



EXECUTIVE COMMITTEE

Twenty-first Regular Meeting  
San Jose, Costa Rica  
25-27 June 2001

**REPORT OF THE *EX-OFFICIO* CHAIR  
OF THE SPECIAL ADVISORY COMMISSION  
ON MANAGEMENT ISSUES**

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## **Creation**

The Special Advisory Commission on Management Issues was created by Resolution 341, approved by the Inter-American Board of Agriculture (IABA), during its Tenth Regular Meeting, held in Salvador, Brazil, in October 1999.

## **Objectives**

- To advise and assist the Director General in developing, evaluating, and implementing proposals for improving, modernizing and transforming the administration and financial management of the Institute.
- To facilitate consultations among the Member States and with the Director General on financial and administrative issues and initiatives.
- To adopt its own Rules of Procedure consistent with the provisions of its Statute; the Convention on the Inter-American Institute for Cooperation on Agriculture; the Rules of Procedure of the IABA, the Executive Committee and the General Directorate; and other resolutions of the IABA and the Executive Committee.
- To report annually to the Executive Committee on its activities.

## **Membership**

Pursuant to Article 4.1, the Advisory Committee is made up of nine members:

- The six Member States in Group I (Argentina, Brazil, Canada, Mexico, United States of America and Venezuela) defined in Article 6 of the Rules of Procedure of the Executive Committee, to serve a term of two consecutive calendar years; and
- Three Member States selected from each of the remaining Groups II, III, and IV, defined in Article 6 of the Rules of Procedure of the Executive Committee, to serve a term of one calendar year.

Group II: Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru and Uruguay

Group III: Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama

Group IV: Antigua and Barbuda, Bahamas, Barbados, Dominica, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

### **Appointment of Members**

**Colombia** was elected by lot to represent Group II, at a meeting attended by the corresponding ambassadors accredited in Costa Rica, held at IICA Headquarters on March 2, 2000.

**El Salvador** represents Group III, and was nominated at a CORECA meeting held in Nicaragua in March 2000.

**Barbados** was appointed to represent Group IV during the meeting of the Caribbean Agricultural Research and Development Institute (CARDI), on June 15, 2000.

### **Meetings of the Advisory Commission**

The Advisory Commission met at IICA Headquarters on three occasions during the year 2000: on June 28-29; on October 19-20, and on November 3.

### **Recommendations of the Advisory Commission to the Director General**

The Advisory Commission presented a report to the Executive Committee, at its Twentieth Regular Meeting. The report was accepted by the Committee.

Both the Executive Committee and the Director General thanked the Commission for its report.

### **Extension of the Mandate of the Advisory Commission**

Pursuant to Article IX of the Statute of the Advisory Commission, the Special Advisory Commission shall have a duration of two years. The decision as to whether to extend the mandate of the Special Advisory Commission will be made by the Inter-American Board of Agriculture, at its Eleventh Regular Meeting.



EXECUTIVE COMMITTEE

Twenty-first Regular Meeting  
San Jose, Costa Rica  
25 – 27 July 2001

**FOLLOW-UP TO REPORT TO THE RECOMMENDATIONS OF THE  
SPECIAL ADVISORY COMMISSION ON MANAGEMENT ISSUES**

Addendum to Document  
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**FOLLOW-UP REPORT  
TO THE RECOMMENDATIONS OF THE SPECIAL  
ADVISORY COMMISSION ON MANAGEMENT ISSUES**

**IICA**



# SPECIAL ADVISORY COMMISSION ON MANAGEMENT ISSUES

## Creation

The Special Advisory Commission on Management Issues was created by Resolution No. 341, approved by the Inter-American Board of Agriculture (IABA) at its Tenth Regular Meeting, held in Salvador, Brazil, in October 1999.

## Objectives

The objectives of the Advisory Commission are:

- To advise and assist the Director General in developing, evaluating and implementing proposals for improving, modernizing and transforming the administration and financial management of the Institute.
- To facilitate consultations among the Member States and with the Director General on financial and administrative issues and initiatives;
- To adopt its own Rules of Procedure consistent with the provisions of this Statute: the Convention on the Inter-American Institute for Cooperation on Agriculture; the Rules of Procedure of the IABA, the Executive Committee, the General Directorate; and other resolutions of the IABA and the Executive Committee.
- Report annually to the Executive Committee on its activities.

## Meetings held by the Advisory Commission

The Advisory Commission met at IICA Headquarters three times during 2000. The first meeting took place on June 28-29, the second on October 19-20, and the third on November 3.

## Reports Submitted

On October 20, 2000, the Advisory Commission delivered a provisional report to the Director General summarizing its conclusion and recommendations.

Following is a report on the progress made to comply with the recommendations of the Commission, as well as the Administration's comments on same.

TOPIC: ACTIVITY PLANNING COORDINATION AND EXECUTION PROCESS

### RECOMMENDATIONS

1. Review the Medium Term Plan, including the Mission and Vision, with the involvement of the Member states to determine if it will be necessary to make adjustments to meet stake-holders' expectations. Verify such expectations at the strategic level and adjust policies and strategies to attain the results expected.

### PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION

One of the characteristics of the preparation of the 1994-1998 and 1998-2002 Medium Term Plans (MTP) was the broad participation of the Member States.

At the initiative of the Director General, the Group of 33 was established as a mechanism of consultation for the preparation of the 1995-1998 MTP. This was later submitted to the consideration of the Executive Committee and approved by the IABA.

In 1997, the Inter-American Consultation of Leaders of Agriculture was carried out, producing valuable inputs for the 1998-2002 MTP. An electronic forum was also created for receiving comments on different sections of the MTP, and workshops were held in several countries to examine its contents of the Plan, providing important suggestions.

For the 2000-2001 period, a Corporate Strategy was prepared and presented to the Member States and to the Executive Committee for their consideration.

Currently, a new Consultation with National Leaders has been undertaken, which will provide inputs for the next MTP.

One of the activities of the Institute's planning process is the evaluation of its Medium Term Plans. Before preparing the next MTP, an evaluation should be made of the 1998-2002 MTP. The consultation presently being conducted will provide valuable inputs for the new MTP. The report of this evaluation, submitted to the governing bodies of the Institute, will make it possible to incorporate into the next Plan pertinent adjustments that satisfy the expectations of the stakeholders.

<b>TOPIC: ACTIVITY PLANNING COORDINATION AND EXECUTION PROCESS</b>	
<b>RECOMMENDATIONS</b>	<b>PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION</b>
<p>2. Implement a planning process that is both well developed and communicated, and is applied consistently in the various technical and cooperation units (e.g., strategic direction and resource allocation - business plans at HQ and Regions, operational plans in Cooperation Agencies)</p>	<p>In addition to having the features called for in the Commission's recommendation, the renewed planning process presently in use at the Institute is widely participatory. The process is open to IICA's staff at the three institutional levels (HQ, Regional Directorates and Cooperation Agencies) and officials of the Member States, through working meetings, electronic forums and electronic consultations by the Representatives.</p> <p>Based on the strategic framework set out in the MTP, the Corporate Strategy was prepared through a participatory process that included holding "Seminars for Reflection" on the performance of each unit, and involving all unit members. The next step is the formulation of strategies for each unit, using equally participatory processes.</p>
<p>3. Act in accordance with priorities defined by Member States, which will be the basis for strategic direction, resource allocation and performance measurement across the different strategic areas</p>	<p>Compliance with this recommendation is a key matter of concern for the General Directorate, and IICA's procedure for establishing institutional priorities reflects the essence of the recommendation. In effect, the expectations of IICA's stakeholders (IABA and EC) are expressed in the strategic direction contained in the MTP. These medium-term expectations or priorities are addressed in biennial priorities to which the Executive Committee (EC) and the Inter-American Board of Agriculture (IABA) assign resources through the Program Budget, a biennial programming instrument.</p> <p>Based on these priorities and biennial budgets, the General Directorate prepares annual operational plans that specify the results to be obtained during the year, as well as the corresponding indicators. The Program Budget and the annual operational plans correspond to the business planning referred to in the model suggested by the Commission, and through which resources are</p>

<b>TOPIC: ACTIVITY PLANNING COORDINATION AND EXECUTION PROCESS</b>	
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<p>4. Utilize IICA's strategic direction and regional business plans as the basis for the scope of action and the responsibilities of HQ and the Regions. Regions should then establish their own actions with Cooperation Agencies through operational plans.</p>	<p>allocated effectively and activities and results are defined.</p> <p>The Institute's monitoring and evaluation mechanisms and performance reports also correspond to a similar aspect of the feedback process (Performance Measurement/Management - Decision support - Report to Stakeholders) proposed in the model suggested by the Commission.</p> <p>The guidelines issued by the Director General for preparing the Program Budget and the operational plans have the purpose of updating priorities, based on the decisions of the governing bodies. They also aim to ensure consistency between medium-term, biannual and annual priorities. Taking these guidelines into account, IICA's Representatives in the countries, the Regional Directors, and the executive officers of the units at Headquarters, with their technical teams, formulate proposals for program budgets and operational plans, and are responsible for distributing among the different activities the limited resources allocated by the Director General to each unit. The latter is done in line with the decentralization policies implemented in recent years.</p> <p>This recommendation is being fully complied with:</p> <p><b>The scope of action and the responsibilities of Headquarters and the Regional Centers</b> are defined in Chapter V of the 1998-2002 MTP. As a result of the institutional transformation process, and particularly of the decentralization measures adopted, the structure of functions and responsibilities set out in the MTP has been consolidated.</p>



TOPIC: ACTIVITY PLANNING COORDINATION AND EXECUTION PROCESS	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
5. When necessary, HQ should provide support to Member States to ensure a consistent strategy and define efficiency evaluation strategies for activities carried out.	<p>The <b>business plans</b> (i.e., the <b>Program Budget</b> and the <b>operational plans</b>) are the instruments of the planning system that establish the priorities to be addressed, the actions to be taken and specific results to be achieved by the different units at Headquarters, the Regional Directorates and the Cooperation Agencies. It is the responsibility of each unit chief to analyze the responsibilities of the units, their plans of action and the resources allocated, and to maintain consistency among them.</p> <p>At the regional level, the <b>Regional Directors</b> and <b>IICA's Representatives in the countries</b> establish the <b>strategic guidelines</b> and <b>action plans for each region</b>, which should be in line with the Institute's Corporate Strategy. The aim is to ensure that the action taken through the Cooperation Agencies and the Regional Directorates responds to priority initiatives of the countries, and are shaped by the priorities approved by the governing organs of the Institute in the MTP and the Program Budget.</p> <p><b>a) Within the Institute:</b> Traditionally, the Institute has used planning methods and procedures that are applied uniformly by all its organizational units. The Consortium for Planning and Coordination (CONPLAC) coordinates and provides support to the rest of the units of the General Directorate in applying the mechanisms and instruments of organizational planning. This includes formulation of strategies for IICA action in the countries and region (medium-term plan), and proposals for the Program Budget (biennial) and the operational plans (annual).</p>

TOPIC: ACTIVITY PLANNING COORDINATION AND EXECUTION PROCESS	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
6. Improve the Institute's planning and coordination processes with the Member States, avoiding duplication and ensuring that what is programmed in each strategic area is effectively implemented at the regional and national levels.	<p><b>b) In support of the Member States:</b> After the Third Summit of the Americas<sup>1</sup>, a consultation has been undertaken in all the Member States with the national leaders of the community of agriculture and rural life. This activity supports efforts to make adjustments in national strategies in order to improve agriculture and rural life, as called for by the Heads of State and Government at the Third Summit, and will serve as a valuable input for improving the Institute's strategy at the hemispheric, regional and national levels.</p> <p>In addition, Headquarters complements and strengthens the actions of the Cooperation Agencies that help Member States requiring Institute cooperation in the area of strategic planning. By way of example, this type of work was recently undertaken in El Salvador, Honduras, Dominican Republic, Panama and Peru. This type of work is expected to continue in the other Member States.</p> <p>This action should be extended in the future to include a greater number of countries.</p> <p>The improvement and modernization of IICA's planning and coordination processes is a key and permanent concern of the Administration, which has brought about the substantive improvements described below:</p> <ul style="list-style-type: none"> <li>- The Member States' intervention and involvement in the Institute's planning process occurs at three levels. At the <b>hemispheric (inter-American)</b> level, the IABA and the CE approved the Medium Term Plans and the biennial Program Budgets, which contain the Institute's strategic</li> </ul>

<sup>1</sup> Third Summit of the Americas, Quebec City, Canada. April 20-22, 2001.

TOPIC: ACTIVITY PLANNING COORDINATION AND EXECUTION PROCESS	
RECOMMENDATIONS	PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION
	<p>guidelines and priorities for action. At the regional level, through consultations with the countries of a region or through regional councils of ministers of agriculture, priorities of interest for agriculture are defined for the region or for two or more countries. At the national level, IICA's Representatives maintain ongoing dialogue with national authorities to reach agreement on actions for which the country will receive Institute cooperation.</p> <p>The planning process is designed in such a way that the priorities and commitments resulting from these three levels of dialogue and consensus building flow between the Institute and its Member States and link the three levels. This makes it possible to articulate interests and priorities at the hemispheric, regional and national levels, and is reflected in the different types of projects and cooperative actions specified in the plans and budgets.</p> <p>The mechanisms for monitoring and evaluation that are part of the planning system, combined with the managerial efforts of unit chiefs, and mechanisms such as the Regional Councils that involve the Directors and Representatives of each Regional Center, make it possible to ensure that actions and results are in line with the priorities and guidelines defined and that pertinent adjustments are made. Some of the objectives of these mechanisms are to avoid duplication, make rational use of resources, ensure the relevance of actions, and achieve significant impact through cooperation.</p>
7. Strengthen the process of institutional alignment to involve all staff in the transformation efforts promoted by the Director General.	<p>The institutional transformation process was launched in 1994 and has been underway ever since. One of its main components was to hold "workshops for change" at the Cooperation Agencies and for Headquarters units. The coverage and contents of this activity were extended, and it represents the broadest action taken to inform and analyze, with all staff, the objectives of and guidelines for</p>

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	<p>institutional transformation. This stage of the institutional alignment effort was conducted by a specialized unit at Headquarters, and concluded in 1999 with a study by a specialized firm to assess the alignment of all the units of the General Directorate.</p> <p>Actions to strengthen institutional alignment (i.e., the commitment of IICA staff to the Institute's mission, vision and values) continues to be a priority in the 2000-2001 period, and should focus on fulfilling the recommendations of the aforementioned study.</p>
8. Strengthen the consultation mechanisms used by the Institute	<p>The mechanisms used by the General Directorate for consultation with the Member States cover the three scopes of action of Institute: inter-American, regional and national. They have been strengthened as follows:</p> <ul style="list-style-type: none"> <li>- At the hemispheric level, this includes the regular meetings of the IABA and the Executive Committee, the ministerial forums held in conjunction with the regular meetings of the IABA, and the First Inter-American Consultation of Leaders in Agriculture, held in 1997. The goal of this consultation was to identify issues that would affect the development of agriculture in the future, and it targeted leaders from the public sector, producers' organizations, and representatives of academia and international organizations. Electronic forums were used on several opportunities as a rapid, effective and inexpensive way to make consultations on specific institutional issues.</li> </ul> <p>During the process under way since 2000 to introduce the topic "Agriculture and Rural Life" into the Third Summit of the Americas, IICA has been in constant consultation with the countries, achieving support for this initiative. On the basis of the decisions of the Summit of the Americas (April 2001), IICA has been pursuing a process of consultation through regional meetings of the</p>

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	<p>Ministers of Agriculture with the aim of developing the guidelines for an inter-American plan of action that will be reviewed at the 2001 IABA meeting (November 2001). The results of the Consultation with Leaders of the Community of Agriculture and Rural Life will be used in this process as an input.</p> <p>At the hemispheric level, IICA has also developed thematic hemispheric networks for topics covered in the MTP. Specialists from the Member States participate in these networks, for which IICA serves as the technical secretariat.</p> <p>At the regional level, the mechanisms for consultation are more diverse. In addition to the regional councils of ministers of agriculture, there are technical and entrepreneurial forums with which IICA maintains a dialogue on the situation in and outlook for agriculture, and the actions of the Institute.</p> <p>At the national level, the IICA Representatives are in constant contact with senior officials at the ministries of agriculture, and other public- and private-sector actors who play a key role in ensuring that the Institute's cooperation in each country continues to be relevant and effective.</p> <p>The main efforts undertaken by the General Directorate to strengthen the Institute's communication strategy are:</p> <p>a) preparation of a proposal for a plan of action for improving communications within IICA, which was the result of consulting services carried out by Price Waterhouse Coopers, in support of the institutional transformation process; b) development of an information and</p>
<p>9. Develop, as soon as possible, a more ambitious communication strategy, to better disseminate the planning and execution of activities at the central, regional and national levels.</p>	

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	<p>documentation system for the Americas; c) adoption of a communications platform (Lotus Notes) which has revolutionized internal communications; d) creation of the Institute's web site; e) design and operation of technical forums in the areas of trade, agricultural health, science and technology, rural development and other subjects; f) production of electronic bulletins; g) IICA exhibits at many international fairs and events; h) the ComunIICA magazine; and i) distribution of the Annual Report; and j) the bulletins and pamphlets produced by the units at HQ, the Regional Centers and the Cooperation Agencies.</p> <p>- At present, consideration is being given to the possibility of adopting a satellite communication system that would facilitate mass training and improve management of the Institute.</p> <p>- Installation of such a system is also being evaluated by several Member States.</p> <p>- For its part, the Organization of American States is studying the possibility of incorporating the system. For legal and other reasons, the AGRIFUTURE Foundation would be in charge of coordinating this program.</p> <p>Within the framework of the process of strategic planning and administration at the Institute, monitoring and evaluation are viewed as elements closely articulated with the institutional strategic framework, strategy, programming and operations. Both, combined with up-to-date knowledge of the evolving context, provide important inputs for reflection and strategic learning.</p>
<p>10. Develop monitoring and evaluation mechanisms based on the Medium Term Plan, both in the Regional Centers and the Cooperation Agencies, as well as the performance of program and project activities and their impact.</p>	

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<p>11. Conduct an in-depth evaluation of projects for which quota resources are used, and of the role of the Institute in identifying projects, as well as the type of support provided by the Institute in the formulation of projects.</p>	<p>One of the innovative mechanisms being implemented by the Administration in line with the proposal of the Commission are the "Seminars for Reflection" in the regions. These involve all staff from these units, as well as staff from HQ and representatives of national counterparts. Through these seminars to address performance, inputs are generated for introducing changes in the strategies of each unit, taking into account the MTP.</p> <p>The evaluation of performance, using this inclusive, participatory process, provides an overall assessment both of the Institute's performance at a particular level (country, region or hemisphere) and of the projects implemented by each unit. It is based on the broad participation of different internal and external actors involved in IICA's actions, who participate actively in identifying critical issues that have an impact on the performance of the organization, and propose actions for improving the Institute's performance. This approach seeks to build consensus on and commitment to the Institute's strategic guidelines, and the measures required to improve the performance of the organization.</p> <p>Supervision and monitoring of operations are carried out in decentralized fashion, under the responsibility of the different units at HQ, the Regional Centers and the Cooperation Agencies. This work is carried out through a series of procedures that encourage reflection and group learning, such as the ongoing exchange of information on the progress of cooperation and group observation trips and institutional support missions, periodic and occasional written reports, as well as group mechanisms for analysis and decision making.</p> <p>It is advisable to continue conducting Seminars for Reflection in all the Institute's operating units.</p>

<b>TOPIC: COMPILATION AND DISSEMINATION OF QUALITATIVE AND QUANTITATIVE INFORMATION</b>	
<b>RECOMMENDATIONS</b>	<b>PROGRESS IN COMPLIANCE AND OBSERVATIONS OF THE ADMINISTRATION</b>
<p>12. Establish a means for classifying and evaluating projects.</p> <p>13. Headquarters, working in conjunction with country government officials, should examine and, where possible, harmonize the project evaluation system.</p> <p>14. Implement a policy and develop a program for gathering, storing and disseminating information and experiences gained from cooperation between the Institute and its Member States.</p>	<p>Technical cooperation projects funded with regular Institute resources are evaluated as part of the exercises to evaluate the Institute's units, and also in <i>ad hoc</i> fashion, when there is an interest in extending their execution to a new phase, beyond the planned closing date (in the case of externally funded projects and also when contractual obligations exist for mid-term evaluations). In the latter case, recommendations are sought for adjustments that may need to be incorporated during the process to reformulate and approve the new version of the project</p> <p>External evaluations of projects funded with quota resources are limited by financial constraints.</p> <p>The reply to the above recommendation illustrates what has been done by the Administration in this regard. In the case of externally funded projects, the evaluation is conducted by external consultants, hired with funds earmarked for that purpose in the respective projects. The methods used are determined primarily in the contractual commitments of the corresponding agreement.</p> <p>At present, the Institute gathers, stores and disseminates information on cooperation actions and their results. To this end, it has made the Annual Report and a data base available on the IICA web site (<a href="http://www.iicanet.org">www.iicanet.org</a>).</p> <p>The Annual Report is distributed in all the Member States, and contains a summary of the principal actions carried out and the results achieved by the Institute at the hemispheric, regional and country levels. It also presents information on the Institute's financial and human resources, and a list of all publications produced during the year.</p>

<b>TOPIC: COMPILATION AND DISSEMINATION OF QUALITATIVE AND QUANTITATIVE INFORMATION</b>	
<b>RECOMMENDATIONS</b>	<b>PROGRESS IN COMPLIANCE AND OBSERVATIONS OF THE ADMINISTRATION</b>
<p>15. Develop an integrated project information and post analysis system to identify projects, activities and subject areas.</p> <p>16. All the levels of the organization should identify and share lessons learned, success stories and problems detected in project evaluations in order to continually improve the Institute's operations.</p> <p>17. The Cooperation Agencies should ensure ongoing dialogue and integration with government entities involved in projects, in order to provide the Regional Offices and Head-quarters with</p>	<p>It should be mentioned, however, that the documentation of the Institute's experiences is limited by financial constraints due to the high unit cost.</p> <p>The data base developed for IICA's projects can be consulted via Internet. It contains information on the results programmed and achieved, the budgetary allocation, the cooperation agreements of the different organizational units, and projects currently under way. It also contains a summary of the evaluations of organizational units and the cooperation projects executed during the last 15 years.</p> <p>Design and organization of the Data Center for Planning and Coordination has begun. Its purpose is to facilitate access to data (on the setting and on IICA) that are essential for the Institute's planning and coordination process. The Center will provide and systematize information on the evolution of the national and international settings as they affect and condition IICA's action; the performance of the Institute at the overall and project levels; successful experiences and opportunities for expanding cooperation. All the information will be organized by subject area and geographic scope, and will be disseminated electronically both within the Institute and to the Member States.</p> <p>The Cooperation Agencies have been strengthening their efforts to expand the dialogue with national counterpart agencies, regarding progress made in project implementation and other cooperation actions, as well as their priorities and needs for cooperation. This exchange is the foundation for reaching agreement on and updating cooperation actions. Also, it provides insight into the opinions of national agencies regarding the Institute's performance and the policies, rules</p>

<b>TOPIC: COMPILATION AND DISSEMINATION OF QUALITATIVE AND QUANTITATIVE INFORMATION</b>	
<b>RECOMMENDATIONS</b>	<b>PROGRESS IN COMPLIANCE AND OBSERVATIONS OF THE ADMINISTRATION</b>
<p>comments and suggestions for improving project evaluation systems.</p> <p>18. Promote agreements among the Members States that would allow other members access to experiences generated by programs and projects already under way.</p> <p>19. Adopt a common management and accounting system at all levels in order to conduct comparative analyses in the fields of finance, performance, costs and impact of evaluation.</p>	<p>and procedures of interest to them, which they usually convey to the Regional Directorates and to Headquarters, as the case may be.</p> <p>IICA will seek to extend the mechanisms for joint action among groups of countries for the exchange of experiences and the formalization of agreements.</p> <p>In addition, it should be noted that one of the Institute's key strengths is the transfer of successful experiences through: a) multinational projects; b) technical networks; c) electronic forums; d) international events and meetings; e) production of technical materials; f) training activities; and g) dissemination of information which have been described above.</p> <p>Installation of the first stage of the BAAN system is currently nearing completion, with it having been installed in almost all the Cooperation Agencies in the Southern Region and at HQ. This system will have six principal integrated activities. Consolidation, which will contain consolidated information from all the Cooperation Agencies. The DEM, which is the process modeling toolkit. Distribution, which centralizes Procurement, Reception of Materials, Inventory, Sales and Stocks. Projects, in which we will have everything related to the Control of Projects, Control Options, Follow-up and Budget Generation. The BAAN Enterprise is where we will have the management indicators and follow-up reports. Finally, there is Finance, which will include Accounting, Treasury, Accounts Payable, Accounts Receivable and Budget Control. This integrated system will enable us to conduct comparative analyses in the financial and project areas, exercise greater and better control over cash, and monitor management indicators, among other advantages, in this way complying fully with the recommendation of the Advisory Commission.</p>

<b>TOPIC: IMPACT OF DECENTRALIZATION</b>	
<b>RECOMMENDATIONS</b>	<b>PROGRESS IN COMPLIANCE AND OBSERVATIONS OF THE ADMINISTRATION</b>
<p>20. Develop a strategy to complete the decentralization of areas of responsibility from HQ to Regional Centers and Regions to Cooperation Agencies. This will involve not only decentralizing human and physical resources (including technology and communication infrastructure improvements), with accompanying delegation of authority, but also strengthening the regional and horizontal integration process.</p>	<p>Main achievements:</p> <p>The <b>administration of IICA personnel</b> has been decentralized (except in the case of International Professional Personnel). The Cooperation Agencies and Regional Directorates have final responsibility for their actions in the area of human resources, including everything related to personnel recruitment and selection, performance evaluation, training, etc.</p> <p>For reasons of institutional policy, in the case of International Professional Personnel recruitment and selection, as well as administration, must continue to be managed at Headquarters.</p> <p>With regard to <b>physical resources</b> (infrastructure, communications technology), firewalls have been installed that afford the Cooperation Agencies and Regional Centers secure and stable access to the systems at Headquarters. The band width of the Internet connection at Headquarters was increased from 512 kbps to 1.544 kbps, and the type of connection was changed, to one that is more stable and provides a better quality service. Thanks to this new connection, with triple the band width, the Cooperation Agencies and Regional Centers are better equipped to exchange information via the Internet, including the possibility of replication among institutional systems. Furthermore, some of the servers have been replaced at Headquarters, in order to provide faster response times and more storage capacity, particularly those used for the email and data base activities for the institutional systems.</p> <p>The above activities, combined with others described in this document, are strengthening the Institute at the regional and national levels, and maintaining the necessary institutional integration.</p>

<b>TOPIC: INFORMATION AND CONSULTATION ON THE DECISION - MAKING PROCESS FOR MAJOR ACQUISITIONS SUCH AS INFORMATICS AND ACCOUNTING SYSTEMS</b>	
<b>RECOMMENDATIONS</b>	<b>PROGRESS IN COMPLIANCE AND OBSERVATIONS OF THE ADMINISTRATION</b>
<p>21. Review and revise policies, norms and procedures for acquisitions and contracts with an emphasis on important, strategic acquisitions, with the objective of assuring the most effective procedures.</p> <p>22. Communicate these new policies, norms and procedures, provide the necessary training and install a monitoring mechanism to assure compliance at all levels of the organization.</p>	<p>Consolidation of the decentralization process under way should contribute to strengthening regional and horizontal integration recommended by the Advisory Commission.</p> <p>The Institute has been improving the mechanisms that guarantee adequate controls for the procurement of goods and services that have been decentralized. These include the Procurement Manual, the Financial Rules, the Executive Order on Consultants, and other internal control procedures. It should be pointed out that large purchases made with external funds are processed pursuant to the rules established by the governments and the financial organizations in the respective agreements and contracts. These manuals and regulations are being revised in order to proceed to adjusting them to the requirements of the BAAN system and taking into account the recommendations of the Commission.</p> <p>Due to the installation of the new BAAN system, a review is being made of the procedures for administering the Institute's resources. Application of the new system requires intensive training program for all staff in the different Institute units, which is under way at HQ and in the Southern Regional Center. This program will make it possible to comply with this recommendation and to address specific proposals from the governing organs of the Institute, and that will require changes in the rules and procedures.</p>

<b>TOPIC: INFORMATION AND CONSULTATION ON THE DECISION – MAKING PROCESS FOR MAJOR ACQUISITIONS SUCH AS INFORMATICS AND ACCOUNTING SYSTEMS</b>	
<b>RECOMMENDATIONS</b>	<b>PROGRESS IN COMPLIANCE AND OBSERVATIONS OF THE ADMINISTRATION</b>
23. Establish a mechanism for informing Member States and enabling them to participate in major acquisitions.	IICA purchases goods and services following purchasing procedures and regulations that allow it to provide the Institute's different operating units, in a timely manner, with the goods and services they need to execute activities carried out in compliance with the mandates issued by the governing organs. These procedures and regulations aim to ensure the efficient application of resources earmarked by the Institute for purchasing goods and services, and the best conditions of quality, price and technical support possible for users.  "Major acquisitions" are very few and made on the decision of IICA's Steering Committee, based on an analysis and evaluation of offers pursuant to current rules. In order to have all the necessary information, greater clarification is required from the Special Advisory Commission.
	<b>TOPIC: THIRD PARTIES' ANALYSIS</b>
<b>RECOMMENDATION</b>	<b>PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION</b>
24. Deferred to the next round.	

<b>TOPIC: BUDGET FORMULATION FOR THE NEXT BIENNIUM</b>	
<b>RECOMMENDATION</b>	<b>PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION</b>
25. Preparation of future budgets should include input from the Advisory Commission. No decisions on financial issues should be taken that have budget implications for the next administration.	In order to maintain normal Institute activities and also address the recommendation of the Special Advisory Commission, the Administration decided to: a) prepare the draft Program Budget only for the 2002 fiscal year, leaving the incoming administration freedom to introduce adjustments and formulate the proposal for 2003; b) the budget proposal for 2003 does not include increases in the quota contributions of the Member States; c) technical and institutional policy measures were adopted to address some of the specific recommendations; d) the Program Budget was formulated pursuant to the rules in force. It was considered that format and other issues should be decided by the incoming administration in consultation with the Advisory Commission. This is one of the reasons for presenting only one year of the Program Budget.
	<b>TOPIC: SALARY PROPOSALS</b>
<b>RECOMMENDATION</b>	<b>PROGRESS IN COMPLIANCE AND COMMENTS OF THE ADMINISTRATION</b>
26. The Director General should review the study and the analysis, accuracy, budgetary implications, impact on staff morale, legality and timing, before making any concrete proposals.	While we recognize importance and usefulness of salary study, and we share the recommendations on same, implementation of the proposed measures requires adoption of regulatory, legal and financial measures and others related to institutional climate. Considering the Institute's present financial situation and the implications thereof, we expect to have the results of the analysis being made by the General Directorate before the conclusion of this Administration.

**TOPIC: CHANGES TO ELECTORAL RULES**

**CONSIDERATIONS**

**PROGRESS IN COMPLIANCE AND  
COMMENTS OF THE ADMINISTRATION**

**27.**

Art. 1, paragraph 1.2 last sentence "... may not be a candidate"  
Art. III paragraph 3.1 Footnote inconsistent  
Art. II. No reason to change it. Changes be instituted only after the next election.

The proposed Electoral Rules that include the amendments recommended by the Special Advisory Committee were submitted to the consideration of the Executive Committee, at its Twentieth Regular meeting, and adopted by that body by means of Resolution IICA/CE/341(XX-O/00).



**IICA**



**EXECUTIVE COMMITTEE**

**Twenty-first Regular Meeting  
San Jose, Costa Rica  
25-27 July 2001**

**2002-2003 PROGRAM BUDGET**

**IICA/CE/Doc.387(01)**

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