

**RESOLUTION No. 593**

**FINANCIAL STRENGTHENING OF THE INTER-AMERICAN INSTITUTE FOR  
COOPERATION ON AGRICULTURE (IICA) FOR THE  
IMPLEMENTATION OF THE 2014-2018 MEDIUM-TERM PLAN (MTP)**

The EXECUTIVE COMMITTEE, at its Thirty-fourth Regular Meeting,

HAVING SEEN:

Document IICA/CE/Doc. 628 (14), “Proposals for the financial strengthening of the Inter-American Institute for Cooperation on Agriculture (IICA)” and document IICA/CE/Doc. 624 (14), “Proposal for the 2014-2018 Medium-term Plan”,

CONSIDERING:

That the quota contributions of the Member States have not been increased since 1995 and that the resources available in the Miscellaneous Income Fund that complement the quota contributions are being depleted, which limits the financial strengthening of the Institute;

That, by means of resolution IICA/JIA/Res. 491 (XVII-O/13), the Inter-American Board of Agriculture (IABA) asked the Director General to submit to the consideration of the Executive Committee, at its next regular meeting, subsequent to consultation with the Special Advisory Commission on Management Issues (SACMI), different proposals that reflect the current financial situation of the Institute as well as recommendations for its financial strengthening, and that the Director General complied with that request;

That the 2014-2018 MTP will be financed with the current budget of the Regular Fund (quotas and miscellaneous income), with the corresponding scope, scale, coverage and impact;

That, in order to support the implementation and expand the coverage of the technical cooperation actions established in the 2014-2018 MTP and to strengthen institutional management, it is necessary to promote efforts to secure more financial resources;

That the Director General has informed the Member States that the additional resources required to bolster the implementation of the new MTP are estimated to be USD 3,000,000 applicable one time only in the period 2015-2018, equivalent to a 10.8% increase in quotas and, for subsequent years, a 3.6% increase in Member State quotas to cover the effect of inflation on the Regular Fund equivalent to 3.0% per year, and that some Member States have expressed support for the strengthening of the Regular Fund by means of an increase in quotas;

That it is important to receive the support of the Member States to implement the Institutional Net Rate (INR) policy, currently set at 8.1%, in order to finance the proportion of the Institute's indirect costs that should be covered by external resources to prevent the erosion of the Regular Fund;

That the Member States have pointed out the need to ensure that the externally funded projects promote and match the four objectives established in the 2014-2018 MTP and contribute fully to the achievement of the results indicated in the Plan; and,

That the Director General has indicated at this meeting his desire to present to the Member States at the next meetings of the SACMI and Executive Committee further ideas and recommendations for the strengthening of the Institute;

#### RESOLVES:

1. To urge the Member States to make additional voluntary contributions as over-quotas in order to strengthen the Regular Fund and the implementation of the 2014-2018 MTP.
2. To ask the Director General to continue to promote and secure additional resources to increase the technical and management capabilities of the Institute for the implementation of the 2014-2018 MTP from the associate countries, permanent observers, donor countries, companies, foundations, funding agencies, third countries with which IICA has signed cooperation agreements and other possible contributors.
3. To ask the Director General to submit a report for the observations and suggestions of the SACMI on the criteria established by the General Directorate for evaluation and acceptance of externally funded technical cooperation projects, and to present said report for the consideration of the next meeting of the Executive Committee. These criteria should closely link the projects to the established strategic objectives and results established in the MTP.
4. Request the Director General, with the objective of assuring a consistent INR policy in projects financed with external resources to:
  - (a) In accordance with rule 3.5.2 of the Financial Rules, conduct the annual study of the INR to insure the Institute's INR is commensurate with the actual costs of administering external resources in order to establish the annual rate.
  - (b) Propose criteria, in compliance with paragraph 3 above, to deal with future projects with an INR that do not recover indirect costs;
  - (c) Present a report at the next Executive Committee meeting regarding the approval of projects and the INR applied.
5. To ask the Director General, working with the SACMI, to draft options for the financial strengthening of the Institute and present them for consideration by the next Regular Meeting of the Executive Committee, with a view to submitting them to the next meeting of the IABA.