed of the termination of services, and the documentation was completed correctly, with the payment of severance rights due to the staff member under local laws.

It is worth noting that the ex-staff member involved made no claims in Costa Rican Labor Courts.

- In the second case, an international staff member received a reassignment and transfer, but objected to the transfer, claiming among other things that it affected his performance as an officer of the Staff Association. The Director General explained that any request concerning the Association must come directly from the Association, and not from the staff member personally. On the same day that the Association expressed its opinions in writing concerning the transfer of its officer, and invited the Director General to a dialogue on the subject, the staff member, as an employee rather than as an Association officer, committed an act of serious misconduct, resulting in his summary dismissal (a disciplinary measure established in Article 54 of the Rules of Procedure of the General Directorate which, by its inherent nature, allows for no internal delaying procedures, either prior to or following the application of the measure). After having taken the disciplinary measure, the Director General held several dialogues with the officers of the Association, and explained that in no case was the disciplinary measure intended as a move against the Association or to cause conflict with it.

- The third case in which the Association took active part was the termination of services of an temporary international staff member in Brazil. The services of this staff member were terminated on the basis of Article 52 of the Rules of Procedure of the General Directorate, paragraph d., failure to fill the requirements of service contained in the Rules of Procedure.

The staff member asked for reconsideration of the measure by the Director General, who proceeded to request the participation of the Association in an advisory group provided for in Article 61 of the Rules of Procedure of the General Directorate.

Following a detailed study of the case, the group recommended that the disciplinary measure be sustained. On the basis of this recommendation, a resolution was issued, expressing the decision to terminate the services of the staff member.

Incompatibility of functions for officers on the Association in certain positions of trust of the Director General. The Director General has repeatedly stated, in meetings of the Cabinet and in meetings with the officers of the Staff Association, there is a clear incompatibility between the performance of duties by officers of the Staff Association, and the holding of certain positions of trust of the Director General, due to the very nature of functions.

All those positions of trust of the Director General in which staff members must carry out tasks of supervision, control and discipline over other Institute staff members, are clearly incompatible with the performance of the duties of an officer of the Staff Association. A person cannot be prosecutor and defense at the same time. It is impossible for a person to carry out the duty of supervising work and revealing irregularities in the performance of tasks of other staff members, and at the same time try to defend them as an officer of the Staff Association.

For this reason, in faithful compliance with the duties stipulated by the Convention (Article 20) and the Rules of Procedure of the General Directorate (Article 6), the Director General, in order to protect the effective operation of the Institute, on the basis of its nature and purposes, has attempted to prevent the occurrence of cases of incompatibility between positions as trust personnel with duties of supervision, control and discipline, and the simultaneous responsibilities of these same staff members as officers of the Staff Association. All this has been done with the greatest respect for individual decisions by the people involved, in terms of their roles in the Association, and for the purpose of averting confrontations of interest that may jeopardize the Administration's relations with the Association.

The Chair thanked the General Directorate for presenting the report. There was no discussion, and the Twelfth Plenary Session was adjourned at 13:00.

XVI. THIRTEENTH PLENARY SESSION

The Chair called the Thirteenth Plenary Session to order at 18.45 on August 12.

The Chair presented the Order of Business to the Committee Delegates and opened discussion of the Proceedings from the Eighth, Ninth and Tenth Plenary Sessions, for approval or changes.

The Delegate from Guatemala stated that before discussing the Staff Regulations in the previous session, an opinion should have been requested from the Staff Association concerning the document. He therefore suggested to the Committee that it recommend that the Association's opinion be obtained and reported to the second section of the meeting in Jamaica.

The Chair stated that the suggestion seemed appropriate, and it was agreed that this opinion would be requested, as long as it were officially channeled through the Director General, as stipulated in Article 48.

The Delegate from Grenada asked for changes on pages 75, 78, 79, 80 and 82 in the English version, in order to make his Delegation's statements more precise. Similar changes were suggested by the Delegates from Brazil and Canada.

The Chair interrupted the discussion of the Proceedings to welcome the Minister of Agriculture and Livestock of Costa Rica, Mr. Francisco Morales, who had entered the room. The Chair spoke on behalf of the Committee and expressed pleasure for the visit.

The Minister of Agriculture and Livestock of Costa Rica took the floor and made apologies for not having been with the Committee earlier. Nevertheless, he expressed his hopes for the success of the meeting and stated that he would be present at the JIA meeting in Jamaica, where he hoped to greet the members of the Committee once again.

The Chair then resumed discussion and stated that the Technical Secretary had taken note of the Delegates' comments, which would be included in the final version of the Proceedings of the Eighth Plenary Session. The document was then approved as corrected, and the Chair introduced the Proceedings of the Ninth Plenary Session.

The Delegate from Grenada asked that paragraph six on page 90 of the English version be expanded with the addition of the sentence "The Delegate from Grenada stated that the document presented was a technical study in itself, but that the decision to be adopted would have to be of a political nature." The Delegate from Canada asked that paragraph seven on page 89 of the English version reflect that the Delegate from Canada had agreed with the proposal. The Delegate from Brazil suggested that the Proceedings on page 89, prior to item 3 in the Spanish version, show that the Resolution on AGRINTER had been approved by the Committee. He offered to provide a lengthier correction in writing.

The Chair stated that if there was no further discussion, the Proceedings of the Ninth Plenary Session were approved with the corrections noted by the Technical Secretary. He then introduced the Proceedings of the Tenth Plenary Session.

The Delegate from Guatemala offered to submit a written modification to the text on page 98, paragraphs two and three of the Spanish version of the Proceedings. The Delegate from Canada asked for paragraph three on page 93 of the English version to give a broader explanation of the information supplied by the Director General in response to a question by the Delegation from Canada. The Delegate from Grenada asked for paragraph five on page 96 of the English version to include "The Delegate from Grenada requested information from the Director General on measures taken for the continuity of those projects carried out in the countries with financing from the Simon Bolivar Fund."

The Delegate from Brazil suggested that the Proceedings record, under item 19 on page 96 of the Spanish version, that his Delegation had proposed a merger of the two Resolutions establishing criteria for presenting project reports for over US\$250 000. The Observer from the United States offered to present his comments in writing.

The Chair stated that if there was no further discussion, the Proceedings of the Tenth Plenary Session could be approved as corrected. At the request of the Observer from the United States, the Chair stated that the tapes and transcriptions of the sessions would be available to the Delegates in Jamaica, to facilitate consultation and verification.

The Chair also announced that, because the Proceedings of the Eleventh and Twelfth Plenary Sessions were still being typed and translated, and the Thirteenth Plenary Session was now underway, these Proceedings would be studied and approved in Jamaica. At the request of the Observer from the United States, the Chair reported that within a period of around twelve days, the Delegates would receive in their countries the revised draft of the Program-Budget, including the fourth chapter suggested by the Observer from the United States.

There was no further business, and the Chair adjourned the Thirteenth Plenary Session. The Meeting would continue in Kingston, Jamaica.

The Delegate from Canada asked why the documents translated into French would not be signed. The Technical Secretary explained that the Executive Committee did not have a Delegate from a French-speaking Member State for this rotational period. He pointed out that at the Meetings of the Board, French translation services would be available.

The Delegate from Canada reminded the Plenary that both English and French were official languages; consequently, he was requesting that an effort be made to obtain the documents in this second language also. The Technical Secretary said that this would be done, particularly when documents concerning the meetings of this Committee were being sent to Member States.

The Chair added that as soon as the Proceedings and documents were translated into French, they would be signed officially. The Observer from Haiti expressed concern over the fact that at this meeting there were no French translations which forced the Representatives of his country to use another language, with the consequent reduction of their participation.

In conclusion of the meetings, the Delegate from Brazil spoke on behalf of the countries. The Director General, in turn, spoke briefly, summarising the results of the meeting and expressing thanks for the contributions made by Delegates and participants.

The Chair expressed his appreciation for his designation to preside over the meetings of the Committee, as well as satisfaction at the spirit of harmony which had prevailed during the Work Sessions. He particularly acknowledged the people and governments of Costa Rica and Jamaica, the work team from IICA, and specially the interpreters at the meeting.

The Chair adjourned the Third Regular Meeting of the Executive Committee at 1:00 of October 23, 1983.



EXECUTIVE COMMITTEE

REPORT OF THE CREDENTIALS COMMITTEE OF THE THIRD REGULAR MEETING OF THE EXECUTIVE COMMITTEE

IICA/CE/Res.10(III-0/83)
20 October 1983
Original: Spanish

RESOLUTION No. 10

ANALYSIS OF THE PROPOSED 1984-1985 PROGRAM BUDGET

The EXECUTIVE COMMITTEE, in its Third Regular Meeting,

HAVING SEEN:

The analysis presented by the Director General in compliance with the provisions of Resolution IICA/CE/Res.8(III/0/83), operative part 3,

CONSIDERING:

That during the first part of its Third Regular Meeting, held in August, 1983, the Executive Committee requested that the Director General present an analysis that would show the effect of reducing the Proposed Program Budget, originally submitted by the Director General (Document IICA/CE/Doc.72(83)corr.), on the basis of Resolution IICA/CE/Res.8(III-0/83); and

That the effects that this analysis shows to the countries in the operation and action of IICA are of great concern to the Member States.

RESOLVES:

To recommend to the Inter-American Board of Agriculture that it study this analysis carefully in producing its Resolution on the Proposed Program Budget for 1984-1985.

IICA/CE/Res.11(III-0/83)
21 october 1983
Original: English

RESOLUTION No. 11

HEMISPHERIC FOOD SECURITY PROJECT

THE EXECUTIVE COMMITTEE, in its Third Regular Meeting

HAVING SEEN:

The Hemispheric Food Security Project submitted to the Executive Committee by the Director General,

CONSIDERING:

That an increasing number of Latin American and Caribbean countries periodically experience problems with shortages of basic staples to qualitatively and quantitatively maintain adequate levels of nutrition, particularly among people of limited resources;

That in acknowledgement of this problem, the Eight Inter-American Conference on Agriculture, held in April of 1981, approved Recommendation No. 12, requesting that IICA tackle the problem of food security in the region;

That several regional and international organizations are promoting actions in areas related to food security, but there is an obvious lack of coordination in the efforts carried out at the national, regional and hemispheric levels;

That IICA, through its production, commercialization and information programmes and projects, has been cooperating continually with its Member States in actions related to food security;

That the Director General submitted a Hemispheric Food Security Project to the Executive Committee, proposing concrete actions at the national and hemispheric levels in areas within its domain, geared to finding solutions to the problem in Latin America and the Caribbean;

That the project presented by the Director General, despite its vital importance for IICA's Member States, implies financial commitments which the latter are incapable of assuming in their entirety; and

That IICA has the institutional organization required for the execution of the project and renowned international standing with international agencies providing external financing.

RESOLVES:"

To recommend to the Inter-American Board of Agriculture:

1. To approve the Hemispheric Food Security Project presented by the Director General.
2. To authorize the Director General to include in the Program-Budget, an amount of US\$205 200 for 1984, for the purpose of starting actions aimed at promoting implementation of the Project.
3. The source of the funds for this Project in 1985 is unspecified.
4. To request the Director General to make every effort so that, in collaboration with the governments of Member States of the Institute, sources of external financing are found for carrying out the project.
5. To request the Ministers of Agriculture of Member States of IICA to make every effort necessary to design an adequate system of coordination among national and international organizations on the subject of food security.

IICA/CE/Res.12(III-0/83)

21 october 1983

Original: Spanish

RESOLUTION No. 12

HEMISPHERIC NUMERICAL INFORMATION SYSTEM
FOR AGRICULTURAL DEVELOPMENT

The EXECUTIVE COMMITTEE, in its Third Regular Meeting,

HAVING SEEN:

The project proposal for establishing a Hemispheric Numerical Information System for Agricultural Development and the Report of the Working Group of Experts in Statistics,

CONSIDERING:

That information on the status and analysis of the rural sector is a basic resource for the formulation and implementation of national development plans and for decision-making in the different areas of the agricultural sector;

That in acknowledgement of this fact, the Eight Inter-American Conference on Agriculture (Santiago, Chile, April 6-11, 1981) approved Recommendation No. 1, requesting IICA to perform "a systematic data retrieval program for the analysis and diagnosis of the agricultural sector...",

That information management and analysis capabilities need to be reinforced in most of the countries of Latin America and the Caribbean;

That information on each country assumes greater importance when analyzed in the context of the Member countries of IICA as a whole since it enables countries to formulate policies and develop projects of benefit to individual countries and to the region as a whole;

That IICA has successfully developed the AGRINTER Documental Information System and has technical capabilities and experience in the management and analysis of statistical information.

RESOLVES:

To recommend to the Inter-American Board of Agriculture:

1. To charge the Director General to encourage the development of a Statistical Information System for the Member States in accordance with the guidelines of the project as presented incorporating the recommendations of the working group.
2. To urge the member governments to supply the financing necessary to support the project in collecting information on the agricultural sector in the countries.
3. To approve an entry of US\$205 200 in the 1984 budget to be allocated to IICA for the development of the information and analysis project. The source of the funds for this project in 1985 is unspecified.

RESOLUTION N° 13

PROPOSED STAFF RULES

The EXECUTIVE COMMITTEE, in its Third Regular Meeting,

HAVING SEEN:

The Proposed Staff Rules submitted by the Director General, in document IICA/CE/Doc.59(83)rev.1.

CONSIDERING:

That the Inter-American Board of Agriculture, in its First Regular Meeting, approved the Rules of Procedure of the General Directorate, published as No.22 of the Official Documents Series;

That these Rules of Procedure provide for the enactment of Staff Rules to supplement and specify its provisions on this subject;

That, by virtue of this stipulation, the General Directorate drafted a set of Proposed Staff Rules and submitted them to the consideration of the Third Regular Meeting of the Executive Committee; and

That the Committee finds that, given the major importance of the document, the time available has been inadequate for completing a comprehensive study

RESOLVES:

1. To invite its Member States to perform an exhaustive analysis of the document submitted by the General Directorate, and to make observations and send them to the General Directorate within a period no greater than three months as of the date of this Resolution.
2. To entrust the Director General to request delivery of these observations and study the possibility of incorporating them into the proposal.
3. To recommend to the Board that it defers its discussion of the General Directorate's Proposed Staff Rules until its next Regular Meeting.

RESOLUTION N° 14

PROPOSED FINANCIAL RULES

The EXECUTIVE COMMITTEE, in its Third Regular Meeting,

HAVING SEEN:

The proposed Financial Rules submitted by the Director General, in document IICA/CE/Doc.60(83)rev.1.

CONSIDERING:

That the Inter-American Board of Agriculture, in its First Regular Meeting, approved the Rules of Procedure of the General Directorate, published as No. 22 of the Official Documents Series;

That these Rules of Procedure provide for the preparation of Financial Rules to supplement and specify its provisions on this subject;

That, by virtue of this stipulation, the General Directorate drafted a set of Proposed Financial Rules and submitted them to the consideration of the Third Regular Meeting of the Executive Committee; and

That the Committee finds that, given the major importance of the document, the time available has been inadequate for completing a comprehensive study.

RESOLVES:

1. To invite its Member States to perform an exhaustive analysis of the document submitted by the General Directorate, and to make observations and send them to the General Directorate within a period no greater than three months as of the date of this Resolution.
2. To entrust the Director General to request delivery of these observations and study the possibility of incorporating them into the proposal.
3. To recommend to the Board that it defers its discussion of the General Directorate's Proposed Financial Rules until its next Regular Meeting.

IICA/CE/Res.15(III-0/83)
22 October 1983
Original: Spanish

RESOLUTION N^o 15

VOTE OF THANKS TO THE GOVERNMENTS AND PEOPLES OF
COSTA RICA AND JAMAICA

The EXECUTIVE COMMITTEE, at its Third Regular Meeting,

CONSIDERING:

That the Delegates and Observers attending the Third Regular Meeting have been warmly received by the governments and the peoples of Costa Rica and Jamaica

RESOLVES:

That a vote of thanks be extended to the Governments and people of Costa Rica and Jamaica, for their warm hospitality and their effective support, which have contributed significantly to the success of the Meeting.

DRAFT RESOLUTIONEMERITUS STATUS FOR DR. HUMBERTO ROSADO

The INTER-AMERICAN BOARD OF AGRICULTURE , at its Second Regular Meeting,

CONSIDERING:

That Dr. Humberto Rosado has devoted much of his professional life to the service of the Inter-American Institute for Cooperation on Agriculture, where he has occupied important positions and has discharged them successfully, capably and with great dedication, and

That Dr. Rosado fulfills all the requirements established in Article 13 of the Rules of Procedure of the General Directorate, for achieving the status of "Emeritus".

RESOLVES:

1. To grant Dr. Humberto Rosado the title of IICA "Emeritus," with all the rights and privileges it entails.
2. To have this appointment go into effect as of the date of this Resolution.

Name: Humberto Rosado E.

Country of Origin: Mexico

Specialization: Social Sciences and Community Development

Education and Degrees:

1940-1946 Ag. Eng., National School of Agriculture, Chapingo, Mexico

1954-1957 Ph.D., Cornell University, U.S.A.

Experience prior to entering IICA:

Dec. 1946 - June 1948 Geneticist, Office of Special Studies, Secretariat of Agriculture, Mexico.

Nov. 1951 - Aug. 1954 Founder and First Director of the Agricultural Extension Service, State of Mexico, Toluca

June 1957 - Oct. 1957 Head of the Phytotechnics Dept., National School of Agriculture, Chapingo, Mexico, and Head a.i. of the Department of Information and Dissemination, Office of Special Studies, SAG, Mexico.

Oct. 1957 - Mar. 1959 Head of the Department of Agricultural Extension, General Office of Agriculture, SAG, Mexico

Apr. 1959 - Jan. 1963 District Chief, Banco Nacional de Crédito Agrícola, S.A., Mexico

Jan. 1963 - Apr. 1964 Managing Director of the Banco Regional de Crédito Agrícola del Bajío, Celaya, Guanajuato, Mexico and General Director of Services of the Banco Nacional de Crédito Agrícola, S.A., Mexico

May 1964 - Apr. 1965 Technical Adviser of the Banco Nacional de Crédito Ejidal, S.A., Mexico

Positions held in Mexico:

Dec. 1949 - Nov. 1951 Researcher in the Grain Program, IICA, Costa Rica.

Apr. 1965 - June 1967 Adjunct Extension Agent, Uruguay.

June 1967 - Mar. 1968 Principal Extension Agency, Uruguay.

Mar. 1968 - Mar. 1970 Principal Extension Agent, Guatemala.

Mar. 1970 - Mar. 1972 Principal Educator, Guatemala.

Mar. 1972 - Dec. 1975 Regional Director for the Northern Zone.

Jan. 1976 - Dec. 1979 Director of the Office in Mexico.

Jan. 1980 - Aug. 1980 Director of Supervision and Follow-up, Central Office.

Sept. 1980 - Jan. 1983 Director of Human Resources.

Principal Publications:

ROSADO E., H. Los agricultores y la aceptación de nuevas ideas - 1958

_____ La educación de adultos - 1962

_____ y LABOY, M.J. - Estudio de impacto de los servicios de extensión en el Istmo Centroamericano - 1970

_____ Normas para la elaboración de tesis - 1971

_____ Extensión agrícola y desarrollo; su importancia In Reunión Técnica Internacional sobre Variables Sociales en la Planificación para el Desarrollo Rural, la. Guatemala, 1973. Informe resumido. IICA. Informes de Conferencias. Cursos y Reuniones.

IICA/CE/PR-13(III-o/83)
21 octubre 1983
Original: español

DRAFT RESOLUTION

**REGULATIONS ON THE PENSION OF FORMER DIRECTOR GENERAL OF
IICA, MR. ARMANDO SAMPER**

The INTER-AMERICAN BOARD OF AGRICULTURE, in its Second Regular Meeting

HAVING SEEN:

The document "Regulations on the Pension of Former Director General of IICA, Mr. Armando Samper,"

CONSIDERING:

That the Inter-American Board of Agriculture granted former Director General of IICA Mr. Armando Samper the pension coverage of the Director General of the Inter-American Institute for Cooperation on Agriculture, in Resolution IICA/JIA/Res.25(II-E/82);

That this was done on the basis of approval by the Inter-American Board of Agriculture of Resolution IICA/JIA/Res.7(I-0/81), stipulating that the pension and corresponding deduction for this former employee would be calculated with the formula adopted by the General Assembly of the Organization of American States in Resolution AG/Res.328(VII/081), approved in its Seventh Regular Session;

That neither of these resolutions specifies how the pension would be determined for former Directors General;

That an administrative consultant was hired to study a mechanism for applying the two resolutions and setting a pension for Mr. Samper; this consultant based his study on the salary of former Director General Samper at the time of separation from the institution, and added to this the salary increases since granted to Institute staff; and

That in order to learn about the procedures followed in the General Secretariat of the OAS for these purposes, the Director General of IICA referred the questions of the Executive Committee to the Secretary General of the Organization; the OAS reported to IICA that Resolution 328 had been applied only in one case, and that the pension was based on the salary at the time of separation from the post.

RESOLVES:

To entrust the Director General of IICA to have the pension of former Director General of IICA Mr. Armando Samper adjusted on the basis of the calculations presented in document IICA/CE/Doc.78(83)rev.1.

3. To authorize the Director General to make transfers between Chapters, except for entries B.1 of Chapter 1, and B of Chapter 3 as long as total transfers neither increase nor reduce the affected chapters by more than 20 percent.
4. To authorize the Director General to make expenditures not included in item 2 of this Resolution, on the basis of income received for Indirect Administrative and Technical Costs, in accordance with contracts and agreements carried out in the program framework established in the Proposed Program-Budget submitted by the Director General.
5. To authorize the Director General to use the surplus of income over expenditures, from the operations of the Inter-American Agricultural Documentation, Information and Communication Center, and the Center for Investment Projects, for strengthening IICA's activities.
6. To authorize the Director General to use other miscellaneous income for strengthening established rotating funds.
7. To authorize the Director General to make necessary adjustments in the expenditures authorized in this Resolution, should income during the next fiscal year fall below estimated levels, duly informing the Inter-American Board of Agriculture.

IICA/CE/PR-14(III-0/83)
21 October 1983
Original: Spanish

DRAFT RESOLUTION
PROGRAM-BUDGET 1984/1985

The INTER-AMERICAN BOARD OF AGRICULTURE, at its Second Regular Meeting,

CONSIDERING:

That Article 8b of the Convention on the Inter-American Institute for Cooperation on Agriculture (IICA) establishes that the Inter-American Board of Agriculture will have the following function: "To approve the biennial Program-Budget and to determine the annual quotas of the Member States;"

That income from quotas from the Member States will be US\$ 19 322 935 in 1984 and US\$ 20 289 082 in 1985;

That the income anticipated for indirect administrative and technical costs will be US\$ 1 383 600 in 1984 and US\$ 1 000 600 in 1985;

That the Proposed Program-Budget for regular resources for 1984 and 1985, submitted by the Director General to the Inter-American Board of Agriculture, totals US\$ 20 706 535 for 1984 and US\$ 21 289 682 for 1985, and it identifies and separates quota resources and Indirect Administrative and Technical Costs; and

That the budget presented by the Director General indicates the budgetary items of Direct Technical Cooperation Services; Costs of the General Directorate and General Costs and Provisions, funded with quotas from the Member States,

RESOLVES:

1. To approve IICA's biennial Program-Budget, financed with Member State quotas, for the fiscal year from January 1 to December 31, 1984, for the amount of US\$ 19 322 935, and the fiscal year from January 1 to December 31, 1985, for the amount of US\$ 20 289 082.
2. That IICA's Program-Budget for 1984 and 1985, financed with the 1984 and 1985 quotas of the Member States, shall be distributed as follows for each fiscal year:

MEMBER STATES

| | % OAS | % IICA | 1984 | 1985 |
|------------------------------------|---------------|---------------|-------------------|-------------------|
| Antigua & Barbuda | ,02 | - | - | - |
| Argentina | 7,45 | 7,48 | 1.349.790 | 1.417.279 |
| Bahamas | ,07 | - | | |
| Barbados | ,08 | ,08 | 14.435 | 15.158 |
| Bolivia | ,18 | ,18 | 32.482 | 34.106 |
| Brazil | 9,34 | 9,37 | 1.690.847 | 1.775.389 |
| Chile | ,81 | ,81 | 146.167 | 153.475 |
| Colombia | ,99 | ,99 | 178.648 | 187.581 |
| Costa Rica | ,18 | ,18 | 32.482 | 34.106 |
| Dominica | ,02 | ,02 | 3.609 | 3.790 |
| Dominican Republic | ,18 | ,18 | 32.482 | 34.106 |
| Ecuador | ,18 | ,18 | 32.482 | 34.106 |
| El Salvador | ,18 | ,18 | 32.482 | 34.106 |
| United States | 66,00 | 66,00 | 11.909.915 | 12.505.410 |
| Grenada | ,03 | ,03 | 5.413 | 5.684 |
| Guatemala | ,18 | ,18 | 32.482 | 34.106 |
| Haiti | ,18 | ,18 | 32.482 | 34.106 |
| Honduras | ,18 | ,18 | 32.482 | 34.106 |
| Jamaica | ,18 | ,18 | 32.482 | 34.106 |
| Mexico | 7,00 | 7,03 | 1.268.586 | 1.332.015 |
| Nicaragua | ,18 | ,18 | 32.482 | 34.106 |
| Panama | ,18 | ,18 | 32.482 | 34.106 |
| Paraguay | ,18 | ,18 | 32.482 | 34.106 |
| Peru | ,54 | ,54 | 97.444 | 102.317 |
| Saint Vincent of the Grenadines | ,03 | - | | |
| Saint Lucia | ,03 | ,03 | 5.413 | 5.684 |
| Suriname | ,13 | ,13 | 23.459 | 24.631 |
| Trinidad & Tobago | ,18 | ,18 | 32.482 | 34.106 |
| Uruguay | ,36 | ,36 | 64.963 | 68.211 |
| Venezuela | 3,59 | 3,61 | 651.436 | 684.008 |
| SUB-TOTAL | 98,83 | 98,82 | 17.832.391 | 18.724.010 |
| Cuba* | 1,17 | 1,18 | 212.935 | 223.582 |
| SUB-TOTAL | 100,00 | 100,00 | 18.045.326 | 18.947.592 |
| Others members governments: | | | | |
| Canada | - | 6,94 | 1.252.346 | 1.314.963 |
| Guyana | - | ,14 | 25.263 | 26.527 |
| TOTAL | 100,0 | 107,08 | 19.322.935 | 20.289.082 |

* Appears solely for purposes of the total distributions of quotas.

2. To authorize the Director General to make short-term use of the line of credit opened with the Bank whenever delays in quota payments from the Member States create the need for available funds. He must report these actions to the Inter-American Board of Agriculture.
3. That any amount received in excess of the amount approved will be transferred to the General Working Fund. In the same manner, any unexpended, uncommitted balance will also be transferred into the General Working Fund.

DRAFT RESOLUTION

CONTRACTS, AGREEMENTS, CONTRIBUTIONS AND GRANTS

The INTER-AMERICAN BOARD OF AGRICULTURE OF THE INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE, at its Second Regular Meeting

HAVING SEEN,

The report of its Executive Committee on contracts, contributions and grants,

RESOLVES,

1. To authorize the Director General to utilize fund obtained through the following contracts, agreements, contributions and grants, during the 1984 and 1985 calendar years, for the specific purposes agreed upon; th specific purposes agreed upon;

A. Contracts, Agreements, Contributions and Grants

| <u>NAME</u> | <u>COUNTRY</u> | <u>DESCRIPTION</u> | <u>THOUSANDS US DOLLARS</u> | |
|--|-------------------------------------|---|-----------------------------|-----------------------|
| | | | <u>AMOUNT</u> 1984 | <u>AMOUNT</u> 1985 |
| INTERNATIONAL INSTITUTIONS | | | | |
| Agreement between AID-ICA and IICA | Colombia | Support for Colombian Institute | 42.1 | 45.5 |
| Agreement with the International Development Research Centre (IDRC/IICA) | Peru | Research of Andean farming systems | 167.1 | 167.8 |
| Technical Cooperation Agreement between the Governments of the Southern Cone- IICA/IDB | Bolivia, Countries of Southern Area | Southern Cone Cooperative of the Southern Cone- IICA/IDB Research Project | 1.436.8 | 1.336.1 |

| <u>NAME</u> | <u>COUNTRY</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> 1984 | <u>AMOUNT</u> 1985 |
|---|---|--|-----------------------|-----------------------|
| Agreement between IICA and the Regional Office for Central American Programs-ROCAP | Central America and Panama | Program for the modernization of coffee cultivation in Mexico, Central America and Panama in regional coop. action-PROMECAFE | 820.0 | 881.0 |
| Agreement for Financing between the European Economic Community and France and IICA | Central America and Panama | Reinforcing management skills on associative agricultural enterprises | 280.6 | 192.8 |
| Agreement between the National Agricultural Council, MAG-MINIPILAN, IICA and AID | Costa Rica | Sectoral Planning | 73.2 | 73.1 |
| Agreement between IICA and the Regional Office for Central American Programs-ROCAP | Costa Rica | Sectoral Planning | 44.1* | 44.0* |
| Agreement between IICA and the Regional Office for Central American Programs-ROCAP | Central America Panama and Dominican Rep. | Support for CORECA operation | 225.0 | 225.0 |
| Agreement between the International Development Research Centre (IDRC) and IICA | Costa Rica | Reinforcing the Costa Rican Agricultural information system-SIACR | 20.7 | 20.7 |
| Agreement between IICA and the W.K. Kellogg Foundation | Countries of the Inter-American System | Planning and Management for Rural Development PROPLAN/A | 256.0 | 156.2 |
| Agreement between the International Development Research Centre (IDRC) and IICA | Countries of the Inter-American System | AGRINTER output services | 109.3 | 84.6 |
| Agreement between the IBRD Economic Development Institute and IICA (Training) | Countries of the Inter-American System | Training and development of methods for project identification and formulation | 110.0 | 110.0 |
| Agreement between the IDB and IICA (Projects) | Countries of the Inter-American System | Cooperation in formulation and preparation of rural devel. projs. | 496.0 | 600.0 |
| TOTAL INTERNATIONAL INSTITUTIONS | | | <u>4.080.9</u> | <u>3.936.8</u> |

*Estimated

THOUSANDS US DOLLARS
AMOUNT AMOUNT
 1984 1985

DESCRIPTION

COUNTRY

NAME

NATIONAL INSTITUTIONS

| NAME | COUNTRY | DESCRIPTION | AMOUNT 1984 | AMOUNT 1985 |
|---|----------------|---|-------------|-------------|
| Agreement between IICA and ICA | Colombia | Support for Colombian Agricultural Institute (ICA) | 6.4 | 5.6 |
| Agreement between the Ministry of Agriculture and IICA | Colombia | Support to reinforce Ministry of Agriculture | 28.6 | 28.5 |
| Cooperating Agreement between the Ministry of Agriculture and IICA | Ecuador | Reinforcing Ministry of Agriculture | 31.8 | 29.1 |
| Agreement between the Ministry of Agriculture and IICA | Peru | Cooperation with Ministry of Agriculture | 6.0 | 6.0 |
| Agreement between the Ministry of Education and IICA | Costa Rica | Integrated Farm Planning in Agricultural Schools | 76.4* | 95.4* |
| Agreement between the National Institute of Water Resources and IICA | Dominican Rep. | Management and Conservation of Natural Resources | 90.8* | 45.4* |
| Operating Agreement between the Government of Colombia and IICA for the PNCA | Colombia | National Agricultural Training Program (PNCA) | 189.4* | 204.5* |
| Agreement between the Sugar Cane Research Centr (CENICAÑA) and IICA | Colombia | Support for CENICAÑA Research Model | 71.0 | 75.3 |
| Operating agreement between the Ministry of Agriculture and Animal Husbandry and IICA | Venezuela | Ministry of Agriculture and Animal Husbandry support for reinforcing IICA activities in Venezuela | 10.9* | 11.1* |
| Agreement between the Ministry of Agriculture and Livestock and IICA. | Ecuador | Agricultural technical training | 184.0* | 184.0* |

*Estimated

| <u>NAME</u> | <u>COUNTRY</u> | <u>DESCRIPTION</u> | <u>THOUSANDS US DOLLARS</u> | |
|--|----------------|--|-----------------------------|-----------------------|
| | | | <u>AMOUNT</u> 1984 | <u>AMOUNT</u> 1985 |
| Service Contract between the Ministry of Agriculture and IICA | Paraguay | Reinforcing agricultural and forest training subsystem | 131.8 | - |
| Service contract between the Ministry of Agriculture and IICA | Paraguay | Developing the system for generation and transfer of technology | 425.2 | - |
| Agreement between the National Coffee Growers Federation (FEDERACAFE) and IICA | Colombia | Reinforcing agroindustry promotion and development | 16.0* | 17.5* |
| Agreement between the General DRI-PAN Office and IICA | Colombia | Advisory services to DRI-PAN for research studies | 330.0 | - |
| Agreement between the Ministry of Agriculture (OPSA) and IICA | Colombia | Institutional reinforcement of planning and management for agricultural and rural development (component OPSA) | 198.0* | 214.5* |
| Agreement between the National Agricultural Development Bank (BANADESA) and IICA | Honduras | Support for BANADESA in staff training and project writing | 8.0 | 8.0 |
| Agreement between the General Office for Integrated Rural Development (DRI) and IICA | Colombia | Institutional reinforcement and planning and management for agricultural and rural development (component DRI) | 26.3* | 45.2* |
| Agreement between the Secretariat of Rural Development and IICA | Ecuador | Technical cooperation with Integrated Rural Development Program of Ecuadorian Government | 227.6* | 231.1* |
| Agreement between the National Animal Health Service (SENASA) and IICA | Argentina | Cooperating in planning and development of SENASA programs | 92.4 | 101.5 |

*Estimated

THOUSAND US DOLLARS
AMOUNT
 1984 1985

| <u>NAME</u> | <u>COUNTRY</u> | <u>DESCRIPTION</u> | AMOUNT 1984 | AMOUNT 1985 |
|---|----------------|---|----------------|----------------|
| Agreement between the Ministry of Chile Agriculture (FIDEICOMISO) and IICA | Chile | Technical cooperation in generation and transfer of technology | 41.6 | 46.0 |
| Agreement between the Ministry of Agriculture (ODEPA) and IICA | Chile | Technical cooperation in generation and transfer of technology | 15.0 | 15.0 |
| Agreement between the Farm Rehabilitation Credit Insurance (CAH) and IICA | Paraguay | Reinforcing Farm Credit User Associations (AUCA) | 17.7 | 19.4 |
| Agreement between the Ministry of Agriculture and Fishing (MAP) and IICA | Uruguay | Regional Agricultural Development | 15.0 | - |
| Agreement between the National Agricultural Insurance Institute, the Secretariat of Education and IICA | Venezuela | Supporting National Agricultural Insurance Institute | 57.5 | 69.0 |
| Technical cooperation agreement to support the project for expanding and improving education in the rural environment | Brazil | Assisting the Secretariat of Education of Pernambuco to plan and carry out Integrated Rural Education System | 125.2* | 117.5* |
| Agreement between CINGRA and IICA. | Brazil | Providing financial support to maintain the IICA Office in Brazil. | 64.2 | 75.2 |
| Technical cooperation agreement with the Secretariat of Education and related agencies in different subjects | Brazil | Cooperating with the Secretariat of Education of Espiritu Santo in planning the Program for Educational Communication | 123.9* | 123.0* |

* Estimated

| <u>INSTITUTIONS</u> | <u>COUNTRY</u> | <u>DESCRIPTION</u> | <u>THOUSAND US DOLLARS</u> | |
|--|----------------|--|----------------------------|-----------------------|
| | | | <u>AMOUNT</u> 1984 | <u>AMOUNT</u> 1985 |
| Technical Cooperation agreement with the Secretariats of Education, Culture and Farm Production in the areas of small farmer education | Brazil | Cooperating with the State Government in implementing the Amazonas component of the PDRI | 170.9* | 175.1* |
| | Brazil | Cooperation with large farms in the PDRI-Amazonas | 84.7* | 90.2* |
| Technical cooperation agreement to define an educational strategy for rural areas in the State of Rio de Janeiro | Brazil | Cooperating with the SE-RJ in planning rural education | 64.3* | 76.1* |
| Technical cooperation agreement between EMBRAPA and IICA to reinforce agricultural research | Brazil | Technical cooperation for reinforcing agricultural research (IBRD) | 6.816.0 | 4.142.0 |
| | Brazil | Technical cooperation to reinforce agricultural research | 22.0 | 22.0 |
| | Brazil | Technical cooperation to reinforce agricultural research | 41.4 | 41.7 |
| Technical cooperation agreement for agricultural development in the cacao growing region of Bahia | Brazil | Technical cooperation with CEPLAC for the physical and biological research program | 55.0* | 57.2* |
| Agreement between IICA and CEPLAC for a research project on the epidemiology and control of witches broom disease | Brazil | Technical cooperation for CEPLAC in the witches broom disease research program | 36.0* | 36.0* |

*Estimated

1984 1985

2.29

| Agreement between MINTER and IICA Brazil on technical cooperation for the irrigation program | 323.1* | 131.4* |
|--|--------|--------|
| Brazil | 345.7* | 284.1* |
| Brazil | 159.5* | 180.3* |
| Brazil | 28.9* | 29.1* |
| Brazil | 43.2* | 50.4* |
| Brazil | 57.7* | 51.5* |
| Brazil | 62.4 | 75.2 |
| Brazil | 225.9 | 229.2 |
| Brazil | 159.5* | 165.2* |
| Brazil | 22.0* | 27.5* |

| <u>NAME</u> | <u>COUNTRY</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> 1984 | <u>AMOUNT</u> 1985 |
|--|----------------|---|-----------------------|-----------------------|
| Agreement with the Secretariat of Agriculture Federal District and IICA for technical cooperation in irrigation, agro-energy, and support to farmer organization | Brazil | Technical cooperation with agricultural and production in DF and the irrigation area | 48.2* | 57.3* |
| Agreement with the Government of Bahia for supporting and coordinating regional development actions in the rural sector of Bahia | Brazil | Technical cooperation in the area of natural resources and irrigation | 150.7* | 138.5* |
| | Brazil | Cooperation in the area of farmer organization | 137.0* | 164.5* |
| | Brazil | Technical cooperation in the formulation and evaluation of rural development projects | 230.3* | 232.0* |
| Agreement between the Ministry of Agriculture and IICA (Animal Health) | Brazil | Technical cooperation in the area of Animal Health | 90.9* | 54.5* |
| Agreement between SUDHEVEA and IICA to carry out the program of incentives to natural rubber production | Brazil | Technical cooperation with SUDHEVEA in implementing the PROBOR | 229.6* | 130.6* |
| Agreement between the Secretariat of Planning and Coordination of Ceara and IICA | Brazil | Cooperation with the integrated development program-Ceará | 171.9* | 178.0* |

* Estimated

THOUSAND US DOLLARS
AMOUNT
 1984

DESCRIPTION

COUNTRY

NAME

Agreement between SUDEPE and IICA in the area of information

Brazil

108.0

116.7

Letter of Understanding between IICA and CATIE

Countries

25.0

25.0

Operating agreement between the Governments of Central America, Panama, Dominican Republic and IICA

Central America, Panama and Dominican Rep.

Support for PROMECAFE

140.0

140.0

Governments of Central America, Panama and Dominican Republic

Central America, Panama, and Dominican Rep.

Training and study program for Agrarian Reform and Rural Development (PRACA)

119.0*

121.4*

Agreement between CAN-MAG-MINPLAN and IICA

Costa Rica

30.9*

30.9*

Cooperation agreement among the Ministries of Agriculture of Central America, Panama and Dominican Republic

Central America, Panama and Dominican Rep.

Support for CORECA operations

150.0

150.0

Agreements between the Secretariat of Agriculture and Natural Resources (SARH) and IICA

Mexico

333.4*

273.0*

Reinforcement of state level agricultural activities

Mexico

231.8*

260.8*

*Estimated

2.31

| <u>NAME</u> | <u>COUNTRY</u> | <u>DESCRIPTION</u> | <u>THOUSANDS US DOLLARS</u> | |
|--|----------------|--|-----------------------------|-----------------------|
| | | | <u>AMOUNT</u> 1984 | <u>AMOUNT</u> 1985 |
| Agreement between the Secretariat of Natural Resources | Honduras | Support for the SRN tick and torsalo control program | 350.0* | 350.0* |
| | Honduras | Training for technicians and livestock producers | 500.0* | 500.0* |
| TOTAL NATIONAL INSTITUTIONS | | | 14.375.6 | 10.556.1 |
| TOTAL NATIONAL AND INTERNATIONAL INSTITUTIONS | | | 18.456.5 | 14.492.9 |

*Estimated

2. That the Director General be authorized to receive contributions and donations and to sign agreements not expressly authorized by this Resolution, as long as they fit into the objectives of IICA's programs, first reporting to the Executive Committee of the Inter-American Board of Agriculture whenever such agreements exceed \$250,000 annually. These contracts must contain provisions for the amounts involved to cover IICA's indirect administrative and technical costs, in accordance with Resolution IICA/JIA/Res.33(II-E/82), approved at the Meeting of the Board in October 1982.
3. That any unused balance from contributions, agreements, contracts and donations during 1984 and 1985 be maintained separately in a Trust Fund of IICA and be used in accordance with the conditions of the contributions.
4. To authorize the Director General to adjust the operating programs prepared on the basis of estimated figures, to the extent that resources are actually confirmed by participating institutions.

IICA/CE/PR-17(III-0/83)corr.
22 October 1983
Original: Portuguese

DRAFT RESOLUTION

LEVEL AND USE OF OVERHEAD

The INTER-AMERICAN BOARD OF AGRICULTURE, in its Second Regular Meeting,

HAVING SEEN:

The document "Report from the Director General on Regulations covering the Level and Use of Overhead".

CONSIDERING:

That the Board is practicing a policy of encouraging the procurement of of external resources to finance projects of interest to the Member States;

That, in conformity with this policy, external resources have been substantially increased since 1977, presently totalling almost the equivalent of the regular quotas;

That the acquisition of this considerable sum of external resources enhances the institute's financial health, making it possible to expand and intensify the technical cooperation to member countries;

That, in operating terms, these resources help produce a multiplier effect of the work of IICA's regular team of specialist who perform actions for orientation, technical support and coordination of projects funded with these resources, thus increasing the financial coverage of operating costs;

That external resources are provided for specific purposes established in Agreements, which relate them expressly to the funding of projects on which agreement has been reached between the contrasting parties;

That, through agreement reached with the governments, IICA has charged an average overhead rate of the order of ten percent of the cost of projects funded with external resources, which has permitted the reinforcement of administrative services, coordination and technical support for these projects;

That the level of funds charged as overhead is directly related to extra-quota resources provided by the governments of the Member States to finance specific actions in their countries, and these resources should therefore be applied to these countries with a particular sum allocated to cover real overhead costs generated by the different projects in IICA's Central Office;

That Resolution IICA/JIA/Res. 33 (II-E/82) requested the Director General to establish a reasonable level of overhead, through concertation with the authorities of national institutions so that these projects would carry a fair share of their direction, supervision and support costs;

That in the same Resolution, the Board stipulated that a distinction should be made between grants given to IICA for its own institutional reinforcement, and the performance of technical cooperation services, authorizing the Director General not to charge overhead in the case of these donations.

That, IICA is an Inter-American organization established with the purpose of providing technical cooperation services to its Member States, as a non-profit organization, its technical support to projects is inherent to its nature and its purpose.

RESOLVES:

1. That the level of indirect administrative and technical costs for activities under agreements, contracts, and adjustments funded with extra-quotas resources shall be agreed upon in each case with the contracting party and shall not be less than 8% for projects with a total value of up to US\$10 million per year. In the case of projects with a higher value, the percentage to be applied to the quantities in excess of US\$10 million dollars shall be subject to open negotiation.
2. That the amount resulting from the agreed level shall be included in the project budgets, distinguishing between the indirect administrative and technical costs incurred in the country and those incurred in the General Directorate.
3. That the amount allocated to meet these overhead costs in the country shall be used only for that purpose.
4. The Director General shall be authorized not to charge these costs, in the case of special donations or contributions received by IICA for its institutional reinforcement.
5. This resolution shall be in force until the Third Regular Meeting of the Inter-American Board of Agriculture.

DRAFT RESOLUTION
PROPOSED STAFF RULES

The INTER-AMERICAN BOARD OF AGRICULTURE; in its Second Regular Meeting,

HAVING SEEN:

Document IICA/JIA/Doc.71(83) on the Proposed Staff Rules presented by the Director General;

CONSIDERING:

That in its First Regular Meeting, it approves the Rules of Procedure of the General Directorate;

That these Rules of Procedure provide for the enactment of Staff Rules to supplement and specify its provisions on this subject;

That, by virtue of this stipulation, the General Directorate drafted a set of Proposed Staff Rules and submitted them to the consideration of the Third Regular Meeting of the Executive Committee; and

That the Committee found that, given the major importance of the document, the time available had been inadequate for completing a comprehensive study, and therefore recommended that the Board postpone discussion of the item,

RESOLVES:

1. To defer discussion of the General Directorate's Proposed Staff Rules until its next Meeting.
2. To request the Member States to perform an exhaustive analysis of the document and send their observations to the Director General within a period no greater than three months as of the date of this Resolution.
3. To entrust the Director General to redraft the Proposed Staff Rules on the basis of the observations received from the Member States.
4. To request the Executive Committee to analyze the General Directorate's reviewed proposal in its next Regular Meeting, and to issue a report on it.

IICA/CE/PR-19(III-0/83) rev.
22 October 1983
Original: Spanish

DRAFT RESOLUTION
PROPOSED FINANCIAL RULES

The INTER-AMERICAN BOARD OF AGRICULTURE, in its Second Regular Meeting,

HAVING SEEN:

Document IICA/JIA/Doc.74(83) on the Porposed Financial Rules presented by the Director General;

CONSIDERING:

That in its First Regular Meeting, it approves the Rules of Procedure of the General Directorate;

That these Rules of Procedure provide for the preparation of Financial Rules to supplement and specify its provisions on this subject;

That, by virtue of this stipulation, the General Directorate drafted a set of proposed Financial Rules and submitted them to the consideration of the Third Regular Meeting of the Executive Committee; and

That the Committee found that, given the major importance of the document, the time available had been inadequate for completing a comprehensive study, and therefore recommended that the Board postpone discussion of the item.

RESOLVES:

1. To defer discussion of the General Directorate's Proposed Financial Rules until its next Regular Meeting.
2. To request the Member States to perform an exhaustive analysis of the document and send their observations to the Director General within a period no greater than three months as of the date of this Resolution.
3. To entrust the Director General to revise the Proposed Financial Rules on the basis of the observations received from the Member States.
4. To request the Executive Committee to analyze the General Directorate's reviewed proposal in its next Regular Meeting, and to issue a report on it.



EXECUTIVE COMMITTEE

REPORT OF THE CREDENTIALS COMMITTEE

MEETING STAFF

| | |
|---|---|
| Director General of IICA and <u>ex officio</u> Secretary | Francisco Morillo A. |
| Technical Secretary | Luis A. Montoya |
| General Coordinator | Andre J. Ouellette |
| Logistic Coordinator | Henry Jova |
| IICA Jamaica Office Coordination | |
| General Coordinator | Claude Brouillard |
| Protocol and Official Relations Secretary | Jan Hurwitch MacDonald Kaeren Riley |
| National Coordination | |
| General Coordination | Derrick Dyer |
| Administrative Assistant | Norris L. Anderson |
| Conference Centre Coordinator | D. Aiken |
| Coordinator Protocol | Roy White |
| Coordinator Communications | Michael Campbell Beverly Garnes |
| General Coordination of the Secretariat of Documents | |
| Coordinator | Susana Lalli |
| National Coordinator | Elinor Felix |
| Coordination, Translators and Interpreters | Elizabeth Lewis |
| National Coordination | Cecile Eistrup |
| Interpreters | Anita Kaufman Mario Samper Joan Fabling Vera Andrade Flores María Helena Oliveros |
| National Translators | Elinor Felix Jennifer Lester Janet Mitchell |
| Spanish (IICA) | Carmen Rodríguez |
| English (IICA) | Debora Cheiftz-Pira |
| Portuguese (IICA) | Marilia Alvarez Zita Pessoa |
| French (IICA) | Piermanie Cadet Marie-Denise Day |

National English-Spanish

Mario Campbell
Annette Insanally
Diego Valencia

Coordinator, Tape Transcription

Clotilde Rodríguez

Typing and Proofreading

Spanish

Olga Achio
Angelica de Avendaño
Maritza Chavarria
María Elena González
Lygia Rojas

English

Ana Cristina Gómez
Lillian Brown
Mariantonieta Cordido
Marlene Foster
Denise Harris
Maisie Hutton
Lesma Levy
Inez Livingston
Ava Officer
Charmaine Russell
Beverly Sharpe
Sherry Tomlinson
Marta Umaña
Laurel Wellington

Portuguese

Flor Loaiza
Carmen Rodríguez
Aiza Vargas
Teresa Carvalho
Mercia de Saenz

French

Lissa Vendryes
Moisette St. Gilles

Editing

Carlos Luis Arias
Julio Escoto
Jean Paul Lhomme

Conference Room Services and Distribution
of Documents

General Coordinator
National Coordinator

Julieta Fernández
B. Lawrence

María Luisa Quintero
Mercedes de Estrella

Administration - IICA
Administration

Harry Scott
P. Y. King

Coordinator Liaison Aides

Marcia Ormsby

Liaison Aides

Marie Casserly
Angela Chaplin
Vaughn Dewar
Judith Hamilton
Evadne Jackson
Karlene Patterson
Debbie Richards
Bridget Scantlebury
Patricia Thompson
Sharon Tingling
Patricia Tyrell

Coordinator, Entertainment, Art
and Craft Displays

Olive Lewin

S. B. Fund Exhibit

Guillermo Marín

Coordinator Public Information (IICA)

Mario Vilches

Mario Segura
Eduardo Solamo

Reception Committee and Protocol

Head of Protocol - IICA
Head of Protocol - National
Inscription

Alfonso Naranjo
G. Williams
Aiza Vargas
Maureen Obando

Reproduction of Documents

Edith Torres

National Coordinator

Marilyn Clarke

Yvonne Alexander
R. Baronett
Miriam Barton
Fitzroy Brown
Lydia Bryan
Yvonne Burgess
Yvonne Campbell
Catherine Clayton
Elizabeth Edwards
Sharon Forbes
Veronica Green
Rema Hall
Anthony James
Nadeen Lawrence
Yvonne McDonald
Yvonne Martin
Marcia Nembhard
Winston Pryce
Grace Roberts

| | |
|---|--|
| | Ramey Taylor Richard Waldron V. Walker Marvia Williams Songa Williams |
| Coordinator, Working Facilities (including Supplies Control) | W. Bragg-Lawrence |
| Coordinator, Field Trip | D. S. McLeod |
| Coordinator, Accomodation | Cordell Braham |
| Coordinator, Security | A. A. Hyatt Martin Daay |
| | CPL Archer L/C Allen CPL Blake CPL Campbell SS/GT Edwards Pte. Fearon L/C Phinn L/C Stewart Pte. Stone L/C Wynter |
| Coordinator, Ground Transport | O. B. Lawrence |
| | M. Andrade L. Black S. Campbell R. Clue A. Crosswell M. Cunningham L. Drummond P. Folkes R. Gayle M. Gordon F. Palmer F. Robinson V. Robinson C. Rose |
| Bilingual Assistants | J. Brown C. Spence J. Mornan C. Simm M. Mais J. Henry |

Post Office

Patsy Clarke

Tourist Board

Lola Moodie
Jennifer Shaw

Telex

Sheila Brown
Sharon Gidden

Taping

David Johnson
Carlos Seymour
Dwight Stevens
Donovan Thompson



EXECUTIVE COMMITTEE

A N N E X E S

SPEECH DELIVERED BY THE REPRESENTATIVE OF BRAZIL: MR. MARIO MENEZES, AT
THE CLOSING SESSION OF THE THIRD REGULAR MEETING OF THE EXECUTIVE COMMITTEE

Mr. Chairperson of the Executive Committee; distinguished Delegates; Mr. Technical Secretary, in the person of the Director General; Observers; Deputy Directors General; Officials; Ladies and Gentlemen:

I have take great pleasure, on behalf of the distinguished delegates, to address this final session of the meeting. This is not an easy task. Since it is difficult enough to speak on one's own behalf, you may well imagine how much more difficult is to do so on behalf of others.

Although we are now in the early hours of Sunday, the 23rd, I would not like at this moment, to be merely following the established ritual required at all closing sessions. Nevertheless, I shall try to be brief because we are all tired.

I should like, perhaps somewhat pretentiously, to try to synthesize what, in some way, I sought to grasp, or what I think I was able to interpret, in terms of what took place in this meeting.

I have been working with IICA for some time (within the Institute), I have participated in meetings of this nature for over three years, and I have had very interesting experiences during the course of this work. I confess, however, that of all the meetings which I have attended to date, this has been by far the most lively and heated during the discussion sessions.

I shall attempt, in some way, to highlight what has been discussed and what perhaps requires, let us say, a more comprehensive analysis. For example, I would say that when the Institute's Programme-Budget was being discussed, it was for us, in this Plenary Session, an exact reflection of the current economic crisis through which we are all passing.

I have wondered whether it was not really just a normal case of countries which are reluctant to comply more satisfactorily with the Director's General's proposals for budgetary adjustments, and of countries whose contributions are in arrears. Perhaps we should consider the need to study what, in fact, is causing these countries to behave in such a way and to refuse, as happened in this meeting, the eight percent proposed, and why their payments are in arrears. I am absolutely certain that no country would do this intentionally and capriciously. I am sure that the findings of such a study would show that, as predominantly LatinAmerican and Caribbean countries, we depend too heavily on our agricultural sector. Our development efforts are, largely consumed in the typical sacrifice of agricultural exporters, because the prices on the international markets are determined by the more privileged countries which while setting prices for our goods, also impose prices for their own. This a point which, in my opinion, deserves to be considered.

Another point which seems important to me and which appeared to counter-balance this situation, is that, at this meeting, very keen interest was

displayed in the discussions. A great readiness to discuss the items in detail was displayed. I wish to single out here two points for consideration: first, that IICA would be for us like a synthesis of what our institutions have not yet achieved with regard to what we feel is most desirable I would say too, at these same time, that IICA possibly represents for all of us the hope for hemispheric unity, and particularly Latin American and Caribbean unity, to which we aspire. This is the more important point and takes precedence over the first. It seems to me that this was the predominant aspect, and I want to believe that it was. We pray, therefore, that this spirit will prevail throughout meetings such as this, for the good of IICA and all of us. Thank you very much, distinguished delegates.

ADDRESS BY THE DIRECTOR GENERAL
IN THE CLOSING SESSION OF THE
THIRD REGULAR MEETING OF THE EXECUTIVE COMMITTEE

We have reached the conclusion of this Third Regular Meeting of the Executive Committee. We have had two long, arduous sessions, one on San Jose, Costa Rica, where the first part of the Meeting took place from August 3 to 12, and this, now in this Caribbean land of Kingston, Jamaica, with the second part from October 19 to today. In these meetings, we have once again witnessed the great interest of Member States in participating more closely and in more depth in Institute affairs. I am deeply grateful to you, and I am certain that all the member countries are also grateful for the time and effort you have devoted to the Institute in this Meeting.

Most particularly, I would like to express public appreciation to the Representative from the Eastern Republic of Uruguay, Ms. Mirtha de Barbot, was the Chairperson of the Committee until the beginning of this Meeting, and the present Committee Chairperson, the Representative from Canada, Mr. Percy Abols. We also thank the Representative from Venezuela, Mr. Nelson Tineo, who chaired the first two Plenary Sessions, and the Rapporteurs of the Part One and Part Two of the Executive Committee Meeting, the Representatives from Guatemala, Mr. Oscar Gonzalez and Mr. Ricardo Dysli.

This Meeting provided us with a better understanding of IICA's programs and activities, and allowed us to establish a very fruitful exchange of ideas among the members of the Executive Committee and the General Directorate. This will enrich the operations of our institution.

The first part of this Third Regular Meeting of the Executive Committee had many items to consider and prepare for the Meeting of the Inter-American Board of Agriculture. I believe I am correct in saying that the Committee has devoted much of its time to the analysis of the 1984-1985 Budget. We understand the sometimes acute economic problems of our countries and the need for budgetary austerity. For this reason, the General Directorate submitted to the Committee a budget based on studies of the effects that inflation would have on the Institute in 1984-1985 with operating and service capacity equivalent to that of 1983. While the Delegates wished to have a Program Budget reflecting fewer resources, they also requested an analysis of the effects this might have on the Institute's activities.

I feel very pleased that in this second part, the Delegates have performed an in-depth, careful study of the new version of the Program Budget, and that this study led to a new recommendation for the Board to take into consideration the implications that this reduction may have for the effective operations of the Institute in meeting the demands of the member countries, and the input of the Institute's capability of response. I am also pleased to note the warm reception of the new projects for food security and nutritional information, that received the special attention of

the Committee in this second part of the Meeting, and for which funding was widely recommended.

Other documents of vital importance that were submitted to the consideration of the Committee are: Modifications of the Rules of Procedure of the Inter-American Board of Agriculture, the Executive Committee and the General Directorate; and Staff Rules and Financial Regulations which, together with the General Policies and the Medium-Term Plan, provide the foundations for the Institute's effective operations. We recognize the greatest significance of the work you have done to analyze the Rules of Procedure in depth and to prepare specific recommendations, and we agree with your idea of deferring the study of the Staff Rules and Financial Management until a future meeting of the Executive Committee. These documents require a more in-depth analysis and careful study if they are to be adopted as permanent standards for the Institute.

Clear proof of the great interest in the Institute is the presence of observers, both from the member countries, and from international organizations and IICA's extra-continental observer countries. Among the distinguished observers who participated in the Part One of this Meeting in Costa Rica were Ms. Isolda Salvatierra, the President of the Inter-American Commission of Women, who attended together with former President Ms. Margarita Macaya. I was also very pleased to note the participation of the Ambassadors of Spain and the Netherlands to sign agreements for cooperation with IICA. They are a token of the interest that the observer countries take in the region and in the Institute, as a vehicle for agricultural development and rural well-being. In this second part, which has taken place in the hospitable country of Jamaica, we have been honored with the presence of the Ambassadors of the Federal Republic of Germany and of Israel.

The tokens of interest in IICA by the member countries and the observer countries encourage us to redouble our efforts to serve our America ever more effectively.

I feel confident in interpreting the feelings of all when I express on behalf of the Committee and on my own behalf, a feeling of deep gratitude to the authorities of Costa Rica and Jamaica for the warm welcome and the support they have given during the two parts of this Meeting.

Before concluding, I would like to express to you my gratitude to the Institute staff and to the staff from national institutions in Jamaica. Before and during this Meeting, they have worked long hours, often at personal sacrifice, and they have made it possible for this Meeting to take place. In particular, I would like to thank the Technical Secretary and his staff for the fine work they have performed.

Francisco Morillo Andrade
Director General

CLOSING CEREMONY OF THE THIRD REGULAR MEETING
OF THE EXECUTIVE COMMITTEE
ADDRESS OF THE PRESIDENT OF THE MEETING SR. PERCY ABOLS

Thank you Mr. Director General for your kind words. It's now my turn to practice, the fine dictum that "Speech is silver and silence is golden. I'll opt for silver this time." Before closing the session officially I would like to share a few thoughts with you. I will be brief. It's been a long, hard but very productive meeting. We have had, as both the distinguished colleague from Brazil and the Director General mentioned, frank and thorough exchanges of views. We had long sessions on the Programme-Budget and that was good - at least we now know what is needed. We have embarked on a couple of new and very significant projects for the hemisphere - Food Security and Numerical Information on a hemispheric basis. All this in the spirit of "family". We are a family. We share the same basic human concerns and we share the same Continent. Thus, if, we do not take interest in each other's problems we would be in serious difficulty, because the problems of our neighbours can find echoes in ours. It is in our interest, therefore, to help each in solving our common problems and IICA provides that vehicle.

I don't know whether or not you have noticed, but in all the sessions of the Executive Committee (and the Board Meeting) that I have had the privilege to attend, it was nice and refreshing to note the absence of acrimonious polemics, rather, what I noticed was a sense of good will and a desire to cooperate and to accommodate. That is what "family" is all about. What we give to the organization we actually give back to ourselves many fold. To give well and wisely, requires at times a great deal of patience, tolerance and understanding. But that is alright, because the end result creates for us a better and richer world. So much for Maudlin philosophy.

In closing, I would like to thank all of you for the vote of confidence you expressed in voting Canada to the Chairmanship. It is an honour for my country. It was a privilege for me to serve as your Chairman. Secondly, I would like to extend a vote of thanks on behalf of the Committee to the Costa Rican and Jamaican authorities and their people for the great effort and unstinting and generous assistance in making the sessions of the Executive Committee a success. A very heartfelt and personal thanks to all the staff of IICA and in particular to the interpreters who have had to put up with a very difficult Chairman who suddenly said without warning 'repentinamente cambia al español', and then back to English. They coped with that like true troopers. Thank you, and with that, I declare the Third Regular Meeting of the Executive Committee closed.

LIST OF PARTICIPANTS

SECOND PART OF THE THIRD MEETING OF THE EXECUTIVE
COMMITTEE

MEMBER STATES OF THE EXECUTIVE COMMITTEE

BARBADOS

Lionel Smith
Chief Agricultural Officer
Ministry of Agriculture, Food and Consumer Affairs
Graeme Hall
P.O.Box 505
Bridgetown

BOLIVIA

John Vargas
Director del Instituto Nacional de
Fomento Lanero
Ministerio de Asuntos Campesinos y Agropecuarios
La Paz

BRAZIL

Mario Assis Menezes
Assessor Técnico de Coordenação
Ministério da Agricultura
Esplanada dos Ministérios
Brasília, D.F.

Fausto Orlando Campello Coelho
Primeiro Secretário
Ministério das Relações Exteriores
Esplanada dos Ministérios
Brasília, D.F.

CANADA

Percy Abols
First Secretary
Permanent Observer Mission of Canada
to the OAS
2450 Massachussets Ave., N.W.
Washington D.C., 20008

Victor Jarjour
Economist
International Affairs Directorate
Department of Agriculture
Ottawa, Ontario

Claude Lambert
Adviser to the Delegation
Department of External Affairs
Ottawa, Ontario

EL SALVADOR

Miguel A. Granillo
Director de Planificación Agropecuaria
Ministerio de Agricultura y Ganadería
San Salvador

GRENADA

Denis Noel
Alternate Representative of Grenada
to the OAS
1701 New Hampshire Ave., N.W.
Washington, D.C. 20009

GUATEMALA

Raúl Ricardo Dysli Quevedo
Vice-Ministro de Agricultura y Alimentación
Ministerio de Agricultura y Alimentación
Ciudad Guatemala

HONDURAS

Roberto Villeda Toledo
Asesor del Secretario de Recursos Naturales
Secretaría de Recursos Naturales
Tegucigalpa

PARAGUAY

Absent

TRINIDAD AND TOBAGO

Victor McIntyre
High Commissioner to
Jamaica

URUGUAY

Mirta de Barbot
Sub-Director General
Ministerio de Agricultura y Pesca
Montevideo

VENEZUELA

Nelson Tineo
Director
Oficina de Relaciones Internacionales
Ministerio de Agricultura y Cría
Caracas

Darío Porras
Director General de Información del Sector Agropecuario
Ministerio de Agricultura y Cría
Caracas

MEMBER COUNTRIES NOT ON THE EXECUTIVE COMMITTEE

HAITI

Luckner St. Dic
Secrétaire d'Etat au Développement Rural
Ministère de l'Agriculture des Ressources
Naturelles et du Développement Rural
Damien
Port-au-Prince

André Jean-Louis
Directeur Exécutif a la Secrétairerie d'Etat
Développement Rural
Ministère de l'Agriculture des Ressources
Naturelles et du Développement Rural
Damien
Port-au-Prince

JAMAICA

Derrick Dyer
Permanent Secretary
Ministry of Agriculture
Kingston

Dian Aiken
Administrator
Ministry of Agriculture
Kingston

MEXICO

Oswaldo Valdés Olivares
Subdirector de Cooperación y
Servicios Internacionales
Secretaría de Agricultura y Recursos Hidráulicos
México, D.F.

NICARAGUA

Edgard Flores
Sub-Director de Planificación
Ministerio de Desarrollo Agropecuario
y Reforma Agraria
Managua

Bayardo Serrano
Sub-Director de Técnicas Agropecuarias
Ministerio de Desarrollo Agropecuario
y Reforma Agraria
Managua

UNITED STATES OF AMERICA

Robert Scherle
Associate Administrator OICD-USDA
Washington, D.C. 20250

Chester Benjamin
Associate Dep. Administrator OICD-USDA
Washington, D.C. 20250

Donald E.J. Stewart
Alternate Representative
US Permanent Mission to the OAS
Department of State
Washington, D.C. 20520

SAINT LUCIA

John Henry
Permanent Secretary of Agriculture
Government Buildings
Castries

PERMANENT OBSERVER COUNTRIES

GERMANY

Dietmar J. Kreusel
Counsellor
German Embassy
Kingston

ISRAEL

Shlomo Levy
Ambassador of Israel in Jamaica
Israel Embassy
Kingston

OBSERVERS OF THE INTER-AMERICAN SYSTEM

IDB

Carlos Schroeder
Representative in Jamaica
6th Floor, Dyoll Building
40-46 Knutsford Blvd.
Kingston

OAS

E. Patrick Healy
Director of the Jamaica Office
21 Braemar Avenue
Kingston 10

Wendell Goodin
Deputy Director of the Jamaica Office
21 Braemar Avenue
Kingston 10

